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Rural Vermont's Raw Milk Report to the Legislature

March 2015

Overview:

Raw milk has been a part of Vermont's agricultural heritage for hundreds of years. It is recognized by farmers and their customers alike for its health, economic, and environmental benefits. Today, although the majority of milk produced in Vermont is shipped from large dairy farms to dairy co-ops and distributors for retail sale, there are scores if not hundreds 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 viable and environmentally sustainable. These farms are making a significant contribution to growing community-based food systems that can sustainably feed Vermonters.

This is Rural Vermont's fifth annual Raw Milk Report to the Legislature and it 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 annual 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 requirements of the current law.

Rural Vermont conducted outreach to producers by web, email, postal mail and phone. Eighty-three percent of the respondents identified themselves as selling raw milk during the survey period of November 1, 2013 to October 31, 2014. The other 17 percent of responses included past producers, aspiring producers, and some farmers interested in raw milk issues.

In addition to conducting the Raw Milk Survey, Rural Vermont staff and board members hosted conference calls and small meetings to engage raw dairy producers around the state in a conversation about current regulations. In these conversations they discussed how to comply with the law and gathered the producers' suggestions for how to improve the law in ways that would benefit their farms, their customers, and their communities.

Survey Questions and Responses:

NOTE: Not all respondents answered all questions in the survey.

1. Did you sell, trade, or give away raw milk at any point during the calendar year of November 1, 2013 to October 31, 2014? (65 responses)

54 (83%) – YES

11 (17%) – NO

2. If No – If you previously sold, traded or gave away raw milk (before November 1, 2013) please tell us what caused you to stop.

Sample of responses given:

- “Did not want to become certified/licensed as raw milk producer, and did not want to violate the law. This has always been homestead farm vs. commercial venture.”
- “Sold my milk cows.”
- “Mainly, Insurance Co. informed us they wouldn't cover [raw milk].”
- “Organic Valley Farmers not encouraged to do so.”
- “The testing that is required by the state is cost prohibitive. Stopped selling raw milk in July of 2014 when new testing protocol went into effect. Burdensome regulations made increasing market share difficult. Also we had to shift insurance companies from Farm Family which prevented sales of raw milk. We are now back with Coop and would like to resume sales of raw goat milk.”
- “Concerns about liability and compliance with state regulations.”

3. How much raw milk (in gallons) did you sell, trade, or give away from November 1, 2013 to October 31, 2014?

Total of 37,501 gallons sold by the 47 farms that responded to this question resulting in an average of 798 gallons/farm.

This average is somewhat affected by a few respondents who reported significantly higher volumes of raw milk sales (up to 10,220 gals). The median amount was 215 gallons/farm.

Producers of cows’ milk averaged a higher volume (mean = 600 gals) than goats’ milk producers (mean = 175 gals).

4. If you SOLD raw milk, how much did you charge per gallon?

Cows’ Milk: Prices ranged from a low of \$3/gallon to a high of \$10/gallon with an average price of \$6.30/gallon. Goats’ Milk: Prices ranged from a low of \$7/gallon to a high of \$15/gallon with an average price of \$10.60/gallon.

5. What amount (in dollars) did you gross from raw milk sales from November 1, 2013 to October 31, 2014?

The total sales from raw milk from November 1, 2013 to October 31, 2014 was \$253,003 for both raw cows' and raw goats' milk from the 45 farms that responded to this question.

The average yearly gross income derived from raw milk was \$6,325 while the median gross income was \$2,700. This deviation is due to the wide variation in reported income, ranging from \$0-\$100,000/year.

Sales of raw cows' milk per farm: Average of \$7,466, median of \$3,000

Sales of raw goats' milk per farm: Average of \$1,110, median of \$880

6. What percent of your total farm sales is from raw milk?

Among the 39 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 17.8% with a median of 2.5%.

7. What type and number of animals are you using for raw milk production?

Total number of animals milked was 1,133 goat and cows combined. (52 respondents)

For cow dairies, 940 animals were milked for raw dairy production, the average was 26.1 cows, and the median was 4 cows. (39 respondents)

For goat dairies, 193 animals were milked for raw dairy production, the average was 27.6 goats and the median was 4 goats. (13 respondents)

8. If you sold, traded, or gave away raw milk between November 1, 2013 and October 31, 2014, how many unique customers did you have?

Total number of unique customers was 1,005 purchasing raw cow and goat milk combined. The average was 23.4 customers per farm and the median was 6. (43 respondents)

For cow dairies, 853 individuals purchased raw milk, the average was 26.7 customers per farm, and the median was 5 customers. (32 respondents)

For goat dairies, 123 individuals purchased raw milk, the average was 12.3 customers per farm and the median was 5 customers. (10 respondents)

9. Do you ship your milk to any of the coops, cheese producers, or any other bulk buyer? (50 respondents)

YES – 17 - 34%

NO – 33 - 66%

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

YES – 26 - 51%

NO – 25 - 49%

11. If yes – Who is your carrier? (sample of responses)

- Acadia
- Co-op
- Countryside Insurance
- Safeco
- FLIP
- Northfield Insurance
- Greater Falls Insurance Agency
- Nationwide Agribusiness

The following questions were added to the survey this year:

12. Are you a Tier II raw milk producer?

8 (15%) – Yes

38 (70%) – No

8 (15%) – Unsure

13. If you are not a Tier II raw milk producer, have you considered moving to Tier II status?

8 (19%) – Yes

35 (81%) – No

14. If YES, when do you plan to become a Tier II producer?

- “Maybe next summer.”
- “2-3 years. Maybe longer.”
- “Possibly next year.”
- “When I can find it financially feasible to make it down to do the sample testing then I would become Tier 2. I would be able to have many customers if I could deliver to the Burlington or St. Albans areas.”
- “We are working on our herd size and building and equipment to meet standards.”

15. If NO, is there anything holding you back from doing so?

- "Too expensive"
- "We are not focused on that level of supply"
- "The drive for sample testing"
- "Cost of equipment regulations"
- "Regulations"
- "The animal and milk testing requirements"
- "Record keeping"
- "Not strong enough customer base yet"
- "Constant state inspections"

16. If you were previously a Tier II raw milk producer, but no longer are, what caused you to withdraw?

- "Wanted to move farther from a population center and didn't think the business would work since I'd have to drive so much to deliver."
- "Ridiculous regulations"

17. Since you first started selling, trading, giving away raw milk, have you experienced (choose one):

31 (64%) – An increase in demand

0 (0%) – A decrease in demand

9 (19%) – No significant change in demand over time

8 (17%) – Fluctuations in demand over time

18. Current VT law requires that ALL hooved animals on a farm (regardless of whether they are being used to produce raw milk for sale, trade or to give away) must be tested for tuberculosis and brucellosis every year. Is this a requirement you comply with?

20 (42%) – Yes

28 (58%) – No

19. If YES – Approximately how much does it cost you per year to comply with this requirement?

It costs \$428.18 on average per year (22 respondents). It ranges from \$50 to \$1,000 per farm.

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 Rural Vermont's intern Alison Uhrlass, a Master's

student at VLS, 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:

Throughout December 2014, 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 2014 Raw Milk Producer Survey. We encouraged our contacts to forward the survey to raw milk producers that Rural Vermont has not yet identified. 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.

We also sent copies of the survey to other agricultural organizations and businesses including the Farm to Plate Network, the Northeast Organic Farming Association-VT (NOFA-VT), the Vermont Pasture Network, 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.