

DROP IN DEMAND, PRICES PUTTING MANY OUT OF BUSINESS

# Dairy farmers see livelihood turning sour



PHOTOS BY PETER CIHELKA / THE FREE LANCE-STAR

**ABOVE:** Ken Smith checks a sprayer before fertilizing the corn crop he'll feed to cows at his dairy farm in Remington.

**TOP:** Smith programs a GPS on his tractor. He's the fourth generation in a family of dairy farmers dating back to 1909.

BY ADELE UPHAUS-CONNER  
THE FREE LANCE-STAR

When Ken Smith looks at his herd of 1,600 black-and-white Holsteins, he sees family.

"I know this one's father is Wrench and this one's mother is number 6793," he said of the cow busily nosing at his hand on a recent Thursday morning.

"I can trace them back to the 20 cows my father had in 1945."

Feeding time was approaching for the herd at Cool Lawn Farm, Smith's 1,200-acre dairy farm in Fauquier County. As the cow started licking his hand, Smith wondered if maybe she was extra hungry or just tasted something salty. Either way, he didn't mind.

"I like everybody's natures," he said of his cows.

Smith is a fourth-generation dairy farmer—his great-grandfather switched from selling machinery to dairy farming in Harford County, Md., in 1909—but he didn't intend to go into the business.

"[A dairy farmer] was

the last thing I ever wanted to be," he said with a laugh.

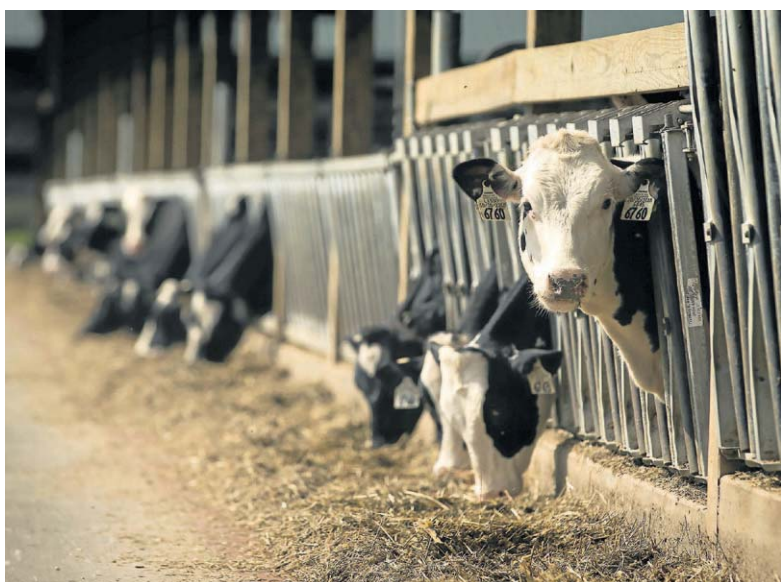
In college at the University of Maryland, he thought maybe he'd go into the restaurant industry. Then his uncle needed help milking the cows at his dairy farm and Smith found that he liked it.

"I just liked being with cows," he said.

The Smith family has now farmed at Cool Lawn since 1970—almost 50 years. But last year, "with the rain that wouldn't stop," Smith thought seriously about quitting for the first time.

The miserable, wet weather combined with

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Smith has 1,600 Holsteins at his Cool Lawn Farm, but a drop in demand for milk and lower prices are squeezing his operation.



DAIRY

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continued low milk prices and decreased demand for fluid milk to make Smith question the future of his family business. “It was fine until the last five years,” Smith said. “Those have been the worst.” “But the thing about farmers is that we’re optimists,” he said. “There’s always another year. We hope things will get better.”

PLUMMETING PRICES

June is National Dairy Month, but it might be difficult for Virginia’s dairy farmers to find a reason to celebrate. Americans are drinking less milk than ever before. The average annual consumption of milk per person has plummeted from 247 pounds in 1975—shortly after Smith’s father started farming at Cool Lawn—to 149 pounds in 2017, according to the USDA.

