



# **Northeast Federal Order, Vermont & Northeast, Data & Trends**

## ***October 2021***

***Report to Vermont Task Force to Revitalize its Dairy  
Industry***

***Brian Riordon– Economist***



# Overview

- What Federal Orders Do & Don't Do
- Data comments
- U.S.
- Northeast
- Vermont and States



# What Federal Milk Orders Do

- Define terms of trade between buyer (handler) and seller (producer).
  - Provides a classified pricing plan (value base on use). This generates revenue above the base manufacturing milk price level.
  - Generate blend prices (producer price differential - PPD) to producers
  - Enforces payment of minimum prices to producers or their cooperative (does not prevent payment above the minimum)
  - Monitor deductions from producer milk checks.



# What Federal Milk Orders Do

...continued

- Provide for accurate weighing and testing of producer milk (market services).
  - Calibration Samples
  - Tank Calibration
  - Quarterly testing of non-members
  
- Provide market information (Market Research)



# Federal Milk Orders Do *not*

- Regulate producers or control production
- Regulate payment practices by cooperatives to their members
- Guarantee a market or blend price level
- Establish sanitary or quality standards
- Prevent payment of prices higher than Federal Order minimum prices – not a support program



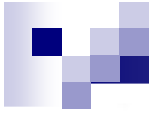
# Federal Order Data Sources

- Pool Data: Obtained through monthly pool process (Price Discovery). Data reflect what was submitted at pool time.
- Verified Producer Payroll Data: Handlers submitted producer payrolls, verified by payroll and audit staff.

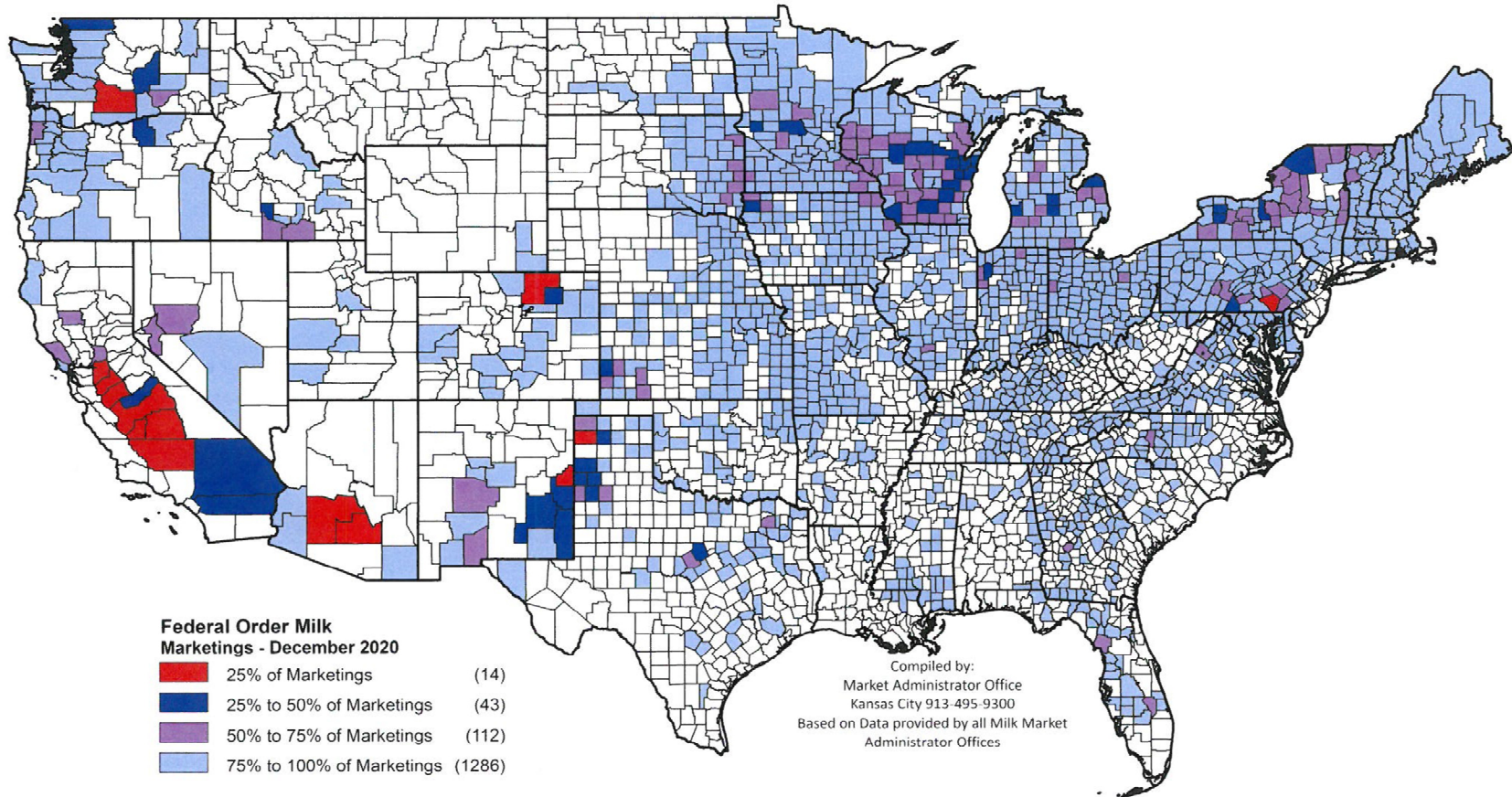


# Data Note

- Market Administrator Data reflect producers and milk that are part of the Federal Order pool. The numbers may not represent all the milk produced nor all the farms that are producing milk.



