

Comments of Mark Rodgers, McDuffie County Dairyman
to the
Special Council on Tax Reform & Fairness for Georgians
Fact Finding Session
Augusta, Georgia – August 30, 2010

My name is Mark Rodgers. I own and operate Hillcrest Farms, Inc. with my brother, Andy and our parents in Dearing, Georgia. Hillcrest Farms has been operated by the Rodgers family since 1935. I am a third-generation dairy farmer. The fourth-generation (my daughter and my nephew) is currently studying at Abraham Baldwin Agricultural College to one day carry on our legacy and our love for farming.

We are all long-time active members of McDuffie County Farm Bureau. My father serves on the local board of directors, and my brother and I have served on several committees within the organization.

We have worked hard to become one of the top dairies in the state. As stewards of the land, we take that responsibility seriously. We have been awarded the Governor's Pollution Prevention Award, and our farm provides significant "greenspace" for the town of Dearing, Georgia, and McDuffie County. We contribute heavily to the local economy and to businesses in surrounding counties. Although we have few employees, we are still one of the largest employers in the southern half of McDuffie County.

Last year was one of the worst financial years on record for dairies nationwide. It wasn't simply a matter of losing money and equity - we were working to prevent the loss of everything our family had worked for generations to build. Farmers do not have the ability to pass on increased expenses to consumers. We are forced to take the price the market offers based on supply and demand. There have been years where we have worked all year just to end up with a loss – hoping and praying that next year's prices will recover.

The taxation of production inputs of farms in Georgia would squash growth in agriculture, and I believe many farmers would be forced out of business. That result would be felt statewide. According to the University of Georgia, agriculture is one of the largest economic sectors in over two thirds of Georgia's counties.

Let me give you some numbers of how sales tax on production inputs would affect my family's farm. For our 2009 fiscal year, I have listed some of the items which are not currently subject to sales tax in agriculture and the impact financially if they were taxed.

<u>Item</u>	<u>2009 Cost</u>	<u>7% sales tax</u>
Feed	\$741,000	\$51,870
Fertilizer / Chemicals	88,000	6,160
Equipment	65,000	4,550
Seed	37,000	2,590
Breeding	22,000	1,540
Vet / Medicine	19,000	1,330
Totals:	\$972,000	\$68,040

Additional taxes in the amount of \$68,000 would be an undue burden on our farm, and could possibly drive many farmers out of business. The State of Georgia is trying to attract dairies because we are a milk deficit state. The freshest, most economical dairy products are produced locally. If Hillcrest

Farms went out of business tomorrow, 3,000 gallons of milk per day would be imported from outside the Southeastern United States. This figure equates to 1.9 million gallons of milk per year!

Farming is one of the biggest industries in the state of Georgia. Increasing taxes will have a profound impact on the farming industry as well as the businesses that support agriculture. Thank you for taking the time to consider my remarks.

Sincerely,

Mark Rodgers
4105 Iron Hill Road SE
Dearing, GA 30808