“We’re living in a fragmented society,” Smith said. “People aren’t eating breakfast at home as a family anymore. The family unit is broken.” And while demand for fluid milk has fallen, supply has not. “For a producer who is milking a cow, it’s not like you can turn a spigot off,” said Tony Banks, assistant director of commodity marketing at the Virginia Farm Bureau. “That milk is coming in every day, two or three times a day, whether you are ready or not.”

The Federal Milk Marketing Order was created in the 1930s to regulate milk prices because unscrupulous milk dealers were using dairy farmers’ urgency to move their milk supplies to force them into accepting low prices, Banks said. Milk pricing is based on a complex formula that establishes a minimum market price for fluid milk. Right now, the weighted average price of fluid milk for the entire country is \$17.70 per hundred pounds of milk, or hundredweight. That’s down from a high of \$25.70 per hundredweight in September 2014, Banks said. According to the Bureau of Labor Statistics, the average store price of a gallon of milk has also fallen since then, from a high of about \$3.80 in December of 2014 to about \$2.96 in May of this year.



Smith considers his dairy cattle family. ‘I can trace them back to the 20 cows my father had in 1945,’ he says.



PHOTOS BY PETER CIHELKA / THE FREE LANCE-STAR

Ken Smith’s dairy farm in Remington produces about 6,000 gallons of milk each day.

“This is probably the third downturn in prices for dairy since 2007,” Banks said. “From September of 2014, we have been in an extended decline—and it was already going to be a long recovery before any of the trade issues of 2018 came around.”

While prices continue to stay low, the cost of everything else involved with operating a dairy—supplies, feed and fuel—has gone up.

“Transportation costs have doubled,” Smith said. According to USDA statistics, the cost of production per hundredweight of milk in Virginia is \$25.11—so the state’s dairy farmers are losing on average \$5.91 per hundredweight sold. Smaller dairies are feeling the effects even more. Dairies with between 100 and 199 cows—the size of most of Virginia’s dairy farms, Banks said—lose an average of \$7.18 per hundredweight of milk. As a result, Virginia’s dairies are dropping like the flies on their cattle. “Statewide, we are losing a dairy farm a little more often than once a week,” said Elaine Lidholm, director of communications for the Virginia Department of Agriculture. According to the Virginia Farm Bureau, there are about 450 Grade A dairy farms—

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—KEN SMITH, DAIRY FARMER

farms that produce milk for fluid consumption—in the state. There are no remaining dairy farms in Caroline, King George or Stafford counties. Spotsylvania has two—one cow dairy and one goat dairy. There are seven dairy farms in Culpeper, four in Orange and 13 in Fauquier. “When we moved [to Fauquier], there were 127 dairy farms,” Smith said. When a dairy farm goes out of business, it’s a loss to the local economy. “The economic investment required to have the equipment and the cows to operate a dairy farm is a major investment for rural communities,” Banks said. “Those monies are spent in the community. The auto parts store, the equipment dealers—they don’t like to see a dairy farm go out of business.”

A 2015 study for the Virginia Department of Agriculture by the Weldon Cooper Center for Public Service found that the state’s dairy industry accounted for \$2.298 billion in total output, 7,875 employees, \$451 million in value-added and \$159 million in labor income. “That study was conducted when prices were up, but the relationship remains whether the values are as high as they were in 2014,” Banks said. Smith employs 17 people at Cool Lawn Farm. His caretaker has worked there for 15 years and his herdsman for 20 years. His son, Ben, works there as well and hopes to keep the family business going. “[Dairy farmers] are all just trying to survive for the next

generation, and that’s a terrible way to do business,” Smith said.

