



March 6, 2017

Felicia Marcus, Chair
Members of the Board
State Water Resource Control Board
P.O. Box 100
Sacramento, CA 95812

RE: Comment Letter – 2016 Bay-Delta Plan Amendment & SED

Dear Chairwomen Marcus,

Our company, Marchy Dairy, is a family owned business that has been passed down over generations since 1928. Our operation is a medium size dairy in the Stanislaus County that supports eight families. We are 1 of 1,385 remaining dairy farms in California that helps leads the nation in dairy production, churning out 21% of America's milk supply and contributing \$140 billion annually to the state's economy, according to the U.S Department of Agriculture.

As a dairy producer, we are very concerned about your Substitute Environmental Document and how its proposed unimpaired flow requirements would negatively affect our operation. We have made sizeable investments throughout the years to improve the infrastructure of our facility and purchased land; specifically in the Turlock Irrigation District, because of the reliable water supply it provides us to grow the row crops needed to support our dairy animals. Feed costs for our operation accounts for the largest expense, which represent 50 - 60% of the total cost associated with the production of milk. Over the past several years the cost of running our farming operation has risen considerably because of the drought, environmental regulations, rising labor cost, while at the same time getting paid less for our milk. Unlike most states, California has its own system for determining what processors pay farmers for conventional milk, a complex formula that many farmers argue does a poor job of incorporating the increasing cost of feed and production. The unfortunate situation is that we cannot simply pass our costs onto consumers.

If your proposed plan was implemented over the past years we would have received "ZERO" water deliveries from the Turlock Irrigation District. This would be financially devastating to our operation, as we would be unable to grow the forage needed to feed our animals, and it is too costly to purchase large quantities of forage off-site to support our livestock. Ultimately, the loss of water to grow our own crops would most likely lead us into foreclosure and lose what our family has built over generations.

For these reasons, we urge you to reconsider your proposal and work with the local agencies and dairy families to take a sensible approach that is balanced and doesn't create an extreme hardship for agriculture and the hard working families and citizens who help make this region bountiful.

We thank you for your consideration,

Respectfully,

A handwritten signature in cursive script that reads "Gary Marchy". The signature is written in black ink and is positioned above the printed name and title.

Gary Marchy
Managing Partner

Cc: commentletters@waterboards.ca.gov