

Promoting & Preserving Local Cheesemaking

Policy Solutions for Rural Economic Growth, Micro - Dairy Sustainability &
Wildfire Mitigation in New Mexico

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Family Dairies & Market Opportunities



Family Dairies in Crisis

Industrial Consolidation: Persistent low commodity milk prices (\$2.00/gal) force small family farms out of business across New Mexico.

Economic Leakage: Large corporate dairies often export revenue out of the state to national suppliers, draining rural county tax bases.



Micro - Dairy Demand Boom

High Revenue Retention: Direct - to - consumer sales yield \$10 to \$16 per gallon—generating 5x to 8x higher revenue than bulk wholesale.

Gray Market Reality: As of 2023, at least 16 producers (likely more) statewide are currently operating in informal/gray market sales to satisfy unmet local demand.

Regional Food Security: Micro - dairies keep fresh milk on local shelves during national supply chain breakdowns and transport recalls.

Economic Value of Small Micro - Dairies



2.0x - 2.5x Multiplier

Every \$1.00 generated by an artisanal creamery yields \$2.00 – \$2.50 in local economic activity, supporting local vets, feed mills, and mechanics.



365- Day Skilled Jobs

Micro - dairies operate year - round, generating high - skilled jobs in cheesemaking, pasteurization, food safety, and quality control.



Supply Chain Shield

Decouples rural farm viability from volatile federal milk pricing while maintaining emergency food security during national disruptions.



Agritourism Premium

Consumers pay 30% – 50% price premiums for farmstead butter, raw milk, and aged cheeses, drawing tourist dollars into neighboring rural towns.

Goat & Sheep Grazing for Fire Risk

- 🔥 **Ladder Fuel Removal:** Targeted grazing clears dense brush and weeds, preventing ground fires from leaping into forest canopies.
- 🏔️ **Rugged Desert Access:** Small ruminants navigate steep, rocky New Mexico terrain inaccessible to heavy mechanical masticators.
- 🌿 **Invasive Weed Control:** Goats suppress dry, highly flammable invasive species without using chemical herbicides.
- 🌱 **Soil Ecosystem Revival:** Grazing recycles nutrients back into dry soil, enriching the ecosystem naturally.



Prescribed Grazing Policy Tools



Fire Mitigation Eligibility

Explicitly classify goat and sheep prescribed grazing as an eligible "fire prevention activity" alongside mechanical mastication in state grant rules.



Infrastructure Capital Grants

Allow grant funds to cover upfront capital costs including temporary electric fencing, livestock transport, and portable watering units.



Advance Payment Models

Provide a portion of grant funds in advance rather than strict reimbursement models so small herders can cover immediate startup expenses.

Small Dairy Barriers: Producer View

"Each farmer should be able to offer raw milk without going to jail for it, while remaining fully accountable for its safety. Rather than forcing small producers to build massive, expensive dairies or rely on distant labs, the state should support on - farm testing and sensible equipment inspections."

—Tami Williams, Small - Scale Dairy Producer, Tucumcari, NM

- ✗ **PMO Equipment Cost Barrier:** Industrial USDA Grade A standards force small dairies to buy \$300k+ commercial machinery designed for factory scales.
- ✗ **Prohibitive Lab Fees:** Off- site lab fees of \$50 –\$150/sample consume 20% to 50% of a small batch's net profit margin.



Legislative & Policy Priorities



1. Cottage Dairy Reform / PMO Exemption

Top Legislative Priority: Modernize the Homemade Food Act to exempt small - scale micro - dairies selling on - farm, at growers markets, or directly to restaurants from industrial USDA Grade A Pasteurized Milk Ordinance (PMO) facility requirements.

Allows value - added cultured products (butter, yogurt, kefir, aged cheese) without requiring massive industrial processing plants.

Formalizes 16+ gray market producers into safe, legal sale



2. On- Farm Testing Grants Fund

Core Funding Priority: Establish state micro - grants for micro - dairies to purchase rapid on - farm diagnostic testing equipment and incubator technology, replacing slow, expensive off - site laboratory testing.

Empowers producers to perform monthly coliform and pathogen quality checks locally at a fraction of commercial costs.

Eliminates recurring lab compliance costs

Deep Dive: Cottage Dairy Reform



PMO Exemption & Direct Sales

Waive Industrial Rules: Waive industrial PMO plant standards for homestead micro - dairies selling direct to consumers at farm stands and farmers markets.