A ‘PITTANCE’ OF SUPPORT

Several national and state measures have been introduced to help the dairy industry since 2014. “In the past couple of recent farm bills, there have been some programs that have come about to allow processors and producers to enter into pricing contracts that were outside the federal order system,” Banks said. “But there’s still a requirement, especially on the fluid side, that the contract has to meet a minimum federal price.” The 2018 Farm Bill authorized a new Dairy Margin Coverage program, a voluntary program that provides financial protection to dairy producers when the difference between the milk price and the average feed cost falls below a certain dollar amount selected by the producer. Payments are triggered each month this occurs. According to the Farm Bureau, payments were triggered in January, February, March and April this year. But Smith said the payments under this program have been “a pittance.” “They’re so small, they wouldn’t even take care of freight,” he said. Last year, the Virginia Department of Agriculture conducted a study to see if the state’s dairies produce enough fluid milk to support a regional processing facility for cheese, yogurt or other products. The results showed that Virginia could support such a facility. This would provide dairy farmers with another market for selling their milk outside of the federal order. While per capita consumption of fluid milk has fallen over the past decades, consumption of yogurt and cheese has dramatically increased. “We have localities that are interested in a facility like that,” Banks said. “The state is not going to build a cheese plant—it’s up to the private sector—but

hopefully we can attract a manufacturer to Virginia.” Banks said some Virginia dairies have started processing their own fluid milk to sell bottled milk, cheese, yogurt and ice cream. “And some have been quite successful,” he said. “With the local food movement, now is certainly a time to give consideration to those activities—if that’s something that fits into your farm plan and you have the ability to make that investment.”

STUCK IN THE MIDDLE

At Cool Lawn Farm on a recent rainy morning, more and more cows left the piles of hay where they were resting to move leisurely to the front of their barn. A truck full of feed was approaching and they knew what time it was. Smith left the barn and walked down the hill to where an empty milk transport truck was parked in front of the milking parlor. He attached the hose running from the giant milk storage tank and started filling the empty truck with milk.

It had already made one run that morning to the processing plant in Newport News owned by the Maryland and Virginia Milk Producers Cooperative Association—of which Cool Lawn Farm is a part—and would make at least one more that day, Smith said. With 700 cows going through the milking parlor three times a day, Smith said he sends about 6,000 gallons of milk daily to the plant.

From there, it goes mostly to Food Lion and Giant stores along the east coast. Milk from the Newport News processing plant is also sold locally under the Maola brand. If Virginia’s dairy farms keep going out of business, Smith said, milk considered “fresh” will have traveled for five to seven days across the country before it hits shelves.

“Do you want your milk coming from Texas or Indiana?” he said. Smith said he is “no activist,” but he’s frustrated with the way milk prices and exports are regulated. The U.S. exports milk to China, Europe and Africa, and Smith said the export market is growing as countries improve their economies and diets. But tariffs are cutting into profits. “The government could stop interfering with the balance of trade and continue to allow dairy to be a free-market system,” he said. “Instead of putting tariffs on exports, it could do more to balance trade.” “Dairy farmers haven’t been able to earn an income and grow in a fair way,” he continued. “The U.S. is not the same country it was 50 years ago. People are moving to the coasts for more convenience and entertainment. We’re being left in the middle to feed the nation and we’re having a hard time doing that.”

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# Local businessman-vet boosts Army museum

BY ADELE UPHAUS-CONNER

THE FREE LANCE-STAR

Bob Stanford, CEO of Fredericksburg-based Zenith Aviation, travels often for work and wherever he goes, he notices the respect and admiration shown to servicemen and servicewomen.

"It's very heartwarming now to be in an airport and see people applaud when someone in military uniform goes past," said Stanford, 69.

He recalls receiving a very different welcome from the public when he came back from Vietnam in April 1971.

"When I arrived back and was going through the airport with 100 other [non-commis-

sioned officers] and enlisted people, we were literally spit on," he said. "People threw stuff at us."

Stanford said he and his fellow soldiers were told not to travel in their uniforms because that could make them targets for attack by angry protesters. But even in their civilian clothes, their short, military haircuts made them stand out.

"We were a generation that the entire country hated," he said.

Anger and sadness over this treatment, combined with a desire to see the Vietnam soldier's story told—"the good, the bad and the ugly"—inspired Stanford to recently

pledge \$1 million to the National Museum of the United States Army, which will open to the public at Fort Belvoir in June.