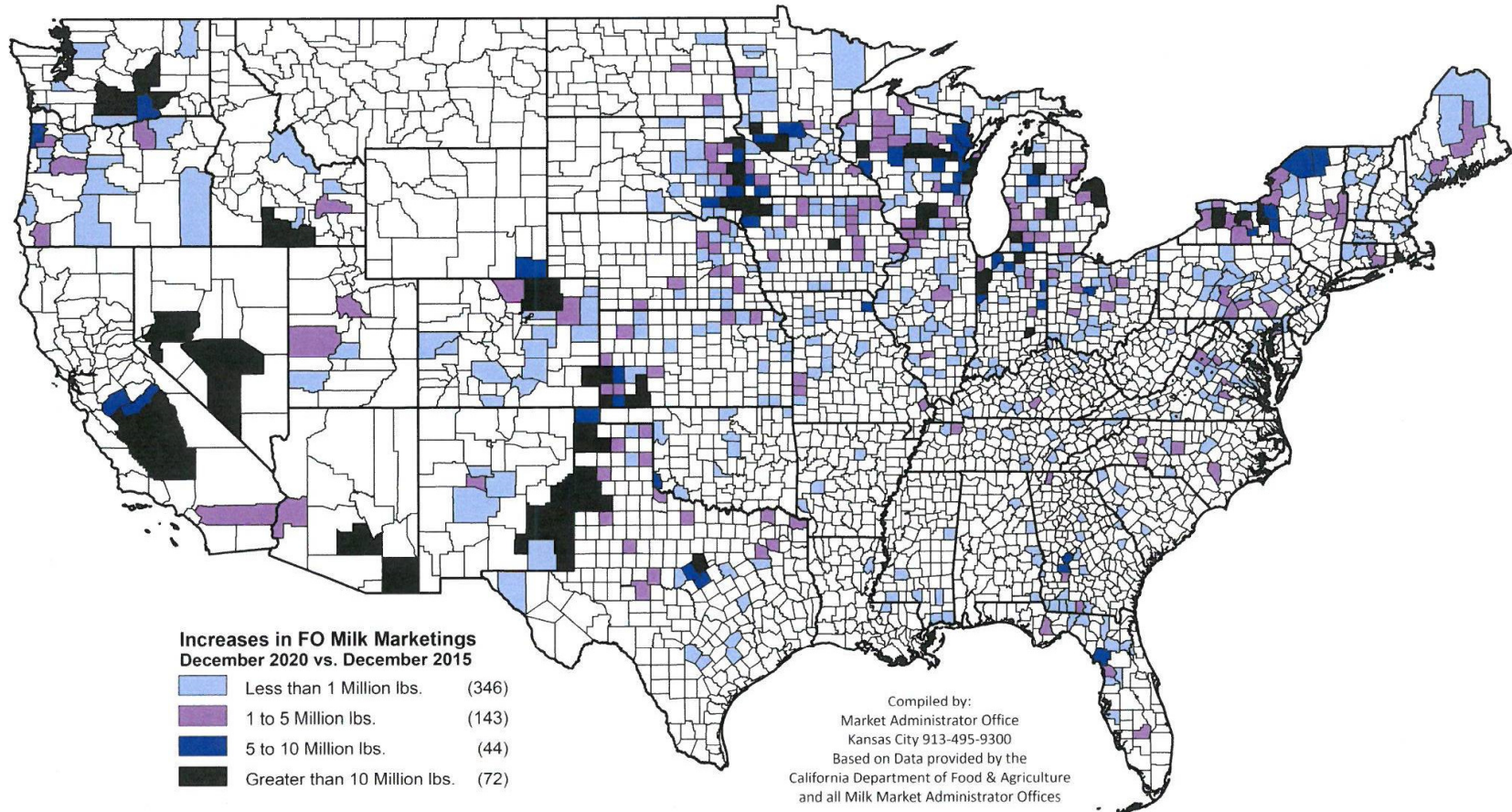
## 1,455 Counties Marketed 100% of All Federal Order Milk during December 2020