Financial Viability: Direct farm sales capture \$10 –\$16/gal, allowing small- scale family farms to remain profitable on small acreage.



Value - Added & Retail Updates

Value - Added Foods: Legally permit micro - producers to turn excess milk into butter, yogurt, kefir, and artisanal cheeses.

Modernize Retail Rules: Extend restrictive 5 - day shelf - life rules and replace mandates requiring retailers to buy separate stand alone fridges.

Deep Dive: On - Farm Testing Grants



On- Farm Rapid Diagnostic Tools

Lower Testing Costs: State micro - grants fund rapid incubator units and coliform test kits directly on farms.

Protect Net Margins: Replaces \$50 –\$150/sample fixed lab fees that swallow up to 50% of small - batch revenue.



Multi - Agency Working Group

State Safety Partnership: Formalize a working group between NMDA, NM Livestock Board, NM Dairy Producers, the NM Cheese Guild, and other producer representatives.

Producer Certification: Establish scalable raw milk safety standards and producer training to guarantee public health accountability.

State Cottage Dairy Sales Statutes

Regulatory Approach	States	Key Statutory Provisions
Local Food Sovereignty	WY, ME	Eliminates state - level commercial plant licensing/inspections for direct farm - to - consumer sales, relying on consumer choice or municipal oversight.
Volume - Capped Exemptions	OR, AR, IA, KS	Exempts micro - herd homesteads from commercial Grade A standards by establishing animal count ceilings (<10 lactating animals) or >500 gallon/mo limits.
Specialized Direct Permits	TX, GA	Establishes direct - to - consumer raw milk permits administered by health/ag departments, waiving heavy industrial plant standards while still requiring pathogen testing.
Tiered Regulatory Framework	UT, VT	Establishes progressive tiers based on volume and explicitly legalizes non - fluid value - added goods (butter, yogurt, kefir, aged cheese).

Backfilling Organic Dairy Relief



Mitigate Sunsetting Relief

FMMO Pool Drain: Organic dairies face federal pooling rules that have siphoned revenue while feed costs continue to increase.

State Backfill: State could cost share the temporary federal programs (ODMAP) to preserve NM organic dairy infrastructure.



Aquifer & Livestock Health

Protect Water Quality: Organic practices eliminate synthetic fertilizers and manure lagoons, shielding NM aquifers from nitrates.

Cow Longevity: Pasture cows have 1.5x to 2x longer productive lifespans, cutting vet and herd replacement overhead.

USDA Grade A Pasteurized Milk Ordinance & State Regs

Barriers to Solutions

Identified Rural Barrier	Proposed Legislative / Policy Solution	Direct Operational & Economic Impact
PMO Equipment Costs (\$100k+) & Factory Rules	Cottage Dairy Reform & PMO Exemption	Allows on site and growers market direct sales without industrial overhead.
Recurring Lab Testing Fees (\$50 – \$150/sample)	On- Farm Diagnostic Testing Grants	Eliminates 20%–50% margin penalty; enables fast, on - farm monthly quality verification.
Restrictive 5 - Day Shelf Life & Retail Fridges	Updated Raw Milk Retail Regulations	Extends retail sales window and eliminates costly standalone display fridge requirements for grocers.
Wildfire Fuel Accumulation & High Fencing Costs	Prescribed Grazing Capital Grants	Funds electric fencing and water gear, creating local grazing fire - reduction jobs.

Ag Education & State Microbe Initiative



K- 12 Cheese & Flavor Literacy

STEM Curriculum: Introduce cheese science and microbiology into K - 12 classrooms to build a workforce for NM's artisan dairy and culinary sectors.

Terroir & Heritage: Teach students how local pastures and microbes express New Mexico's distinct regional flavor.



State Microbe: *L. pentosus*

Desert Fermentation Link: Designating *Lactobacillus pentosus* celebrates indigenous fermentation and ancient trade routes.

University Partnership: Supported by microbiologists at UNM and SFCC to promote agritourism and pride in *New Mexico*. (Will also reach out to NMSU)

Securing New Mexico's Rural Future

By enacting Cottage Dairy Reform, authorizing On - Farm Testing Grants, and supporting Prescribed Grazing, the State Legislature can unlock rural economic resilience and preserve local cheesemaking.

New Mexico Cheese Guild

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Thank you for your time and dedication to New Mexico's ruraleconomic development!