

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

AGRICULTURE
Senator Collins, Chair
Senator Boyd, Vice Chair

MEETING DATE: Monday, January 23, 2023
TIME: 3:30—5:30 p.m.
PLACE: 301 Senate Building

MEMBERS: Senator Collins, Chair; Senator Boyd, Vice Chair; Senators Baxley, Berman, Grall, Mayfield, Rouson, Simon, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Overview of the Fruit and Vegetable Industry by David Hill, Owner of Southern Hill Farms and Chair of the Florida Fruit and Vegetable Association		Presented
2	Update on the State of the Cattle Industry by Jim Handley, Executive Director of the Florida Cattleman's Association		Presented
3	Update on the State of the Dairy Industry by Brittany Nickerson-Thurlow, Nickerson Cattle Company		Presented
Other Related Meeting Documents			

1/23/2023

Meeting Date

Senate Agriculture Committee

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

AG Update

Bill Number or Topic

Amendment Barcode (if applicable)

Name David Hill

Phone (407) 986-5806

Address 16651 Schofield Rd

Email david@southernhillfarms.com

Street

Clermont

FL

34714

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

1. 23. 2023

Meeting Date

Deliver both copies of this form to Senate professional staff conducting the meeting

Bill Number or Topic

Senate by

Committee

Amendment Barcode (if applicable)

Name Jim Handley

Phone

Address PO Box 421929

Email

Street

Kissimmee FL

34742

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

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S-001 (08/10/2021)



**The Challenges
Faced by
FL Dairy
Farmers &
Possible Solutions**

**Brittany Nickerson-Thurlow
Dairy Farmer
Hardee County**

**Committee on Agriculture
Florida Senate**

January 23, 2023

My Farm Story

- Nickerson Cattle Company is run by our family and is in Zolfo Springs, Hardee County
- Our dairy farm is called Ten Mile Grade Dairy and opened in 2003
- Farm has 2,000 Holstein cows
- One of the very few grazing style operations left in Florida
- We also have a small beef cattle herd
- First Vice President of Southeast Milk Inc.
- Member of United Dairy Farmers of Florida



The Story of Florida Dairy Farms

- 53 dairy farms in Florida
- 2 years ago, there were 70 dairy farms
- 50% fewer farms than in 2010 due to development pressures, depressed prices, market volatility, etc.
- Most dairies are in Okeechobee, Hardee, Highlands, Gilchrist, Suwannee, Madison, Alachua and Lafayette counties and are huge economic engines for these mostly rural areas
- Total economic impact of dairy farms in Florida estimated at \$1.1 Billion annually, and more than 6,000 jobs, as reported by UF IFAS Report
- We are small in numbers of votes and have a very small number of Legislators representing us, thus it has been tough to get any attention to our plight at the State or Federal levels



Hurricane Ian Impact - My Farm



- Hurricane Ian's eye passed 3 miles south of our farm
- We were completely shut down for 26 hours and without power for 7 days
- Cattle and calf losses
- Severe animal health repercussions
- Significant milk production losses



Hurricane Ian Impact - Manatee County Farms

- **Hardest hit dairy County**
- **The several dairies owned by various members of the Dakin family saw major building damages and cattle losses**

Hurricane Ian Impact - All South FL Dairy Farms

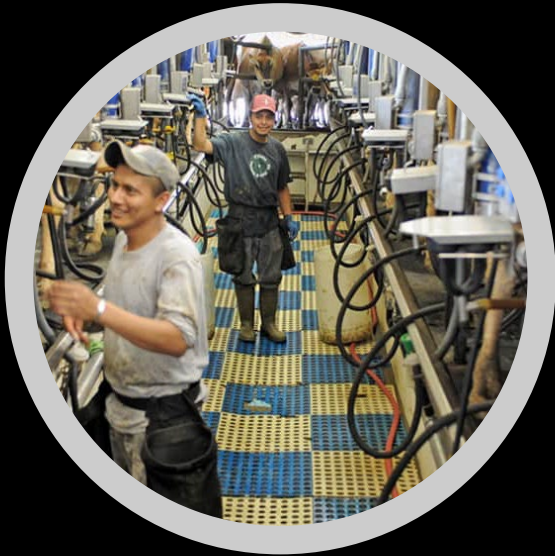
- Stressed cattle impacted milk production
- These production losses continue for months
- For my farm, it is estimated that loss milk production has resulted in \$266,000 less revenue thus far
- The percent reduction of milk connected to the event for dairy farms ranges from 5 - 45%
- Total economic impacts to all dairies is greater than \$10,000,000 and growing