The museum announced its opening date in August and Stanford's donation is half of the \$2 million the Army Historical Foundation, which is raising funds for the museum, has collected since that announcement.

The foundation has so far raised \$177 million of the \$200 million campaign to build the museum, a news release from the museum states.

"This project owes a special debt of gratitude to Mr. Bob Stanford, who not only con-

tributed to the campaign at one of the highest levels as an individual, but he also served in the U.S. Army as a highly decorated aviator," foundation President Lt. Gen. Roger Schultz said in the release.

Stanford enlisted in the Army in 1968 at age 18.

"I volunteered, out of a sense of duty," he said. "I didn't like what was going on. I had been in college for a month and didn't like all the protests."

He received nine months of training as a helicopter pilot and by 19, he was a warrant officer in Vietnam, serving with the 134th Assault

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Helicopter Company.

“We were cannon-fodder,” Stanford said.

He spent a year in Vietnam and a few years stateside and then, in April of 1971, the Army “threw [him] out.”

“Me and 27,000 other helicopter pilots,” he said.

Even though his father was a veteran, having served with the Marines in World War II, Stanford said his family was embarrassed by his service.

He put the medals he’d earned in the attic of his parents’ house.

“Everybody wants to forget about Vietnam,” he said. “We all just tried to put it behind us.”

It was 15 years before he could find a job as a helicopter pilot, because the Army had trained and released tens of thousands of others and there were few jobs.

In the meantime, Stanford sold tires. Then he got a job flying for Petroleum Helicopters. After that, his job as a salesman for Learjet brought him to the Fredericksburg area.

In 2002, Stanford and his daughter Angela founded Zenith Aviation, which supplies replacement parts for regional



SUZANNE CARR ROSSI FOR THE FREE LANCE-STAR

## Vietnam veteran Bob Stanford’s gift will help Fort Belvoir’s Army Museum tell the story of that war.

and commercial aircraft.

The company now does \$16 million in gross sales to regional airlines, corporations and charter-service firms all over the world.

About five years ago, Stanford heard about the Army Historical Foundation raising funds to build a national museum dedicated to telling the story of the U.S. Army from its origins to the present.

He bought a brick from the Army Historical Foundation, attended the museum groundbreaking several years ago and became a donor, first at the \$500 level, then the \$25,000 level and then the \$250,000 level after a friend challenged him.

In September, Stanford

and a friend and fellow Vietnam veteran, Jack Apperson, got a tour of the museum as it neared completion. Stanford was impressed.

“A lot of thought and effort has gone into this museum,” he said.

There is a gallery that tells the story of Vietnam and Stanford said it is done “respectfully.” But he was dismayed when he noted that it was one of the few galleries in the museum that had not received a large gift of support.

“I just thought, ‘Here we go again,’” Stanford said. “Is this still a controversy? Are we still upset about this? It’s like everybody is still trying to hide from something that is still killing us.”

“I can get pretty teary-eyed,” he said.

Stanford said he has pictures of himself from Vietnam in which he is “covered” in Agent Orange. He has friends who have died or are dying of cancer. He has been diagnosed with stage 4 prostate cancer and said his wife suffered five miscarriages—all of which he attributes to his exposure to the herbicide.

In addition to diseases associated with Agent Orange exposure, Vietnam veterans are also at high risk for suicide. According to a 2016 report from the Department of Veteran’s Affairs, 65 percent of veterans who died from suicide in 2014 were 50 or older.

Stanford wanted to honor the sacrifices of his generation. After the tour, he talked to his wife and decided to pledge \$1 million to the museum and the Vietnam-era gallery in particular.

Despite his experience, Stanford remains proud of having served.

“You know you did the right thing—and if you’re lucky enough, you can go on to live a better life,” he said.

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# Raising children and losing ground

BY ADELE UPHAUS-CONNER  
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Cortnee Smith's monthly salary as a part-time event associate at a Fredericksburg wedding venue is \$1,200.

The cost of full-time, home-based child care for the Stafford County resident's three children—ages 7, 3 and 2—is \$1,550.

