

# **Statement of Sadie Frericks**

**To the Subcommittee on Livestock and Foreign Agriculture**  
of the U.S. House of Representatives Committee on Agriculture

**Reviewing the State of the Dairy Economy**

April 30, 2019



Good morning, Chairman Costa, Congressman Rouzer, and members of the Subcommittee. My name is Sadie Frericks. I am a dairy farmer from Minnesota. Thank you for inviting me to speak to you about the state of the dairy economy.

I'd like to start by telling you a little about my farm. I own, manage, and operate a first-generation dairy farm together with my husband, Glen, and our three children, Dan, Monika, and Daphne. My son is here with me today. We milk 90 cows and manage 200 acres of pasture and cropland.

Fourteen years ago, we left secure jobs with full benefits to answer the call to farm. We enjoyed the life we had created in the suburbs – but something was missing in our lives. We spent all of our weekends at either my family's farm or Glen's family farm. It turns out the cows were calling us back.

We started our dairy career on my father's farm. But it quickly became clear that we didn't have a future there. The dairy industry was dying in that part of Minnesota and as farm numbers dwindled, so, too, did all of the other businesses that dairy farms rely on – milk processors, feed mills, equipment sales and repair, etc.

So we moved our 40 dairy cows to the part of Minnesota where Glen grew up. We bought 20 acres with a house and a barn. We rented 200 acres of cropland, on which we were able to grow the corn silage and hay we needed to feed our cows.

A lot has changed since we bought our farm. We've doubled the number of cows we milk. We've more than doubled the size of our family. We discovered that we love more about dairy farming than just the cows. We love spending every day together and raising our kids on a farm. We love doing meaningful work and giving tours of our farm so others can learn more about dairy farming. We love utilizing our creativity and problem solving skills to overcome challenges.

And, believe me, there have been some challenges.

First came 2009 and milk prices lower than anyone thought possible. We got through that year with the help of our farm business management instructor and our Farm Service Agency lender. Then, we ended up losing most of our cropland when a neighbor offered our landlord a rental rate we couldn't afford. We switched to buying most of our hay and corn silage and relied more on grazing our cows.

Now we are facing our biggest challenge yet. We got into dairy farming knowing that prices cycle – both for milk and for feed. Accordingly, we planned for those cycles. We saved money during the good years and spent carefully during the lean years.

Unfortunately, prices haven't cycled for the past several years. They're stuck at a level just below our cost of production. In other words, we're not turning a profit. Our challenge

currently is that all of the money we saved during the good years is gone. For the first time in our farming career, we asked our bank for a line of credit so that we could keep paying our vendors.

I cannot fully explain the level of mental and emotional stress that came along with watching our savings evaporate and our short-term debt accumulate.

I can tell you that our farm business would not survive another year like 2018. We talked countless times about how to adjust our business plan so that we can keep doing what we love. Each time, that discussion ended with reducing the size of our herd and one of us getting a job in town.

We aren't having those discussions anymore. First, we set a price floor through the new Dairy Revenue Protection insurance that was approved by USDA last year. Second, by our calculations, the federal Dairy Margin Coverage program will help us mitigate risk and secure a profit going forward. We will continue working together, with our children, to care for our cows and our land.

While we'd rather not have to rely on government programs, I hope DMC and other risk management tools will allow other family farms to continue doing what they love, as well. Rural America needs successful farms, both for our engagement in our communities and for our economic contributions.

In a typical year, our farm spends half a million dollars, mostly in our local community. Almost every dollar invested in DMC will ultimately be invested in rural America.

I'd like to finish by thanking Chairman Peterson for his long-standing support of dairy farmers and all of the committee members for these much-needed improvements to the Farm Bill.

Thank you for the opportunity to speak to you today.