Status of Hurricane Ian Disaster Relief for FL Dairy Farms

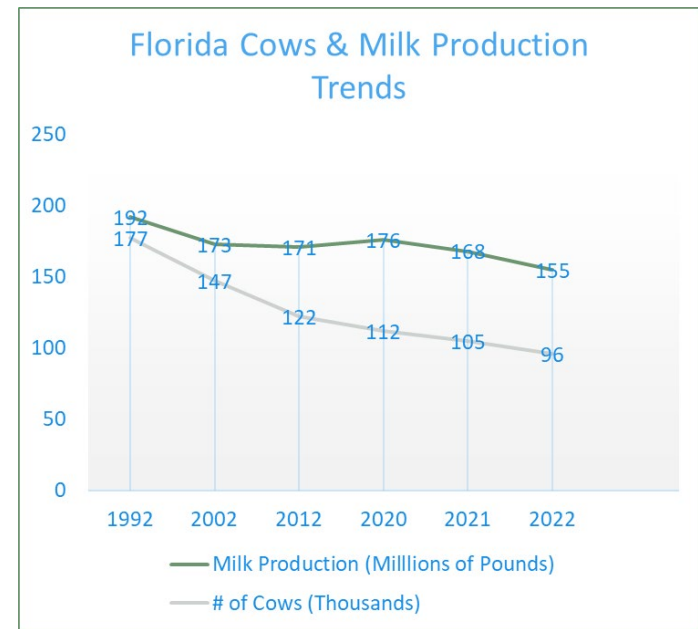
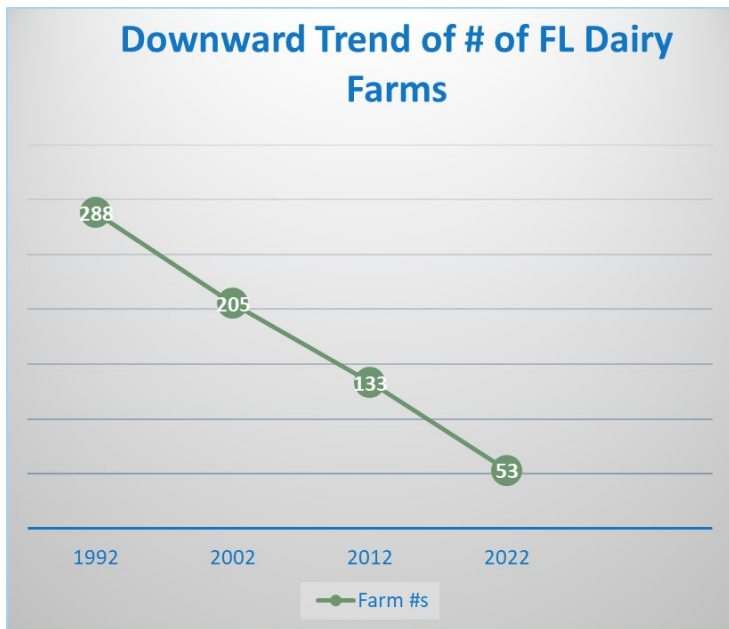
- For Hurricanes Michael and Irma, milk production losses were not eligible for Federal assistance. We were the only major ag sector in FL left in the cold by Congress with no disaster assistance.
- We are pleased the omnibus bill passed in December looks to make our losses eligible. Still waiting on details.
- But like many Federal programs, FL dairy farms are usually capped on relief amounts because of our farm sizes.
- There are talks of a possible State relief package being developed for FL farmers most impacted. We stand ready to help educate you on our needs, especially those not covered by Federal programs.





