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April 15, 2022

Senate Committee on Agriculture  
Chair, Senator Robert Starr  
115 State Street  
Montpelier, VT 05633

House Committee on Agriculture and Forestry  
Chair, Representative Carolyn Partridge  
115 State Street  
Montpelier, VT 05633

RE: Dairy Farm Readiness in an Evolving Marketplace.--- **CROPP Cooperative urges the Vermont State Legislature to allocate \$1 million to assist Vermont dairy producers to achieve dairy farm readiness, especially as it relates to 1) enhancing farm access, and 2) mitigating associated minor construction costs.**

Dear Senator Starr and Representative Partridge,

CROPP Cooperative | Organic Valley maintains a position in Vermont and the Northeast with nearly 600 farmers regionally shipping milk to our cooperative. This past year 135 farms in the region were faced with market upheaval when two other organic milk buyers decided to discontinue contracts with these farmers. Over the past nine months, CROPP Cooperative has been working diligently to evaluate these farms, leveraging policy solutions, examining internal supply and demand prospects, and hoping to offer an option to many of these small to mid-sized family farmers who are vital to their rural communities.

In March, CROPP was able to offer 90 farmers a letter of intent to pick up their milk within the next 12 months. As of this writing, many of these farmers have responded favorably to the offer and are being routed or will be in the future. Our cooperative is taking on risk in absorbing these farms, but we are confident in our depth of relationships with supply chain partners and ability to grow organic milk demand will keep us competitive in the dairy market.

The reality is, co-ops that are created and owned by farmers have a different calculus for their neighbor farmers when times are hard.

Our work to identify and elevate policy options has been extensive. The co-op participated in the USDA task force convened through the Northeast Dairy Business Innovation Center (NE-DBIC) and supported almost all of the 36 recommendations submitted. We also testified in front of the Vermont legislature and have been in frequent contact with the congressional delegation, USDA, and State of Vermont Agency of Agriculture, Food and Markets regarding what actions could strengthen the vitality of dairy farmers in Vermont and the region.

Progress has been made on this front. For example, on April 5, USDA published the National Organic Program's Origin of Livestock [new regulation](#), and on March 2, USDA [announced](#) \$80 million available for the four Dairy Business Innovation (DBI) initiatives. Both of these actions were recommendations from the earlier convened task force.

Subsequently, CROPP Cooperative has been talking with three of the initiatives about the need to expand dairy processing and what levels, arrangements, and commitments would make for highly impactful grant awards. We have also been advising the NE-DBIC on what farmstead needs are



useful to producers in order for them to maintain dairy farm readiness in an evolving marketplace. The co-op is very attentive to dairy industry trends and expectations of consumers and dairy processors as well as other dairy product buyers.

In reviewing existing USDA programs and better understanding the statutory limitations of DBI resources, CROPP Cooperative has identified gaps between what some dairy farms need and what these institutions can provide.

These farm readiness challenges are present for some operations currently within the letter-of-intent cohort as well as for existing co-op farmer-members in Vermont. Given the size and character of dairy in Vermont, we also believe these challenges span beyond these organic family farms to many dairy operations in the state.

Farm readiness challenges that remain insufficiently addressed include:

- **Enhancing farm access and/or entry and departure points.** Driveway improvements, tree removal, changes to barnyard surfaces are all out of the scope for existing programs yet remain critical to moving farm milk and goods.
- **Mitigating associated minor construction costs.** While resources are present for technology adoption, some equipment, and materials to support a farm in meeting or exceeding dairy buyer requirements, there are severe limitations on any of the ancillary construction costs to modernize a farm.

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The availability of resources to dairy farmers for these readiness needs could be accomplished through a simple grant program administered by the State of Vermont Agency of Agriculture, Food and Markets or the Vermont Forest & Farm Viability Program. Targeting resources to farmers with the greatest degree of need and capped individually at a range from \$5,000 to \$8,000 would be impactful and align with other small farmer grant or cost-share offerings.

For Vermont's dairy industry to remain a competitive force anchored in small- to mid-sized farms, these investments are worthwhile. As our cooperative invests in the state, we are excited to find like-minded partners in government and private industry who believe in a future that sustains farmers on the land.

If you have any questions, please feel free to contact us.

Sincerely,

Travis Forgues  
EVP of Membership

John Cleary  
Regional Pool Manager

Adam Warthesen  
Director of Government Affairs