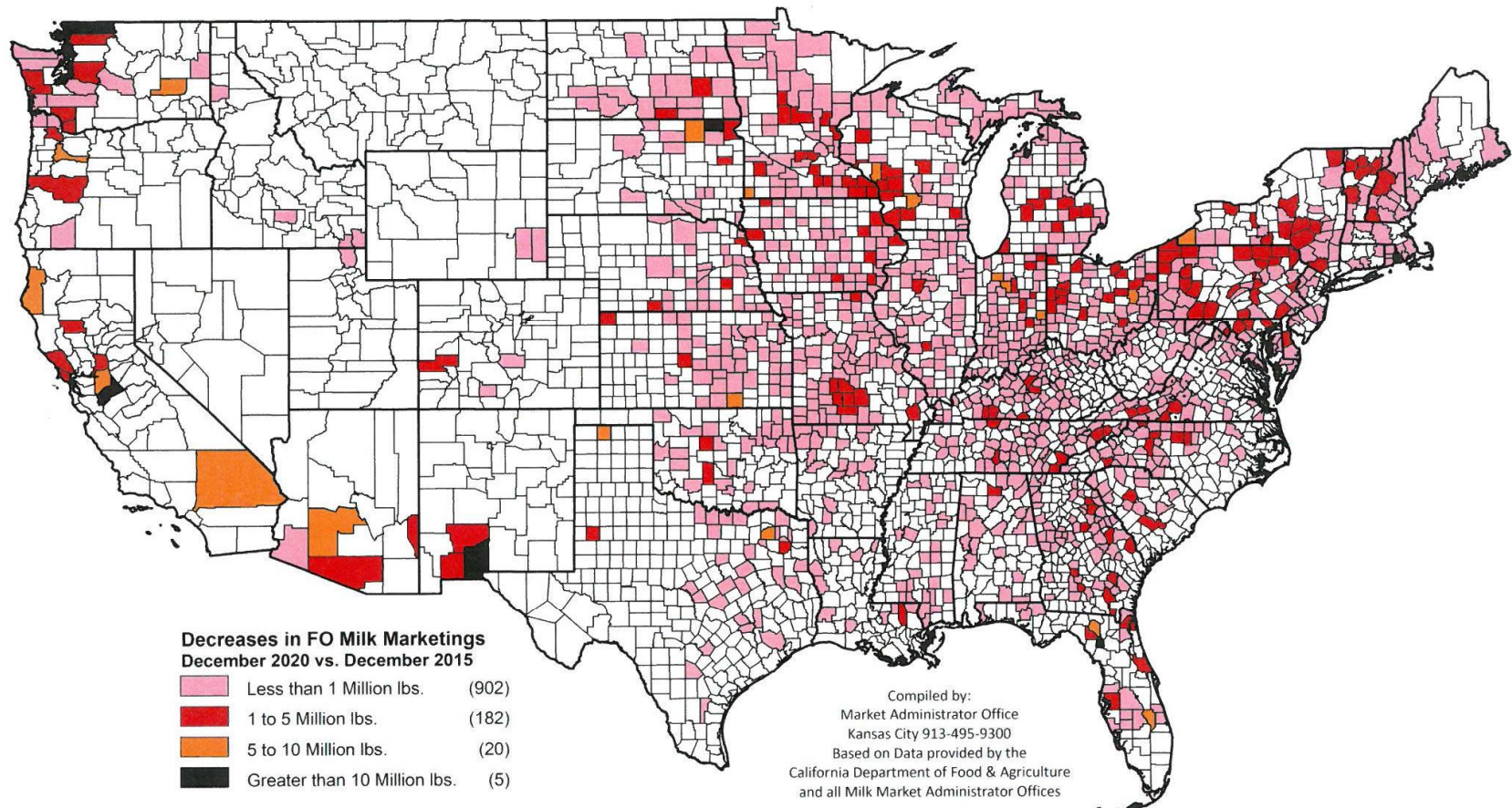


## 605 Counties Increased Marketings



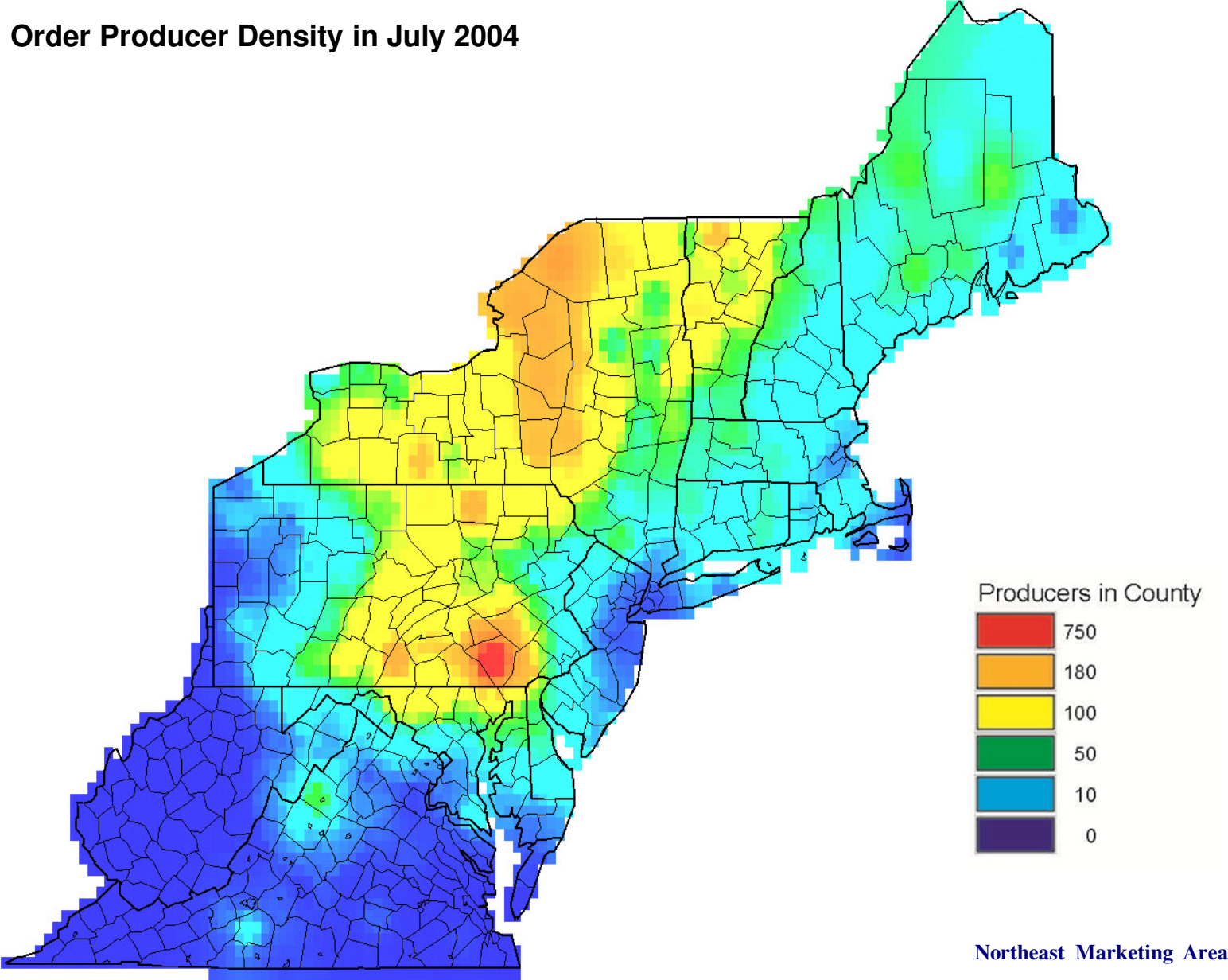