After the death of her husband in a car accident two years ago, Smith, 28, moved back in with her parents because, "without my parents, I can't afford to put our own roof over our heads."

Smith said she is looking for a full-time job, but added, "If it wasn't for my family and their assistance, I would not be able to even afford to go to work."

"Between the rate of pay in the region, the cost of living and the cost of day care, it is almost impossible for a single mother to provide on her own in this area," she said. "As day care costs increase, it becomes even less forgiving. In this day and age, it's a double-edged sword, a 'damned if you do, damned if you don't.'"

A recent report released by the National Women's Law Center found that the cost of child care has grown by 37 percent to 39 percent over the past decade—while women's wages have only grown by 5 percent in that time.

The report, "From Short-changed to Empowered: A Pathway to Improving Women's Well-Being in Virginia," also found that the gender pay gap



Smith serves lunch to Arianna and Aubree. Smith says her salary can't support the day care expenses for her three kids.



# CHILD CARE

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has narrowed by only 4 cents in the past 20 years. Women today are paid about 81 cents to every dollar paid to men, while in 1998, women were paid about 77 cents per dollar, the study found.

“The loss of earnin fish gs that results from the wage gap has real effects on women’s lives and the economy, as well as on the families that rely on women’s earnings,” the report states. “In Virginia, 61.3 percent of all mothers are primary or co-breadwinners in their families, meaning that mothers’ incomes are critical to their families’ economic security.”

The approximate dollar amount of the median gender wage gap in 2017 was \$12,000, an amount that could pay for 10 months of center-based child care, according to the report.

The wage gap is bigger for women of color, with black women making 60 cents for every dollar paid to white men. Nationally, black women are more than twice as likely as white women to be the primary breadwinners in their families.

The report found that the average annual cost in Virginia for full-time center-based care was \$13,728 for infants and \$10,608 for 4-year-olds. That is significantly higher than the national average of \$10,759 for infants and \$8,678 for 4-year-olds.

For a Virginia woman making an annual salary of \$44,000, full-time child care for an infant would take up almost a third of her gross earnings.

“The cost of child care can cost more than a year of college and without the availability of low-cost loans,” said Carol Clark, executive director of Smart Beginnings Rappahannock Area, a local nonprofit agency that works to support early childhood education in the Fredericksburg area.

Full-time child care can be difficult to access and afford. Home-based child care is usually cheaper than center-based care, but the number of home-based providers in the area is dwindling, Clark said, due to HOA and licensing requirements.

The high cost of child care forces parents—and usually mothers—to ask whether they can afford to work.

“The prohibitive costs of child care force parents to make impossible choices between paying for care or paying for other necessities such as housing and food,” the report states. “In many cases, low-wage working parents may have to turn to lower-cost care, which may be lower quality and less stable and may not sufficiently nurture children’s growth and development or protect their health and safety.”

The report’s lead author, Julie Kohler, a fellow-in-residence at the National Women’s Law Center, said the cost of child care is not just a women’s issue, it’s a societal issue.

“For so many women who are the primary bread-winners and co-breadwinners, the cost of child care is just critical in order for them to maintain the employment that they need in order to support their families,” Kohler said. “If we believe that we need to support women’s employment and the ability of families to support their children, they need to



MIKE MORONES / THE FREE LANCE-STAR

**Smith, whose husband died in a car accident, supports her three kids with the help of her parents.**

be able to access child care that is both high quality and affordable.”

## AN ‘AFFORDABILITY CRISIS’

Clark said the high cost of child care is driven by staffing ratios required for certification. Child care providers are required to employ one caregiver for every four children between the ages of birth and 16 months. For toddlers ages 16 to 20 months, the staffing ratio is five children to one caregiver.

And because many people in the Fredericksburg area commute to Washington and Northern Virginia for work, local day care centers often must be open up to 14 hours a day, from 5 a.m. to 7 p.m.

“There is a lot of cost involved,” Clark said. “People who open preschools, even with full day care, often won’t provide infant or toddler care. If they do, that’s a break-even if a program is lucky, and usually it’s a financial loss. Basically they are providing a service to the community.”