Other Challenges Faced by Florida Dairy Farmers





Challenge #1:
Declining Farm Numbers and Milk Production to
Service the FL Market-
80% Decline in Farms since 1992



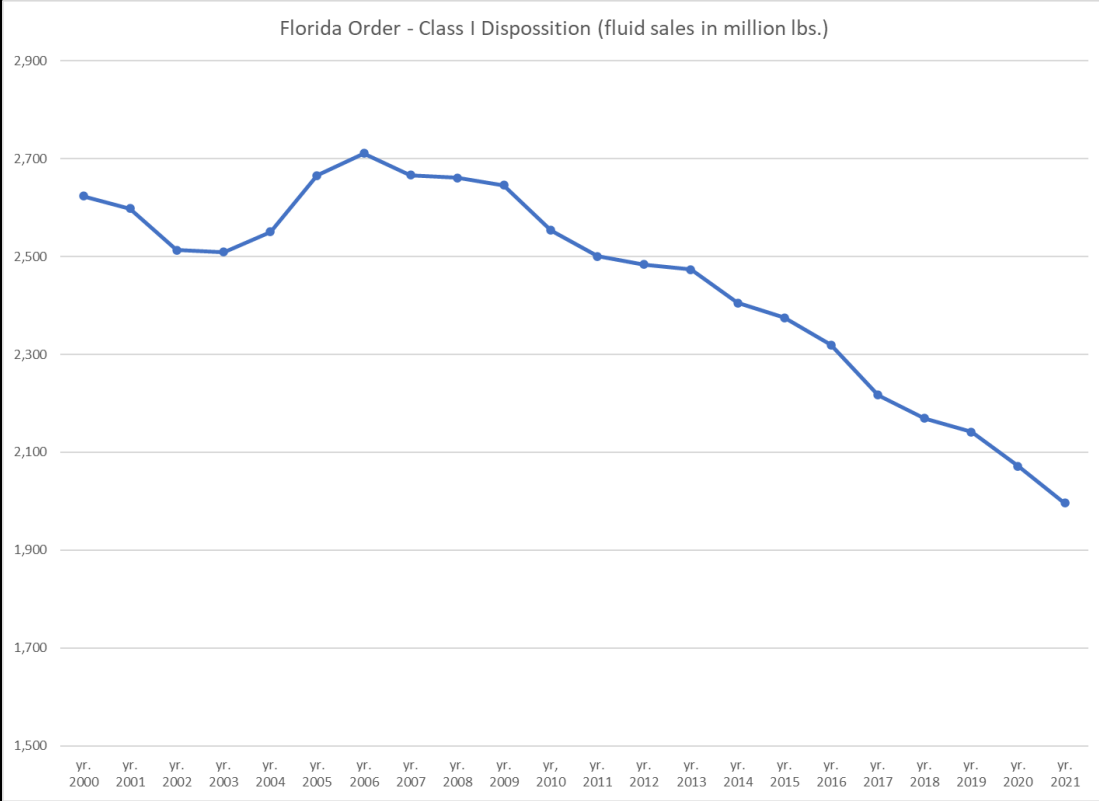
Challenge #2:

Flawed Pay Price Formula for FL Dairy Farmers

- 2018 Federal Farm Bill changed the formula used to calculate pay prices which is called the “Class I Mover”
- This “flaw” was not apparent until the COVID pandemic when the USDA initiated the Food Box giveaway with a lot of processed dairy products
- Since FL has a higher demand for Class I milk, which is “drinkable milk”, we saw our pay price nosedive
- This resulted in tens of millions of lost revenue - still mounting until USDA/Congress fixes
- This and the other COVID supply chain distributions pushed many dairies to close in the past several years



Challenge #3: Shrinking Demand for Milk



Challenge #4: Labor Availability and Increased Payroll Costs

- Finding willing and capable workers to milk our cows in this economy is tough
- Congress has failed for decades to allow dairy farmers access to migrant workers because milking cows is classified as year-round and not seasonal work
- FL minimum wage increase, high workers' comp and other insurance costs have been growing exponentially and is not allowing dairy to be able to compete
- Remember, dairy farmers are price takers and cannot set prices and pass along these costs to buyers
- Government has created the problem and there is no attempt by government to provide relief, especially at the Federal level