## 1,109 Counties Decreased Marketings



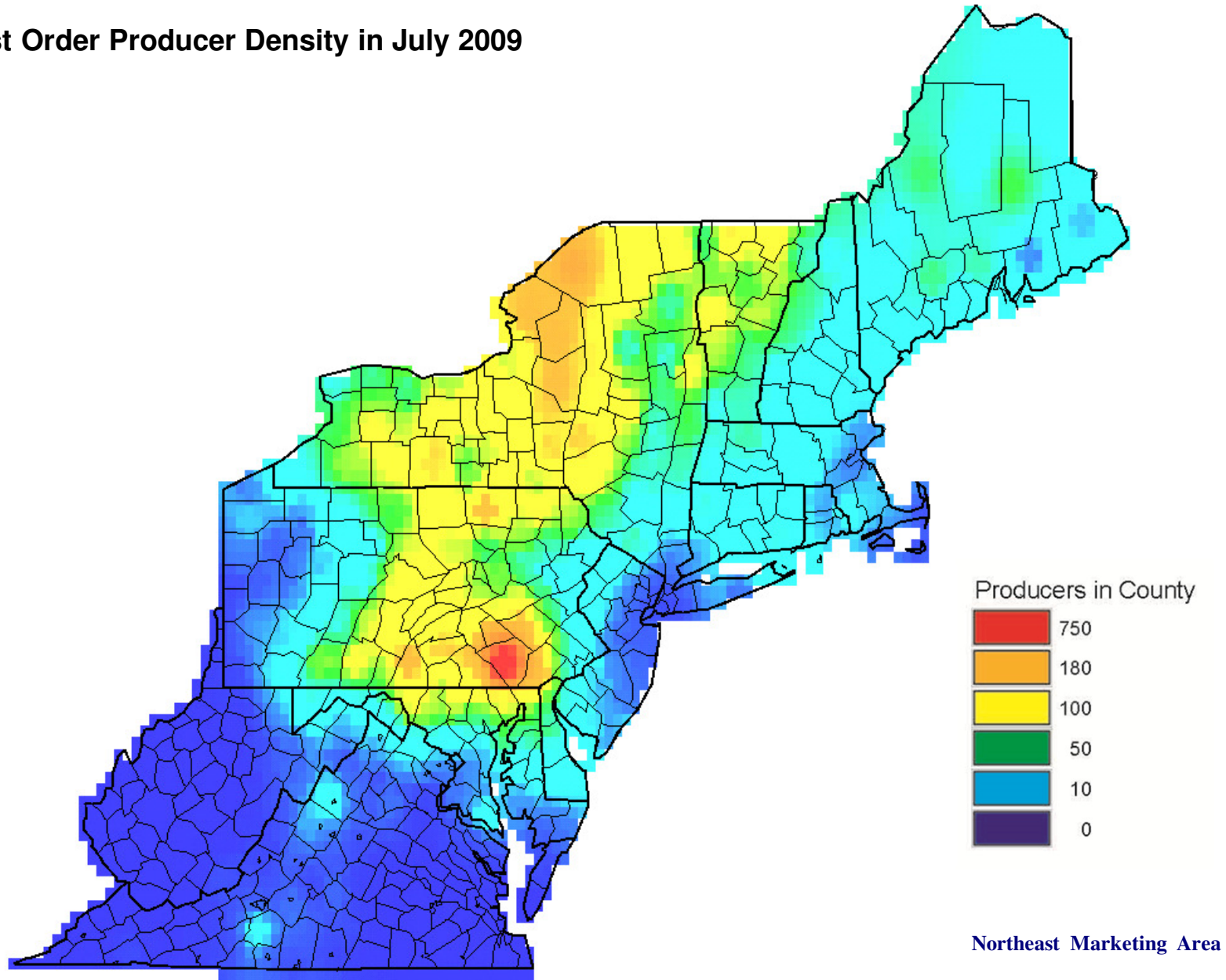


# Northeast Order Producer Density in July 2004



