



# Impacts of the proposed merger of DFA and St. Albans Co-Op on VT's farmers, environment and rural economy.

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# Merger of DFA and St. Albans Co-Op

Vermont's farmers, environment and rural economy

- ▶ VT Farmers
  - ▶ Current farm numbers per county
  - ▶ Farm numbers by size
  - ▶ Farms by milk buyer
- ▶ Environment
  - ▶ RAP, MFO and LFO
- ▶ Rural Economy
  - ▶ Milk Matters Data
    - ▶ Economic impact per cow
    - ▶ Number of jobs
  - ▶ Dairy Processors in Vermont
  - ▶ Where the Milk Goes
  - ▶ Exports and GDP

# Merger of DFA and St. Albans Co-Op

Number of Dairy Farms by County – Agency of Agriculture 2019

County	Jan.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	% change prior month	% change since Jan.	Ave. #
Addison	107	107	106	104	102	102	101						-1.0%	-5.6%	104
Bennington	12	12	12	12	12	12	12						0.0%	0.0%	12
Caledonia	54	54	54	53	53	53	53						0.0%	-1.9%	53
Chittenden	37	37	37	37	39	40	40						0.0%	8.1%	38
Essex	14	14	13	13	12	12	12						0.0%	-14.3%	13
Franklin	125	124	124	121	118	118	118						0.0%	-5.6%	121
Grand Isle	13	13	13	13	12	12	12						0.0%	-7.7%	13
Lamoille	25	25	25	25	25	26	26						0.0%	4.0%	25
Orange	63	63	63	64	64	62	62						0.0%	-1.6%	63
Orleans	116	116	115	115	112	111	111						0.0%	-4.3%	114
Rutland	51	49	49	49	48	48	48						0.0%	-5.9%	49
Washington	32	32	32	30	30	30	29						-3.3%	-9.4%	31
Windham	23	23	23	23	23	23	23						0.0%	0.0%	23
Windsor	28	28	28	28	28	28	28						0.0%	0.0%	28
<b>TOTAL</b>	700	697	694	687	678	677	675						-0.3%	-3.6%	687

# Merger of DFA and St. Albans Co-Op

- CSFO as of January 31, 2019. Certified Small Farms have 50 milking cows to 199 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
2014	25	129	726	880
2015	26	127	700	853
2016	27	138	673	838
2017	32	117	250 CSFO -647	796
2018	34	104	273 CSFO - 587	725

# Merger of DFA and St. Albans Co-Op

► Dairy Farm Operation milk buyers as of June 1, 2019

<u>Cooperatives</u>	Producer Count	Special Category
Agri-Mark	180	
DFA	114	
St. Albans Cooperative Creamery	262	
Upstate Niagara Cooperative, Inc.	6	Organic
<u>Independent Buyers</u>	Producer Count	
Garellick	4	
Horizon (WWF Operating Company)	10	Organic
HP HOOD Booth Brothers	12	
National Farmers Organization, NFO	19	Organic
Stonyfield Farm, Inc.	4	Organic
The Dannon Company, Inc. Utah	9	
Vermont Creamery	19	Goat Milk only
<u>Farmstead</u>	51	Milk cows and make a product

# Merger of DFA and St. Albans Co-Op

## ➤ Environment

- Regulations governing dairy farmers will not be impacted by this merger
- RAP, MFO and LFO regulations still in place
- Regulations governing dairy processing facility in St. Albans will not be impacted by this merger
  - Permits for disposition of spoiled milk
  - Permits for waste water disposal

# Merger of DFA and St. Albans Co-Op

## Rural Economy

- ▶ Every Vermont dairy cow provides \$12,500 of economic activity to the state annually
  - ▶ Vermont has 126,000 dairy cows according to USDA
  - ▶ Economic Impact = \$1,575 billion in economic impact
  - ▶ Merger is not expected to impact cow number or number of farms.
- ▶ Vermont Dairy Industry provides 6,000 to 7,000 jobs
  - ▶ On Farms, Feed, Seed, Fertilizer, Equipment and Dairy Processing
  - ▶ Provides \$360 million in wage and salaries
  - ▶ Merger is not expected to impact the number of jobs associated with dairy
- ▶ Dairy brings approximately \$3 MILLION in circulating cash to the state of Vermont
  - ▶ Dairy farmer milk prices, as set at the federal level, not expected to be impacted by the merger

# Merger of DFA and St. Albans Co-Op

## ► Dairy Processors in Vermont

License pounds per day category	# of processors
500 lb. or less	67
500 to 10,000 lb.	57
10,000 to 50,000 lb.	12
50,000 to 100,000 lb.	5
100,000 to 500,000 lb.	4
Over 500,000 lb.	5
total	150

# Merger of DFA and St. Albans Co-Op

## ➤ Milk Shipment Direct from the Farm to Customer – by State

Spring 2017		
By State		
all milk	totals	% per state
To CT	7,872,333	3.16%
To MA	60,248,868	24.18%
To NH	14,278,710	5.73%
To NY	14,493,040	5.82%
Stay in VT	152,280,102	61.11%
	249,173,053	100.00%
Fall 2017		
By State		
all milk	totals	% per state
To CT	6,154,442	2.35%
To MA	74,133,442	28.26%
To NH	18,422,814	7.02%
To NY	10,373,676	3.95%
Stay in VT	153,238,198	58.42%
	262,322,572	100.00%

# Merger of DFA and St. Albans Co-Op

Spring 2017		
Product Type - all milk	total by product	% by product
Cheese	53,083,994	21.30%
cheese and cultured	29,542,953	11.86%
ice cream	19,417	0.01%
cream cheese	5,208,464	2.09%
fluid	82,684,082	33.18%
skim/condense/cream	49,659,052	19.93%
yogurt	19,937,309	8.00%
Butter/powder	8,919,439	3.58%
loss	118,343	0.05%
	249,173,053	100.00%
Fall 2017		
Product Type - all milk	total by product	% by product
Cheese	44,753,894	17.061%
cheese and cultured	27,645,694	10.539%
cream	0	0.000%
cream cheese	9,046,867	3.449%
fluid	97,550,328	37.187%
skim/condense/cream	59,489,944	22.678%
yogurt	15,730,852	5.997%
Butter/powder	8,031,365	3.062%
loss	45,143	0.017%
Ice Cream	22,671	0.009%
cultured products	5,814	0.002%
	262,322,572	100.000%

➤ Milk Shipment  
Direct from  
the Farm to  
Customer –  
by Product

# Merger of DFA and St. Albans Co-Op

- ▶ Rural Economy
- ▶ Vermont Dairy Exports by the Numbers – from US Dairy Export Council
  - ▶ \$74 million in dairy exports
  - ▶ 886 Vermont Jobs created by dairy exports
  - ▶ \$169 million – Vermont Economic impact from exports
  - ▶ Merger should not impact exports
- ▶ Dairy companies contribute to Vermont's GDP – From International Dairy Foods Association
  - ▶ 4.93% contribution to Vermont's GDP
  - ▶ Merger should not impact GDP



# Merger of DFA and St. Albans Co-Op



Questions

