

Ohio Senate Agriculture and Natural Resources Committee
Proponent Testimony
Chris Weaver
Bridgewater Dairy
House Bill 33
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Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, and members of the committee—thank you for the opportunity to testify on behalf of House Bill 33, and specifically requesting the support of an amendment to change how we fund our Dairy Division at the Ohio Department of Agriculture.

My name is Chris Weaver, and my family has been involved in dairy farming for six generations. My father and I purchased our farm in Williams County and started out with 500 cows — now, we have about 6,000. Additionally, we have a manure digester, which converts the energy stored in manure into methane, which is used to produce electricity. The digester also recycles the sand we use for cow bedding in our barns and greatly reduces manure odor. We have buffer areas around our entire farm, which are designed to keep nutrients on the fields from entering the local water supply.

I serve on the boards of the Ohio Dairy Producers Association (ODPA) and the Ohio Farm Bureau Federation (OFBF). By way of background, the ODPA is a grassroots legislative, research, and producer education organization, representing and advocating for dairy farmers from across the state, regardless of farm size, breed or production strategy, marketing preference, or political affiliation.

Ohio is home to 251,000 dairy cows that live on 1,450 farms and produces 5.6 billion pounds (that's 653 million gallons) of milk annually, valued at just over \$1 billion and dairy farms create an economic impact in excess of \$4 billion. The average herd size is 173 cows. Ohio is ranked 11 in total milk production in the nation, and 5th in the number of processing and receiving plants. The direct economic impact of dairy products produced and sold in Ohio is \$9.7 billion, which generates 41,406 jobs for Ohioans. And as a fun fact, Ohio is #1 in Swiss cheese and #2 in lowfat cottage cheese production in the nation.

Before I get into the details of the amendment, I want you all to know that Ohio's dairy industry values the role of the ODA Dairy Division and takes great pride in the quality and talent of their leadership. They do a great job working with our dairy processing community to assure that the dairy products entering the marketplace are safe for consumption. Food safety is not negotiable, and the entire dairy industry is committed to producing, processing, packaging, and marketing safe wholesome dairy foods. We have worked with ODA on our budget request and they are supportive.

While we support many provisions in HB 33, I am here today on behalf of Ohio's dairy industry to discuss an amendment to eliminate the milk processor, milk producer, and milk hauler's inspection fees, and replace with GRF. The elimination of the fee will help retain and attract new

dairy processing facilities that contribute to the agricultural economy in the State of Ohio. As you will see from the attached chart, Ohio is an outlier in comparison of fee structures with surrounding states that we compete with every day. These fees are a barrier to attract new dairy processors and food manufacturers to Ohio and an impediment to retaining the processors we currently have in Ohio.

| State | Monthly | Yearly |
|---------------|--------------|--|
| Ohio | \$146,000.00 | \$1,752,000.00 (FY23) |
| Kentucky | \$0 | No fee |
| Michigan | \$ | Varies on size, but not more than \$1600 a year for the largest facility |
| Indiana | \$0 | No fee |
| Pennsylvania | \$0 | No fee |
| West Virginia | \$0 | No fee |
| New York | \$ | Varies on size, but not more than \$7500 a year for the largest facility |

The Dairy Division has regulatory oversight relative to milk producers, milk haulers and dairy processors. Eliminating a noncompetitive fee will encourage dairy processing and manufacturing businesses to stay in Ohio. Consumer demand for new innovative dairy products is on the rise in America and Ohio needs to position itself to be a state that is economically inviting for dairy companies to select Ohio to build and produce those new dairy products in.

Ohio’s dairy farmers need successful processors and manufacturers located in Ohio. Ohio’s dairy farm families will benefit from the increased need for milk production to meet the new demand for dairy products processed and manufactured in Ohio. If we do not adjust, dairy processing facilities will continue to shut down their older structures in Ohio and build their new facilities in other states. When that happens, we dairy farmers lose our market and Ohio loses economically.

As you can see, Ohio has much higher fees than any other surrounding state, making Ohio an outlier, and creating a disadvantage when competing with surrounding states. We are aware of a major dairy company that is currently looking at building a new innovative dairy processing facility and we are in competition with our neighboring states of Pennsylvania, New York, Michigan, and Indiana to win the site selection. With the elimination of the dairy inspection fees, Ohio would have a better chance of being selected. The number of jobs gained would be over 225 at the processing facility and 800 jobs on dairy farms to produce the milk for the dairy company. So, in exchange of the state of Ohio investing GRF funds to cover the \$1.7 million for inspection fees, Ohio stands to gain over \$8 million in new tax revenues, annually.

As for us dairy farmers, each year Ohio loses in excess of 100 dairy farms who are unable to sustain the economic challenges and these farm closures are having a negative impact on the

rural communities that rely heavily on food production. Ohio has lost numerous manufacturing facilities over the years—including Reiter Dairy in Akron, Borden Ice Cream in Columbus, Meyer Dairy in Cincinnati, and Broughton Dairy in Marietta; just to name a few. We simply cannot afford to lose any more. We respectfully request the support of this committee and Ohio's legislature to change the way our dairy inspection program is funded and pave the way for Ohio to maintain and grow the dairy industry.

Again, thank you for the opportunity to be with you today and I would be happy to answer any questions you may have.