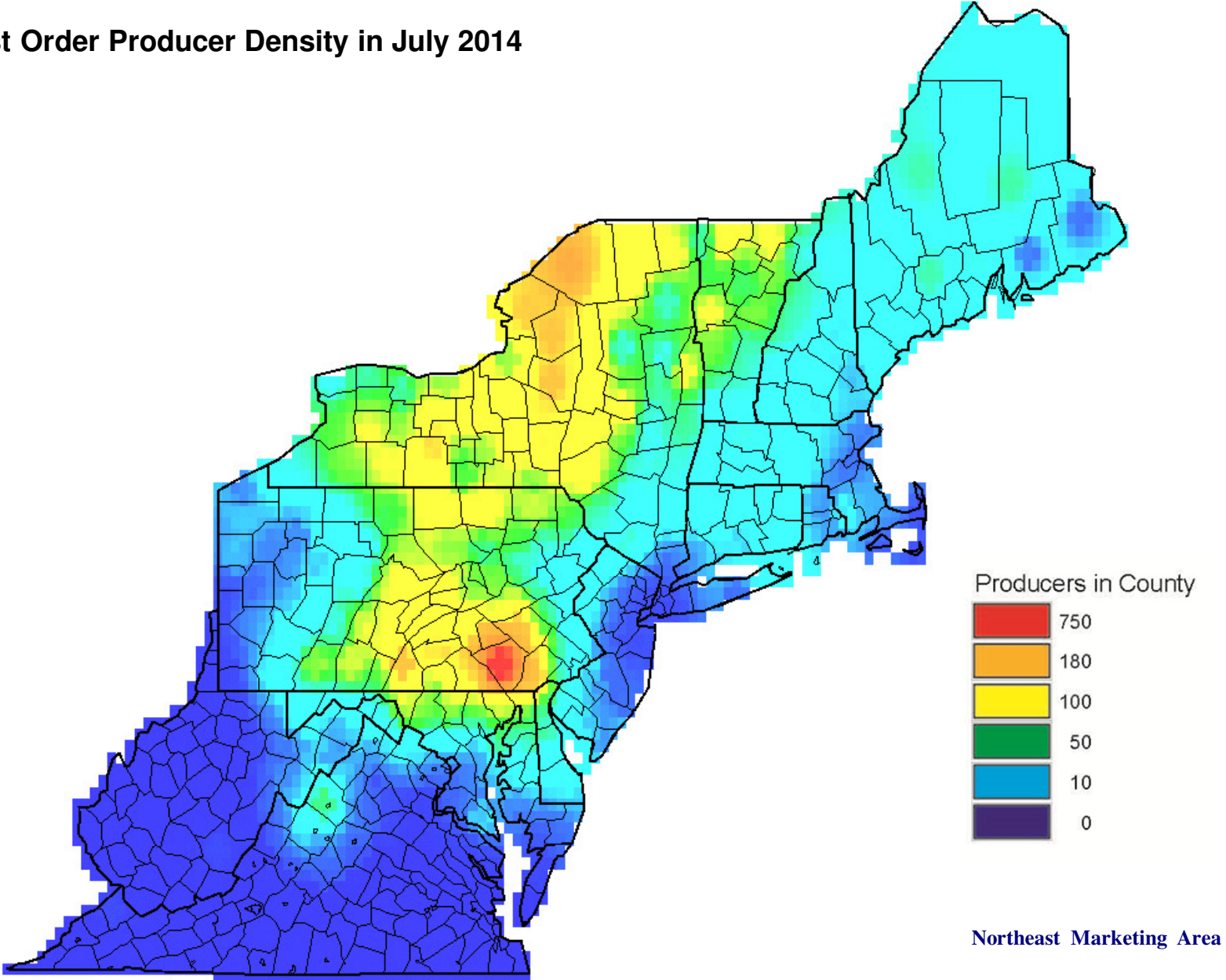


# Northeast Order Producer Density in July 2009



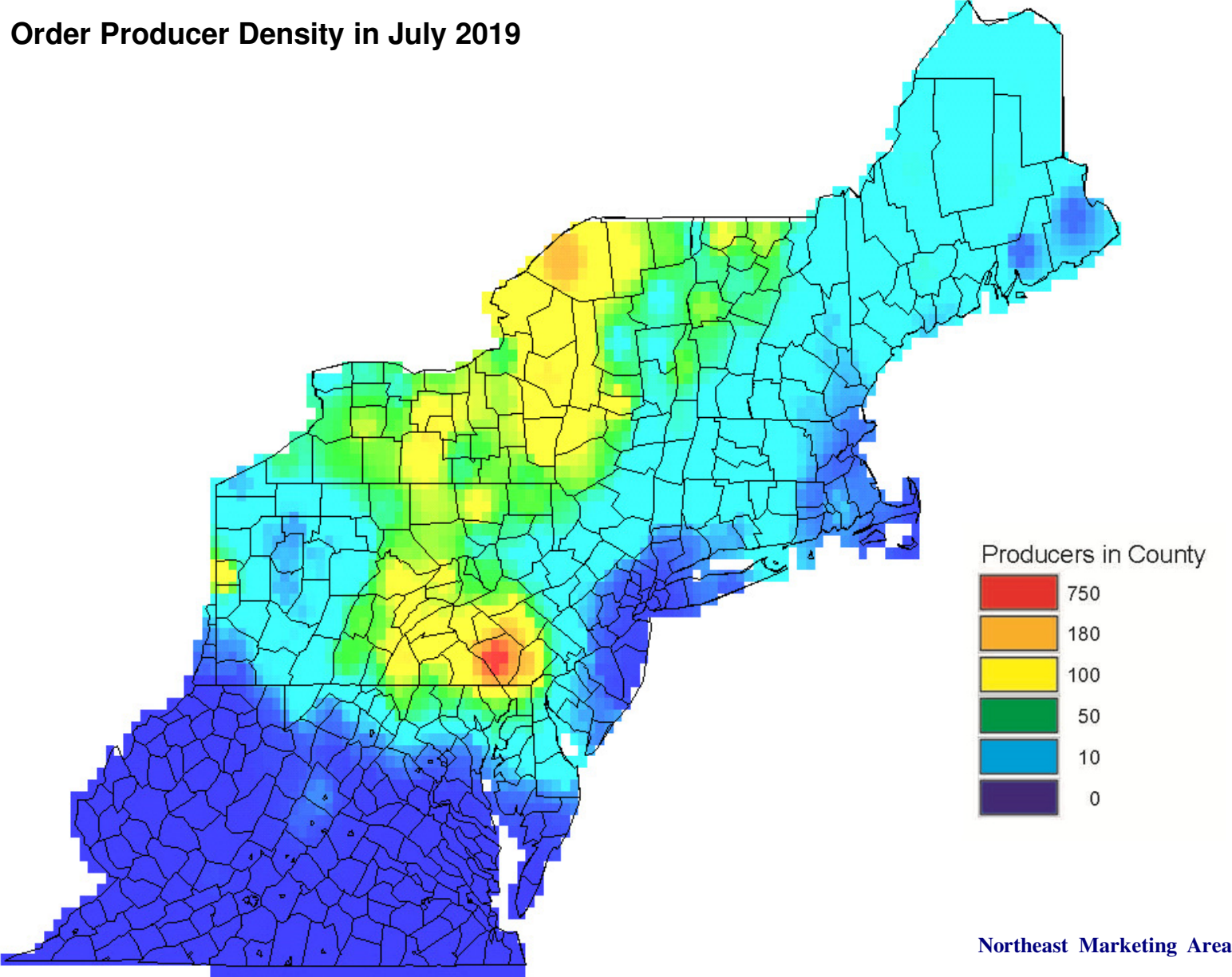