While child care costs rise, salaries for child care workers remain low.

“The other crisis alongside the affordability crisis is the fact that this is an industry that is really staffed on the backs of low-paid workers who are disproportionately women and women of color, and many times immigrant women,” Kohler said.

The solution to the exorbitant price of child care cannot come at the expense of child care workers, Kohler said.

“We should not be trying to drive down costs and wages,” she said. “It just really speaks to a broken business model in child care. We can’t just be passing along costs to families. We really need to be looking at solutions for public investment.”

The National Women’s Law Center and other national advocates for affordable, accessible child care such as Child Care Aware and the After School Alliance, recommend that policymakers at the federal level increase public investment in child care by increasing support for funding streams such as the Child Care and Development Block Grant, the Social Services Block Grant, Temporary Assistance for Needy Families, Head Start and Early Head Start.

Other federal-level solutions include strengthening tax credit

policies such as the Child Tax Credit, the Child and Dependent Care Tax Credit and the Employer-Provided Child Care Tax Credit.

At the state level, solutions include increasing payment rates for child care providers serving families who receive child care assistance and providing tax credits to families, to teachers to increase credentials, to programs to increase quality and to businesses that support eligible child care expenses at child care centers.

## ‘WOEFULLY INADEQUATE’

Virginia does offer child care assistance to eligible families. Funding comes from a federal block grant—the Child Care and Development Block Grant—and is administered by local social services departments.

However, the recent report found that state funding available for child care assistance was “woefully inadequate relative to need.” Only 5.1 percent of eligible children—and 1.3 percent of Latino or Hispanic children—receive assistance, the report states.

The Fredericksburg Department of Social Services provides assistance to 93 families representing 149 children each month, Executive Director Christen Galik said. There are 16 families on the waiting list. The program paid \$941,000 to child care providers in fiscal year 2017.

“Payments to child care providers average \$95,000 a month or an average of \$637 a month for each child,” Galik said.

Smith said she has been on the waiting list for child care assistance in Stafford “over and over again since my oldest child [now 7] was a year old.”

Michael Muse, director of Stafford County’s social services department, said 203 families representing 339 children receive child care assistance in the county. The program paid about \$2.1 million to child care providers in the county in fiscal year 2019.

Muse said there are 11 families representing 22 children on the waiting list right now.

Head Start and the Virginia Preschool Initiative provide preschool to eligible 4-year-olds, but Clark said fewer than half of those who qualify are actually enrolled.

Another problem, Clark said, is

a lack of available space for holding these programs.

“Our public schools are overflowing due to the ever-growing population and the construction and building in our area,” she said.

Stafford County last year paid \$7.2 million to purchase a shuttered Christian school and renovated it to house the school division’s early childhood education program for 3- and 4-year-olds with disabilities, and Head Start students from North Stafford.

In 2017, Fredericksburg City Public Schools completed a \$12.5 million renovation of the old Walker-Grant School to house the city’s Head Start program.

Clark said she feels hopeful because there is bipartisan support in Virginia for supporting early childhood education.

In 2016, the General Assembly approved establishing a fund that would distribute six two-year grants each year of the 2016-18 biennium to “urban, suburban and rural community applicants” for supporting preschool services in their communities.

During this year’s session, the Senate passed a bill that would require the state superintendent of public instruction and the commissioner of social services to “convene a stakeholder group to consider the development of a statewide unified public-private system for early childhood care and education in the Commonwealth.”

The bill, SB 1095, was left in the appropriations committee of the House of Delegates at the end of the session.

Both houses did pass an expansion of the Education Improvement Scholarships tax credit program to include children whose parents were unable to obtain services through the Virginia Preschool Initiative. It will allow eligible pre-kindergarten children to obtain scholarships to attend preschool.

“I think that our state government has been focusing seriously on early childhood for the past few years,” Clark said. “Everyone recognizes that early care and education is fundamentally important for the development of our future work force.”

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