Challenge #5: **Record Feed, and Other Input/ Operating Costs**

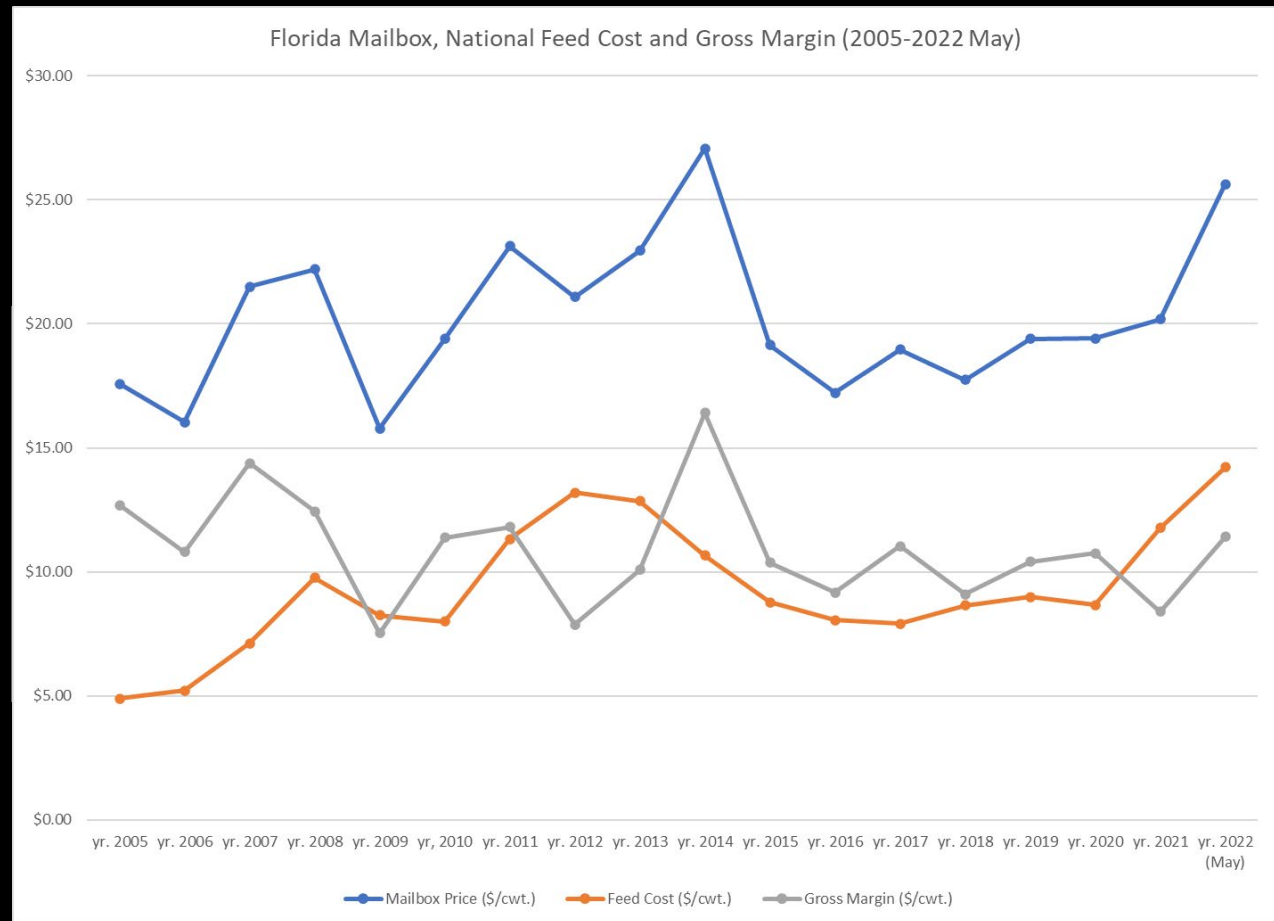
- Most of the operating costs for a dairy are in feeding cows. In south Florida especially most farms purchase their grain for feed from out of state which is shipped in via train or truck
- For my dairy, our feed costs run between \$350,000 and \$650,000 per month
- Federal government polices that subsidize ethanol production which reduces supplies, combined with the fertilizer and chemical drastic increases, means these costs are passed on to farmers like us and we have no way of recouping these increased costs
- Herd health is our top priority and quality feed is key to that and ensures adequate milk production
- Other operating costs such as electricity/power, fuel, and labor are costs run very high on a dairy farm