# Northeast Order Producer Density in July 2014





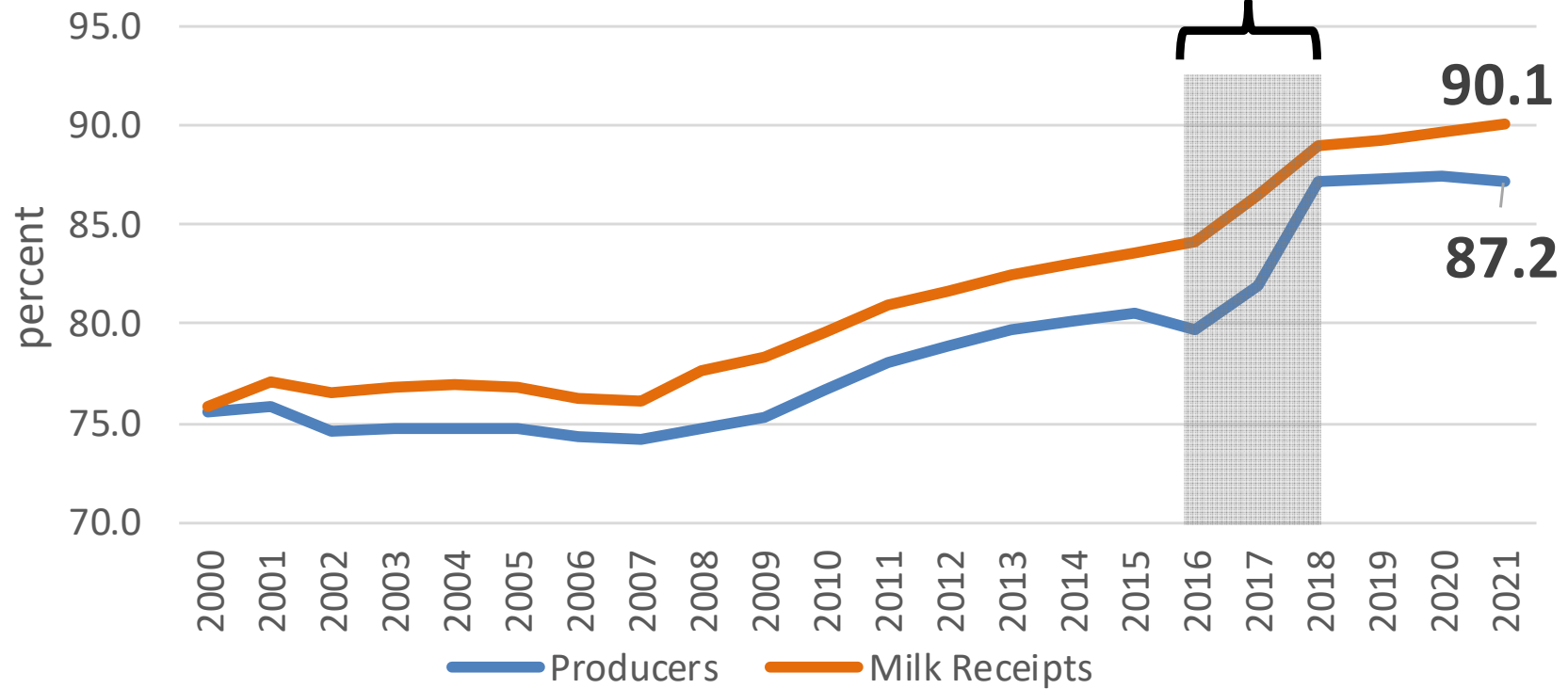
# Northeast Order Producer Density in July 2019





