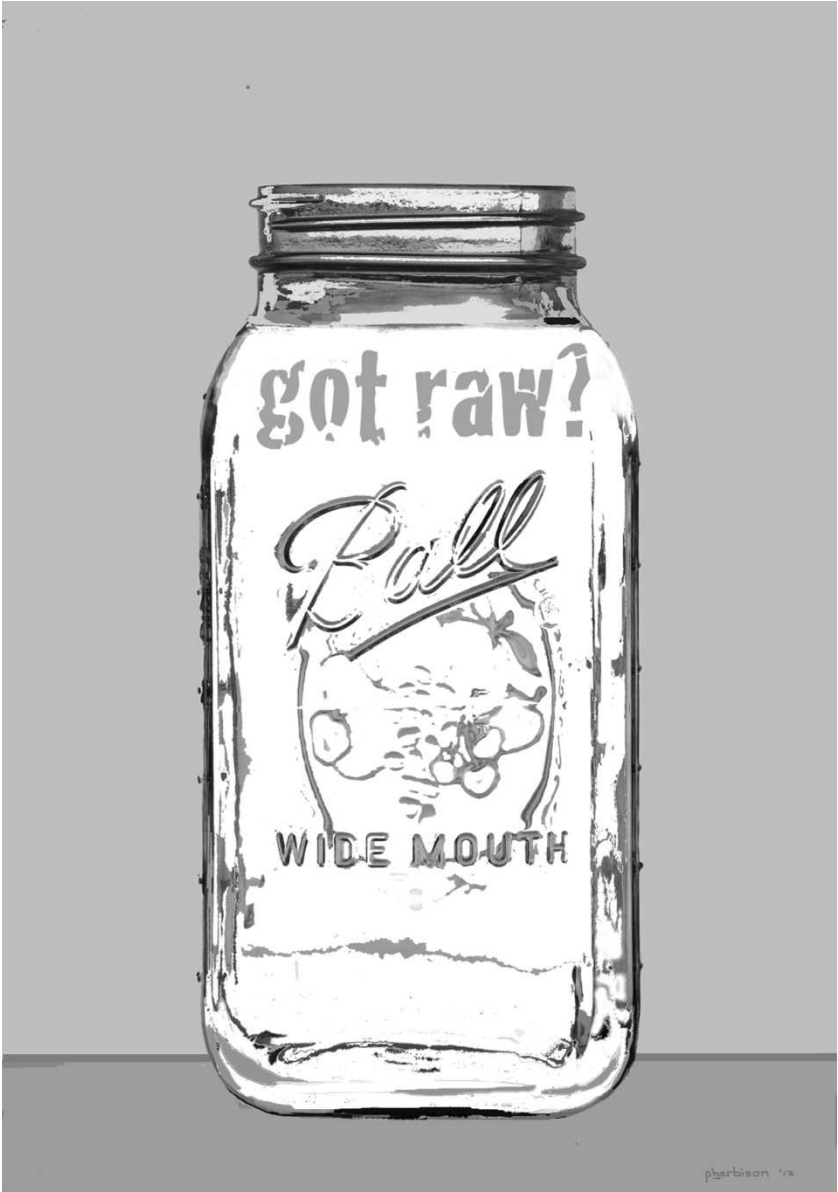


Rural Vermont's 2013-2014 Raw Milk Report to the Legislature

February, 2014





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Overview:

Raw milk has been a part of Vermont's agricultural tradition for hundreds of years. It is recognized by farmers and their customers alike for its health, economic, and environmental benefits. Today, the majority of milk produced in Vermont is shipped from large dairy farms to dairy co-ops and distributors for retail sale. However, there are scores of farmers who sell raw milk directly to neighbors, friends, and other customers. The production and sale of raw milk enables many Vermont farms to be more economically sustainable as they contribute to a growing community-based food system that can sustainably feed their neighbors.

Rural Vermont's annual Raw Milk Report to the Legislature is intended to provide a snapshot of the current status of raw milk production and sales and identify what is working and what is not working with the current Raw Milk Law.

Through our Raw Milk Producer Survey, we collected information in the following categories: farm characteristics, volume of raw milk sold, price of raw milk, number of customers, income derived from raw milk, insurance and inspection experiences, and producers' opinions about potential changes to the law.

