

### Testimony of Christina Zuiderveen

My name is Christina Zuiderveen. Two years ago today, I sat before the Senate ag sub-committee to give my testimony calling for changes to the milk pricing formula. I'm happy to see the legislative process working and to continue my efforts to create a level playing field for dairymen in the Central Plains and across the country.

I have previously served on the Central Plains Dairy Expo board and currently serve on the Iowa State Dairy Association board, as well as the Edge Dairy Farmer Cooperative Committee on Political Affairs. Through these organizations, I have actively advocated for dairymen on both the state and federal levels.

I am a managing partner at Black Soil Dairy in Northwest Iowa and Dakota Plains and Mount Hope Dairies in Southeast South Dakota. Across these three locations, we milk 15,000 cows and employ approximately 100 people. My husband and I and our three children live in Iowa and work closely with my brother and his family, who live in South Dakota. The growth of dairy in the I-29 corridor has been fueled by ample land available to provide feed for our livestock, as well as states that have given agricultural businesses fair environmental and regulatory policies. These conditions made us want to start our businesses here, but the supportive communities are a great place to raise our family and are what keep us in the Central Plains.

We use both owned and rented land to grow corn, beans and alfalfa, as well as a bit of cover cropping to provide forage for our cattle. Our South Dakota location has an operating digester while we are still in the construction phase in Iowa. In the last few years, we have begun to improve the genetics of our cattle through an embryo program that we are developing with reproductive specialists within the industry. We have continually increased the net merit and cheese merit of our cattle and improved our milk components through this technology.

We are members of Edge, the third-largest milk cooperative in the US by total milk volume. All three farm locations are within Federal Order 32 and ship to a privately owned cheese processor; therefore, our milk check is primarily based on Class III pricing.

When I testified two years ago, my family in Michigan, whose milk check is based on a blend of markets, including Class IV, struggled with low milk prices due to government food programs, depooling and PPD's. Since then, the markets have flipped with negative PPD's affecting class III and positive PPD's within class IV markets, finally evening out into relatively equal prices for both markets today. These significant differences and market volatilities are one of the reasons we are pushing for changes to the milk pricing formula.

With these things in mind, I support proposals 16 and 17 submitted by Edge, which will aid in updating the milk price formula to reflect the current product mix as well as creating a more predictable pricing structure for all classes and orders. A more predictable pricing structure is important so dairymen can effectively manage their risk through hedging and programs like DRP.

I would consider DRP one of the best tools the government has given dairymen to manage their risk. Before DRP, we could sell futures to guarantee our income, but we had to temper this decision with the chance that the milk price would continue to rise. DRP allows us to protect income for up to 15 months without missing out on the upside. Another positive of the DRP program is that it is fair to all sizes, as

there are no program caps. With the size of our farm, we meet DMC production caps in less than a week, and there is not enough liquidity in the market to purchase options to cover all our milk at one time. Having the ability to estimate our longer-term income helps us make better decisions on our farm today so that we can reach our growth goals in the future. Any lapse in the coverage through this program could negatively affect many farms.

My husband and I can both trace our roots to dairy farmers in the Netherlands who immigrated to the United States because of religious freedom and the promise of greater opportunities for themselves and their families. With the help of DRP and updates to the milk price formula, I hope that our dairy can continue to the next generation and beyond.

Thank you for again giving me the opportunity to take part in this process as we work together as an industry to continue creating safe and nutritious products to feed the world.