# Average Cooperative Share of Producers and Milk, Jan-Aug, 2000-2021

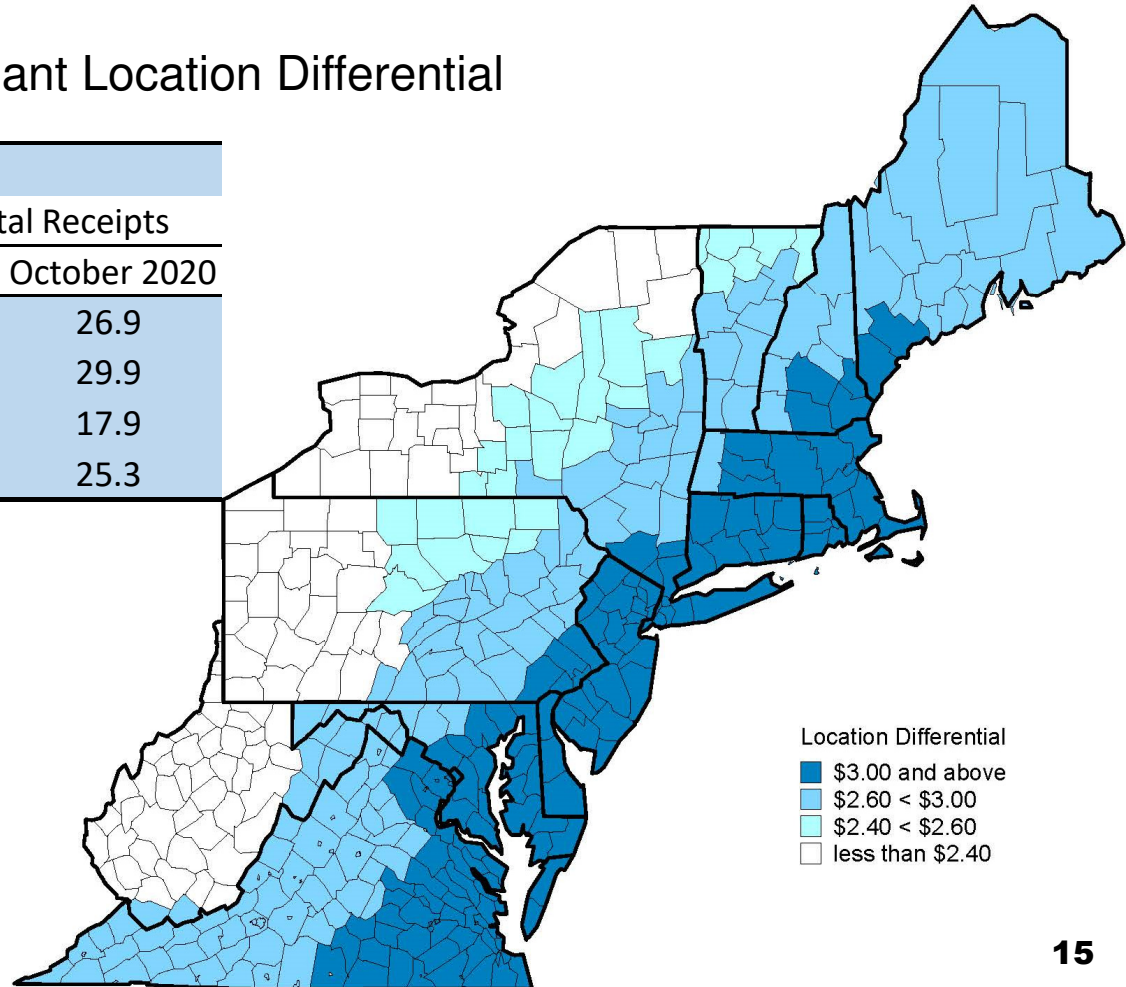
DFA/DMS Discontinue marketing nonmember milk



# Where farm milk is delivered has changed; more to lower differential zones

Receipts from Producers by Plant Location Differential

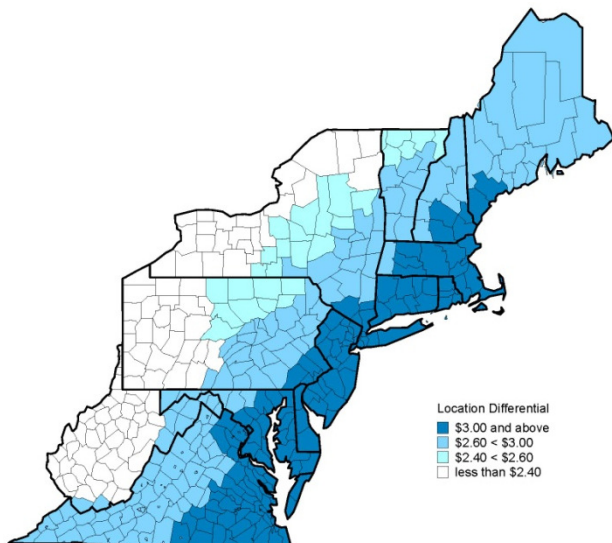
Location Differential dollars	Percent of Total Receipts	
	October 2005	October 2020
3.00 and above	41.4	26.9
2.60 < 3.00	30.3	29.9
2.40 < 2.60	12.6	17.9
2.40 and below	15.7	25.3