In addition to conducting the Raw Milk Survey, Rural Vermont staff and board members hosted a "Raw Milk Summit" in October 2013, held "Kitchen Table Conversations" in the summer and fall of 2013, and hosted larger, regional "Milk Meetings" in the early spring of 2013. These meetings were held around the state to engage raw dairy producers in a conversation about current regulations, how to comply with the law, and to gather their suggestions for how to improve the law in ways that would benefit producers and their farms. Many farmers identified simple changes that would greatly improve their ability to realize greater economic benefits from their small raw dairy businesses.

Rural Vermont conducted outreach to producers by web, email, postal mail and phone and obtained 110 complete surveys. Eighty of the respondents identified themselves as selling raw milk during the survey period of November 1, 2012 to October 31, 2013. The other 30 responses included past producers, aspiring producers, and some farmers interested in raw milk issues. Of the 30 non-producers, 9 identified themselves as having sold raw milk previously. During outreach for the survey, we spoke with an additional 8 farmers who stated that they no longer sell raw milk.

Survey Questions and Results:

1. Did you sell raw milk during the calendar year of November 1, 2012 to October 31, 2013? (110 responses)

80 – YES

30 - NO

b) If you are no longer selling raw milk, please tell us what caused you to stop.

Sample of responses given:

- "Organic Valley member, and they do not allow us to sell raw milk"
- "Not enough labor, too many other irons in the fire"
- "Paranoia"
- "I have one cow and will not go through the rigmarole that is now involved, so I do not sell to my neighbors anymore."
- "Sold dairy herd"
- "Farm is too far off the beaten path for customers to travel"
- "Need milk for cheese—and not worth the cost."

2. How much raw milk did you sell from November 1, 2012 to October 31, 2013 (in gallons)?

Total of 53,306.75 gallons sold by the 76 farms that responded to this question resulting in an average of 772 gallons/farm.

This average is somewhat affected by a few respondents who reported significantly higher volumes of raw milk sales (up to 9,000 gals). The median amount was 240 gallons/farm.

Producers of cows' milk averaged a higher volume (mean = 432.5 gals) than goats' milk producers (mean = 34 gals).

3. How much do you charge per gallon for raw milk?

Cows' Milk: Prices ranged from a low of \$4/gallon to a high of \$10/gallon with an average price of \$7/gallon.

Goats' Milk: Prices ranged from a low of \$5/gallon to a high of \$15/gallon with an average price of \$10/gallon.

4. What amount (in dollars) did you gross from raw milk sales from November 1, 2012 to October 31, 2013?

The total sales from raw milk from November 1, 2012 to October 31, 2013 were \$373,018.50 for

both raw cows' and raw goats' milk from the 76 farms that responded to this question.

The average yearly gross income derived from raw milk was \$5,470.86 while the median gross income was \$1,500. This deviation is due to the wide variation in reported income, ranging from \$10-\$90,000/year.

Sales of raw cows' milk per farm: Average of \$6,718, median of \$2,250

Sales of raw goats' milk per farm: Average of \$1,066, median of \$503

5. What percent of your total farm sales are from raw milk?

Among the 54 producers that responded to this question, percentages ranged from 0.01% to 100% of farm sales from raw milk. The average percent of total farm income derived from raw milk sales was 20.9% with a median of 5%.

6. How many animals did you milk during the time period of November 1, 2012 to October 31, 2013?

Total number of animals milked was 1,067 goat and cows combined. (76 respondents)

For cow dairies, 982 animals were milked for raw dairy production, the average was 17 cows, and the median was 3.5 cows. (58 respondents)

For goat dairies, 87 animals were milked for raw dairy production, the average was 4 goats and the median was 4 goats. (18 respondents)

7. How many unique customers did you sell to during the time period of November 1, 2012 to October 31, 2013?

Total number of customers was 1,940 purchasing raw cow and goat milk combined.

(71 respondents)

For cow dairies, 1,767 individuals purchased raw milk, the average was 33 customers per farm, and the median was 14 customers. (53 respondents)

For goat dairies, 173 individuals purchased raw milk, the average was 10 customers per farm and the median was 5 customers. (18 respondents)

8. Do you ship your milk to any of the coops, cheese producers, or other bulk buyers? (76 respondents)

YES – 28 - 27.6%

NO – 42 - 72.4%

Ten producers responded that they are shipping to Organic Valley.

Two producers responded that they are shipping to each of the following: Horizon, DFA, and Agrimark.

Other responses include Booth Brothers, St Albans Coop and a few cheese makers.

9. Do you carry insurance that covers your raw milk operation? (76 respondents)

YES – 34 - 44.7%

NO – 42 - 55.3%

9 a) Have the rates for your insurance or your carrier changed in the past year?