Challenge #6: Regulatory Costs, Namely Environmental

- Florida dairy farmers are the most environmentally regulated of any other ag sector
- Larger dairies must obtain a permit from DEP/EPA to operate which is very costly to develop and implement
- Smaller dairies must enroll in FDACS BMPs and implement accordingly
- These costs cannot be passed on; again, because we are price takers and not makers
- We are thankful to State agencies for providing funding to design and construction some of the systems needed to help comply with environmental regulations
- However, many of these advanced nutrient mitigation systems are expensive to operate and maintain and no funds are provided to help farmers cover these costs
- Lastly, these regulations are limiting production and expansion



The Impact of These Challenges: Tight Margins and Profitability for FL Dairy Farmers



Challenge #1:

Declining Farm Numbers and Milk Production to Service the FL Market

Solutions

- This is a food security issue as well as an economic issue for rural Florida
- State could look at offering cost share funding and other tax incentives to make it more economically viable to allow farms to expand milk production and enter value added dairy production
- Solutions can be discussed in later slides to address the other challenges causing this #1 challenge
- We must work together to reduce costs where we can, invest in farms to increase production and do it all in as sustainable way as possible
- Growing the number of farms substantially is probably out of reach but if State policy makers care about a local milk supply for Floridians, we need to make current farms more economically viable

Solutions



- **This is a federal issue**
- **We are working with national dairy groups, Florida Farm Bureau and others to develop short and long-term solutions for Congress and USDA to implement**
- **Our ask: Please engage the Administration and members of Florida's Congressional delegation to pursue a solution ASAP**
- **This is one of the best ways to get a major turnaround in the economics of dairying in FL**

Challenge #2:

**Fix Flawed Pay
Price Formula for FL
Dairy Farmers**

Challenge #3:

Shrinking Demand for Milk



Solutions

- The FDACS managed “Fresh from FL” program could use its marketing expertise to work with retailers/consumers/farmers to promote the benefits of local milk production
- The State could investigate offering tax incentives to retailers for purchasing milk to help increase demand for FL milk purchases and premiums
- Farmers could do a better job of connecting to the consumer directly by selling their own milk, cheese, and ice cream. The State could offer cost share funding, marketing help and other incentives that allow dairies to pursue “value added” business
- The State could investigate ways for State agencies that purchase milk/dairy products to ensure they are sourcing as much as possible from FL dairy farmers

Solutions

- This is namely a Federal issue - this Committee could urge Congress to allow dairy access to workers we can't find locally.
- State Minimum Wage increases are hitting dairy farms hard, especially when we already offer free housing and electricity, which most non-ag employers don't offer. Investigations in mitigating these impacts is needed.
- The State can continue efforts to try and get workers comp rates in check so that we are more competitive with neighboring states.
- Frivolous lawsuits are driving much of these costs and more reasonable reform in this area would be helpful.
- Lastly, the State could offer a cost share/tax incentive program to enable dairy farms to upgrade their milk barns to more labor efficiencies systems.

Challenge #4:

Labor Availability and Increased Payroll Costs

Challenge #5:

Record Breaking Feed, and Other Input/Operating Costs

Solutions

- The State can't help directly with the cost of feed itself, but there are other costs tied to feed delivery that could be investigated.
- Farmers must pay the transportation costs to have feed and milk delivered to the farm and market. The State could look at exempting the State fuel tax on these transports to provide savings.
- A similar exemption/rebate was passed by Legislature to help farmers with Hurricane Irma, and this effort could be applied again for dairy and other ag sectors impacted by Hurricane Ian.
- The insurance costs for the transport of milk and products on the road have skyrocketed. Any efforts by the State to help get these under control would be helpful to our bottom lines.
- To help reduce operating costs, the State could look at a cost share program to assist dairy farmers in upgrading their irrigation motors, pumps, fans and lighting to more energy efficient systems.
- Lastly, most of the items purchased for use on farm are exempt from sales tax. State could provide further exemptions and make it easier for farmers seeking these exemptions through a blanket exempt like those dairy farmers in GA receive.

