

Chris Holman: Milking scapegoats

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Ever since Grassland Dairy issued their 30-day notice that they'd be dumping around 75 farms in the wake of a well-known and long understood decision by Canada to support their domestic dairy sector by discouraging imports of ultra-filtered milk from American processors, media coverage has focused on various attempts to mitigate the PR nightmare and control the damage wrought by the abrupt and hard-hearted business decision.

This week President Trump joined the fray when he visited Wisconsin to tell the world that, "in Canada some very unfair things have happened to our dairy farmers and others."

It's curious to this observer that the fair treatment of American dairy farmers somehow starts in Canada. Maybe the temptation to initiate a trade war with one of our neighbors and strongest trade partners is so deep-seated, that he and his advisors couldn't resist jumping into the milking parlor to champion a rural cause and prove to the rural Americans who voted for him that despite not paying much attention to them since the election - and still not having an appointed Secretary of Agriculture — he and his team really do care.

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Political posturing aside, the truth behind the unfolding nightmare is clarified in an April 11 article in Wisconsin State Farmer that quotes Dallas Wuetrich of Grassland Dairy saying, "We've been aware of the issue for over a year... and have been working with dairy groups and government to solve it - it hasn't happened."

To be fair to Wuetrich, at least he and Grassland came out to make a statement. One can appreciate that he highlights just how long we've known this was coming.

He went on to say that, “It was a tough decision on our part, one of the most difficult we’ve ever had to make.” I have no doubt it was a troublesome decision, but it still boggles the mind that with a year to contemplate the best way to handle things, the processors and others involved seemed to collectively agree that giving farmers the same amount of notice one normally gets to vacate a rented apartment would be enough time. The only thing a 30-day notice is actually sufficient for is limiting how long they will have to navigate the repercussions of their decision in the realm of public opinion.

This does not even touch on the fact that Grassland has been buying up dairies in Wisconsin and has pushed hard to expand at least one of them so they can vertically integrate their business. Perhaps that’s just “good business” these days in agriculture, but we’ve seen what this looks like in other sectors, and it’s not pretty for most farmers. It’s worth mentioning that Grassland is not alone in pursuing these practices, either.

The processors involved don’t have the luxury of distance from all of this, but there are plenty of actors in politics and industry who are stepping in to pass the buck, cleverly directing the blame toward Canada. Now, scapegoating Canadian trade policy is a brilliant move as morally flexible politics goes, but as is often the case with fingerpointing, anyone doing it in a situation like this looks suspiciously like a guilty four-year-old. Rather than look you in the eye and tell the truth about their complicity, they frantically look around for someone else to blame. If no one else is around, a convenient imagination will conjure up something to fill the void. Sorry Canada, this time that thing is you.

What no one seems to want to talk about is that the status quo before this occurred was still a startling high loss of farms per year. Yes, some farmers walk away because it’s time to retire, and some farmers decide not to farm anymore for one reason or another. That said, plenty more farmers want to find a way to persist, but the cards are stacked against them. It has been reported that many of the farmers dropped by Grassland are younger farmers with families whose farms have been in production for generations. It’s a raw deal for them no matter how you look at it. Many of them may soon join the ranks of lost dairy farms in Wisconsin. One wonders how much of a future there is for dairy farmers in America’s Dairyland if our state was losing around 400 dairy farms per year before decisions like this were made.

The key piece of information in this story is that U.S. dairy farmers are simply producing too much milk. According to data from the U.S. Department of

agriculture, 43 million gallons of milk were dumped in fields, manure lagoons or animal feed or were discarded at plants just in the first eight months of 2016.

Farmers are caught in a vicious cycle. When markets are up, farms often expand and production increases to take advantage of better prices. When the milk supply goes up and markets are down, farms often expand and production increases as they try to keep their heads above water. If that's not a recipe for more of the same, I don't know what is.

Here in Wisconsin, state programs like the Grow Wisconsin Dairy 30x20 Initiative have made the situation even worse. Beyond pushing Wisconsin dairy farmers to reach 30 billion pounds of milk production by 2020, the initiative—with no sense of irony—provides grants “to improve the long-term viability of Wisconsin’s Dairy Industry.” If you dive into data from USDA and the Wisconsin Agricultural Statistic Service, we’ve lost 2,411 dairy farms since March 2012 when the 30 x 20 initiative was announced. That’s an average of almost 500 dairy farms per year. We are growing our production but it is being done by fewer and fewer, larger farms.

This all has a predictable end. Refusing to change our policies in agriculture right here at home will lead us further down the road to monopoly. We’re already firmly in the grasp of oligarchic practices with a small handful of massive, multinational conglomerates running the show in most sectors of agriculture.

Consolidation of land, farms, and corporations coupled with the death of the midsize farmer is encouraging ever more mergers, more vertical integration and more distance between your average citizens, the food they eat, the farmers who produce the food and the rural landscape that used to be the backbone of the nation. If farmers continue to accept this as some sort of unavoidable reality, we will have to take prices that guarantee a future no one but the titans of industry can navigate once they’ve shrugged us all off.

Consumers have an even greater role in all of this, as the never-ending pursuit of cheaper production in agriculture is generated by the foodstuffs we purchase. Affordable food is certainly laudable, but we should ask ourselves if there’s room in agriculture for anything but the excessively large farms that will be able to create profit for shareholders while minimizing costs of production to levels that defy belief and honest accounting. When we reach that point, will they be, like the banks that sunk the economy only a few years ago, too big to fail?

As the old saying goes, no one likes to see the sausage being made, and that is exactly what this fiasco is. That's why farmers received their unsigned, uncaring letter with less than a month to figure this out. If they had been given longer, they would have had more time to move their milk or reinvent their lives to something beyond dairy farming, but that's not what's really important here from the PR perspective. Rather, the 30 days only gives everyone else who is upset by this a month to be outraged by it. If you're a farmer, you have a month to fatalistically hope for the best for your peers while also hoping to God that the invisible hand of twisted industry policy doesn't grab your livelihood by the throat and squeeze it out of existence, too.

No, this is a glimpse behind America's curtain and into the abattoir that we were never meant to see. Only this time, it's farms, farmers and the dairy cows that will be culled out of production and transformed into something far more palatable and easier to digest—a hamburger perhaps.

If we're going to be honest with ourselves, there's only one thing to blame Canada for in all of this and it's that they've held up a mirror and forced us to reluctantly turn around and take a look at our troubled visage. Make no mistake, this is a moment that many will try to prevent from ever happening again. There's just too much made vulnerable for those who have a lot invested when the background noise of economic injustice is brought to the fore. The powers of industry and their political allies have been telegraphing their intentions for quite some time now and managing the pace of those intentions is clearly important given the visceral reactions people have when confronted with them.

Many dairy farmers say they get one good year out of every three, so it won't be long before dairy farmers will get another chance to test their mettle. While looking for a new home for milk from the farms that were dropped from their processors is a good short-term solution, the industry needs to also look at the long-term and seriously consider oversupply management or other measures like the Market Driven Inventory System that has been proposed by National Farmers Union for other commodities in the past. If we hope to see robust family farms and rural communities in Wisconsin's future, we need to reduce volatility in the markets.

American farmers need to stick up for themselves and demand better for themselves, their families, their farms, and their animals. If we cannot muster the energy to do so in moments like this one, we never will. At that point, Canada won't be around to scapegoat, and we'll only have that reflection in the mirror to blame.

— *Chris Holman is District 6 director for Wisconsin Farmers Union.*