4 of those who carry insurance answered YES.

9 b) Have changes in your insurance rates influenced the price of your milk or other aspects of your operation? 20 people responded to this question, with the dominant response being that change in insurance rates is 'simply a cost of doing business.'

*** Currently, Rural Vermont believes that Cooperative Insurance is the only carrier in VT that is issuing insurance policies for raw milk farmers.*

Survey Methods:

Each year, Rural Vermont attempts to reach as broad a population of raw dairy producers as possible. We use a variety of methods to distribute surveys and collect results, including email, phone calls, direct mail, sending press releases and networking with other agricultural organizations. With the crucial assistance of intern Sam Lewis, a UVM senior, Rural Vermont invested over one hundred hours researching, surveying, and compiling this report. In addition to time spent directly compiling the Raw Milk Survey and Report, Rural Vermont staff and board have dedicated the majority of the past year to connecting with and gathering feedback from the raw milk community as a whole.

Survey Timeline:

Rural Vermont organized a statewide “Raw Milk Summit” in Bethel in late October 2013. At the Summit the 2013 Raw Milk Producer’s survey was distributed to over 60 participants (representing 42 farms). Following the Summit, we emailed Rural Vermont’s “raw milk” group (235 contacts) a link to the web-based survey. A week following the email alert, we mailed a paper copy of the survey to all those in our “raw milk” group.

Throughout November, a link to the survey was included in multiple email updates to Rural Vermont’s 4,750+ contacts, including farmers and consumers, announcing the release of the 2013 Raw Milk Producer Survey. We encouraged our contacts to forward the survey to raw milk producers that Rural Vermont has not yet identified.

We also sent copies of the survey to other agricultural organizations and businesses including the Northeast Organic Farming Association-VT (NOFA-VT), Rutland Area Food and Farm Link (RAFFL), and Bob White Systems in South Royalton.

Follow up was conducted through individual emails, phone calls, and social media. Each of the farms on our contact list was called three times. A voice message was left for those that we did not reach by the third follow up call.

“Raw Milk Summit,” “Kitchen Table Conversations” & Regional “Milk Meetings”:

Throughout 2013, Rural Vermont engaged Vermont’s community of raw milk producers through large and small events. Culminating with the Raw Milk Summit in October, Rural Vermont had direct contact with raw milk producers of all sizes from all parts of Vermont.

In October, at the Raw Milk Summit held in Bethel, Rural Vermont hosted Mark McAfee of the Raw Milk Institute/Organic Pastures Raw Dairy of California to participate in an open dialogue with Vermont’s community of raw milk producing farmers. A focus of the Summit was to gauge how the raw milk community as a whole prioritized proposed changes in policy.

In the summer and fall of 2013 Rural Vermont hosted smaller “Kitchen Table Conversations” in Enosburg, West Johnson, Brownington, Charlotte, Addison and Wells. In March & April of 2013, Rural Vermont organized and facilitated five larger, regional “milk meetings” in Hinesburg, Randolph, South Wheelock, Poultney and Townshend. All of these meetings were open to all raw dairy producers, current, past, or aspiring, of any scale, including those who also ship milk.

These meetings served as an open forum for farmers to share their opinions on the current regulations and their ideas for how to improve them. From the discussions at these meetings, it was clear that

farmers are committed to ensuring the health of their animals and the quality of their milk; however there is significant confusion and frustration caused by a regulatory system that is not practical or economically feasible from the perspective of the farmers.

The following issues and suggested changes to the current law were consistently raised by producers at raw milk gatherings:

- Develop reasonable and affordable animal health testing protocols for Tuberculosis and Brucellosis.
- Create a "Neighborly Scale" production tier that enables very small quantities of milk to be sold with limited regulations.
- Allow for sale of lightly processed raw dairy products such as cream, butter, yogurt, kefir, fresh cheeses, and ice-cream.
- Create an average daily or a weekly allowance to accommodate farmers who may have more customers on particular days of the week.
- Develop testing rules and regulations that make it feasible for more farmers to sell at the Tier Two level.
- Expand sales to farmers markets and other central drop off locations. (*NOTE: S.70 allows delivery at farmers markets only by Tier Two producers to prepaid, existing customers.*)
- Developing inspection protocols that promote a positive relationship between producers and inspectors.
- Remove production limits to allow greater quantities of sales.
- Replace the current warning sign with language that is consistent with that used in other New England States. For example, the required signage in New Hampshire simply states: *"Raw milk is not pasteurized. Pasteurization destroys organisms that may be harmful to human health."*