Challenge #6:

Solutions

Regulatory Costs, Namely Environmental

- Increased cost share funding for dairy farmers statewide to assist with BMP and advanced nutrient mitigation systems construction.
- Recognition that some of these systems are very costly to operate and maintain and thus State assistance in these costs.
- State support of efforts to produce an exportable and marketable organic fertilizer from dairy manure to allow for better utilization/export and create opportunities for credits in farms permits to allow for herd expansion and extra revenue to help subsidize these regulation costs.
- Renewable energy development on dairies is directly tied to helping dairy farms better manage their manure. To encourage more development of renewable energy production on dairy farms, the State could provide incentives and support of these developments.

Next Steps in Trying to Help FL Dairy Farm Families Overcome Challenges




- The solutions to overcome these challenges are complex.
- This effort today is part of our expanded engagement with the Florida Legislature to work toward solutions.
- Our farmer-owned and managed organization, United Dairy Farmers of Florida, can work with the State on this effort.
- What is at stake is an important part of our local food supply and the economies of the rural counties that depend on our survival.
- Remember empty milk shelves during COVID? It could've been much worse without a local milk supply.



Our Vision

With your help,
I see a bright
future for FL dairy
farmers where...

- Dairy production in Florida increases to meet the growing population's demands because of the State incentives to remove barriers to growth
- A network of renewable energy facilities developed on dairies that will reduce greenhouse gases, enhance environmental mitigation efforts and help power Florida's economy
- More market opportunities for dairy manure to be utilized as organic fertilizer and other sustainable uses
- Dairy production is environmentally and economically sustainable
- Floridians have greater appreciation for the safe, high quality, and socially responsible milk products of Florida's dairies
- Florida dairy farm families have a stronger economic outlook and can continue to make positive contributions to their local communities' economy



**Thank you for
allowing me to
speak with you
and I will answer
any questions
you may have.**

**Brittany Nickerson-Thurlow
Dairy Farmer
Hardee County**

**Committee on Agriculture
Florida Senate
January 23, 2023**

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/23/2023
Meeting Date

Bill Number (if applicable)

Topic Agriculture Committee - Dairy Speaker

Amendment Barcode (if applicable)

Name Brittany Nickerson-Thurlow

Job Title Dairy Farmer

Address 9060 Ten Mile Grade

Phone 863-446-2735

Wolf Springs, FL 33890
Street City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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CourtSmart Tag Report

Room: SB 301

Case No.:

Type:

Caption: Senate Agriculture Committee **Judge:**

Started: 1/23/2023 3:32:23 PM

Ends: 1/23/2023 4:52:43 PM

Length: 01:20:21

3:32:21 PM Meeting called to order by Chair Collins
3:32:32 PM Roll call
3:32:45 PM Quorum present
3:32:50 PM Pledge of Allegiance
3:33:32 PM Tab 1 - Overview of Fruit & Vegetable Industry
3:33:46 PM Presentation by David Hill, Owner of Southern Hill Farms; Chair of Fla. Fruit & Vegetable Assn.
3:48:02 PM Sen. Thompson recognized
3:49:22 PM Sen. Mayfield recognized
3:53:09 PM Discussion
3:53:14 PM Sen. Boyd recognized
3:54:49 PM Sen. Baxley recognized
4:01:23 PM Sen. Rouson recognized
4:04:33 PM Mr. Hill concludes presentation
4:04:55 PM Tab 2 - update on state of Cattle Industry
4:05:08 PM Presentation by Jim Handley, Exec. Dir. of Fla. Cattleman's Assn.
4:23:55 PM No questions
4:24:01 PM No discussion
4:24:13 PM Mr. Handley concludes presentation
4:24:33 PM Tab 3 - update of state of dairy industry
4:24:43 PM Presentation by Brittany Nickerson-Thurlow of Nickerson Cattle Co.
4:42:44 PM Questions
4:42:50 PM Sen. Boyd recognized
4:45:24 PM Sen. Berman recognized
4:46:39 PM Sen. Mayfield recognized
4:48:26 PM Chair Collins recognized for a few questions
4:50:48 PM No comments
4:51:14 PM Ms. Nickerson-Thurlow concludes presentation
4:52:11 PM Sen. Boyd moves to adjourn
4:52:23 PM Motion adopted to adjourn