



VERMONT DAIRY UPDATE

House and Senate Agriculture Committee

April 16, 2014

Diane Bothfeld, Deputy Secretary for Dairy
Policy

Vermont Dairy Update

- Topics
- Statistics for Dairy Industry in VT
- Bright Spots – processing and milk production
- Challenges – Water Quality, Land and Transition
- Agency Activities in Dairy – All divisions work on dairy

Vermont Dairy Update

Category	2008	2009	2010	2011	2012	2013	2014 1 st Q
Ave. Milk Price	\$17.77	\$12.16	\$16.07	\$19.99	\$17.98	\$19.60	\$23.46
CME Class III price	\$17.44	\$11.36	\$14.41	\$18.37	\$17.44	\$17.99	\$22.61
MILC Payment – USDA	\$0.00	\$1.15	\$0.02	\$0.00	\$0.7281	\$0.2586	\$0.00
# of VT Cow Dairy Farms	1,096	1,051	1,015	996	972	939	896
Milk Production USDA	2.57b lbs.	2.46b lbs.	2.52b lbs.	2.54b lbs.	2.56b lbs.	2.615b lbs.	219 million
Ave. # of cows in VT USDA	140,000	135,000	137,000	134,000	133,000	133,000	132,000
Ave. # of cows/ farm	127	128	133	135	138	142	147
Certified Organic Cow Dairy Farms	199	204	196	196	189	205	205
Off-Farm Dairy Processors	29	27	26	27	29	36	47
On-Farm Dairy Processors	34	37	40	53	54	59	57
Total Dairy Processors	63	64	66	80	83	95	104

Vermont Dairy Update

2014														% change	% change	
County	January	February	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	prior month	since Jan.	Average #	
Addison	131	130	129	129									0.0%	-1.6%	130	
Bennington	14	14	14	14									0.0%	0.0%	14	
Caledonia	72	73	72	72									0.0%	0.0%	72	
Chittenden	42	41	41	41									0.0%	-2.4%	41	
Essex	11	11	11	11									0.0%	0.0%	11	
Franklin	194	190	189	190									0.5%	-2.1%	191	
Grand Isle	14	14	14	14									0.0%	0.0%	14	
Lamoille	36	36	35	34									-2.9%	-5.9%	35	
Orange	89	88	88	87									-1.1%	-2.3%	88	
Orleans	134	133	131	131									0.0%	-2.3%	132	
Rutland	70	71	71	71									0.0%	1.4%	71	
Washington	35	35	34	34									0.0%	-2.9%	35	
Windham	24	24	24	23									-4.3%	-4.3%	24	
Windsor	37	37	36	36									0.0%	-2.8%	37	
TOTAL	903	897	889	887									-0.2%	-1.8%	894	

Vermont Dairy Cow Operations by County

Average number of dairy farms in 2011 – 996, 2012 – 972, 2013 -939

Vermont Dairy Update

Dairy Cow Farms By Size – Milking cows

	LFO – over 700	MFO – 200 – 699	SFO –under 200	Total
2011	18	148	830	996 yr ave.
2012	17	145	810	972
2013	17	142	780	939
Estimated milk	353 million/year	849 million/year	1.415 billion/year	2.61 B
Percent of total milk	14%	32%	54%	

Vermont Dairy Update

- Bright Spots for Dairy
 - Dairy Processing – Licensed dairy processors increased from 63 in 2008 to 104 in First Quarter 2014
 - Award winning Dairy Products
 - Cheese, Yogurt, Butter, Cottage Cheese, Cream Cheese spreads, Dried Whey Powder
 - Latest Competition – World Cheese Championships
 - 90 classes 2,615 entries from 22 countries
 - US took 59 gold medals out of 90 classes – VT had 5 golds, 1 second and 4 third place finishes
 - 15 Vermont Dairy Processors took part in the competition
 - As large as Cabot and as small as Mount Mansfield Creamery and Boston Post Dairy
 - Competing with the World's best and winning!



Vermont Dairy Update

- Bright Spot for Dairy
- Milk production is steady to increasing
 - Needed for continued growth in value added processing
 - More milk to yogurt, cheese and ice cream
 - Further efficiency and management ability of Vermont Farmers

Vermont Dairy Update

Challenges to Dairy Industry – Ag Working Groups

- Water Quality and the ability to implement needed changes in infrastructure and management
 - Investment
 - Availability of engineers for designing projects
- Farmers have been involved and are taking steps to manage farms to protect water quality
 - More work is needed
 - Farmers willing but funding will be critical

Vermont Dairy Update

Challenges for the Dairy Industry – Survey in 2012

- Land Availability and the use of that land
 - Land availability an issue in Franklin County, parts of Orleans County, CT River Valley and parts of Addison County
 - Regulations governing land use are of concern
 - Ability to reclaim land that was allowed to grow up to trees
 - Tile drainage to be able to crop lands that are wet
- Transition of Dairy farm to next owner
 - Concerns with generational transfer – interested family members
 - Concerns with nonfamily transfer
 - Investment needed – ability to secure financing- ability to repay loans

Vermont Dairy Update

Activities at the Agency of Agriculture Surrounding Dairy

- All Divisions involved in dairy industry
 - Administration - Business office manages Organic Certification reimbursement program from USDA – majority dairy farms
 - Agricultural Development
 - Farm Safety Program to reduce Workers Comp costs
 - Farm Labor work with US DOL and Migrant labor issues
 - Renewable Energy – methane digesters – H₂S study, Solar hot water
- Dairy Promotion
 - Impact Study for 2014
 - Winners Circle promotion in VT Life, Blogs, TV News and Chefs videos
 - Food Export USA
 - VT Cheese Council – China Trade Mission

Vermont Dairy Update

All Divisions Involved in Dairy

- **Food Safety Consumer Protection**

- Transport and Sale of Dairy Cattle – health certificates and Transport dealer licenses
 - Dairy Farm Inspection – allows for interstate shipment and sale of unprocessed milk
 - Dairy Processing facility inspection – pass inspection with state can sell dairy products anywhere in US
 - Warehouses that store dairy products – licensing and inspection – protect integrity and safety
 - Animal Health monitoring and protection
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- Dairy inspection crew instrumental in getting dairy farms as well as dairy processors started in Vermont.

Vermont Dairy Update

All Division involved in Dairy

- Ag Resource Management
 - Involved in Water Quality with Large Farm, Medium Farm and Small Farm Operations permitting and regulation
 - Feed Seed and Fertilizer registration and quality program
 - Test products to insure quality – protein, fat – N-P-K
 - Pesticide applicator Training and Certification
 - Farms may choose to apply own pesticides but adds knowledge

Vermont Dairy Update

Federal Policy

- NASDA – first time group has voted in support of dairy title of the Farm Bill – Secretary Ross in the lead
- Interacted with Cooperatives, Congressional Delegation and NEASDA/NASDA on dairy policy for Farm Bill
- Took part in dairy pricing and federal order reform discussion with NEASDA representatives
- Secretary Ross attended and took part in listening session in Washington, DC regarding rule making for new dairy insurance program
- Provided written comments on dairy insurance program

Vermont Dairy Update

- **Vermont Dairy Industry**
- **Changing but still strong**
- **Increase in dairy processor requiring more milk**
- **Milk production up showing greater efficiency**