# Percent Milk Pooled by Class and by Selected Differential zones, 2004 and 2020 annual average

Location Differential	Class I		Class II		Class III		Class IV	
	2020	2004	2020	2004	2020	2004	2020	2004
	percent of total receipts							
\$3.00 and above	48.4	61.9	16.9	37.0	10	9.3	25.9	27.7
\$2.60 < \$3.00	31.8	25.9	25.7	29.8	24.5	25.4	40.4	42.5
\$2.40 < \$2.60	11.2	9.0	36.6	14.5	14.8	22.9	11.8	15.2
less than \$2.40	8.6	3.2	20.8	18.7	50.6	42.4	21.8	14.6



Location Differential  
 ■ \$3.00 and above  
 ■ \$2.60 < \$3.00  
 ■ \$2.40 < \$2.60  
 ■ less than \$2.40

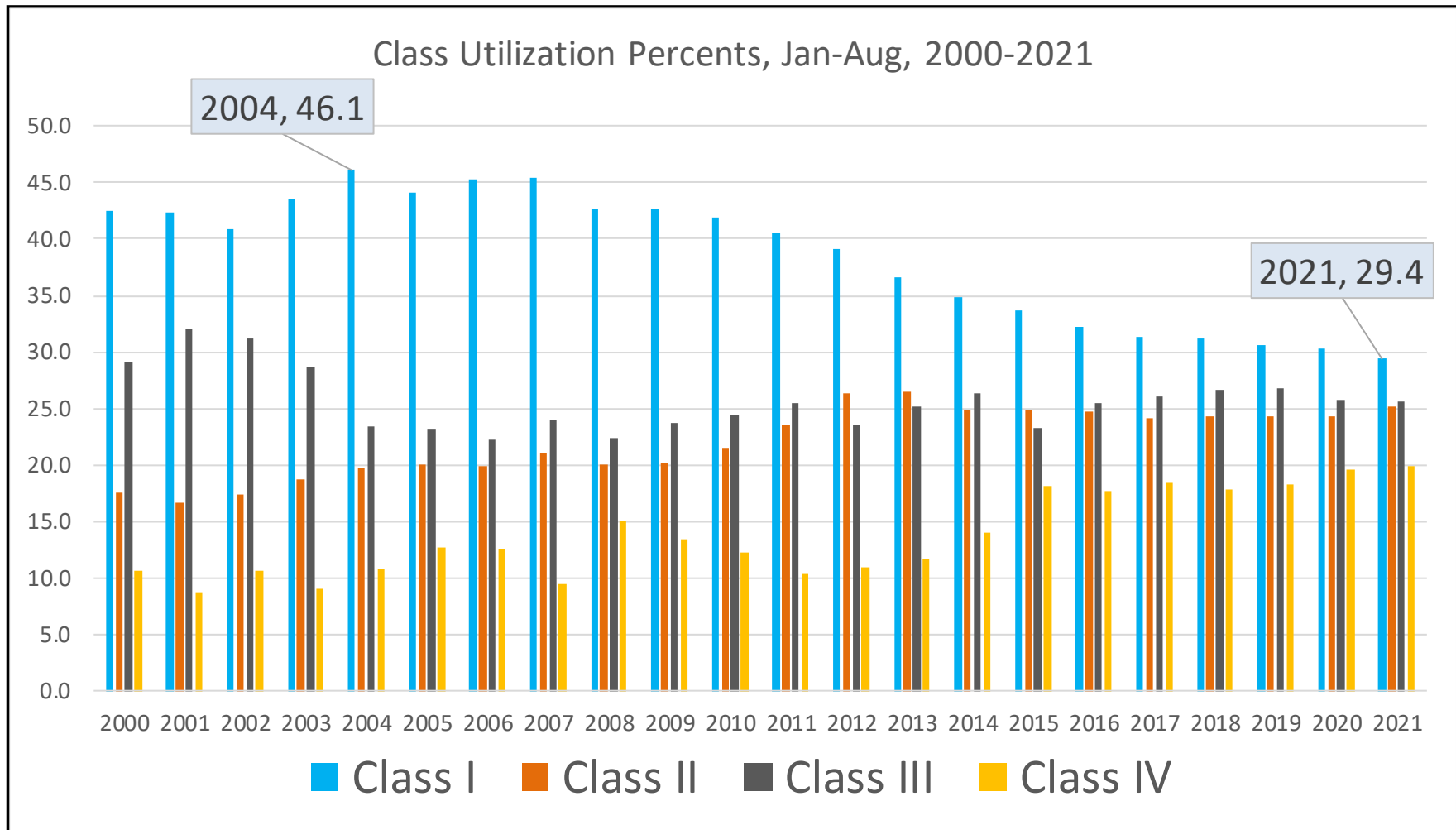
Vermont Differential Zones Range from \$2.40 Zone to \$2.80



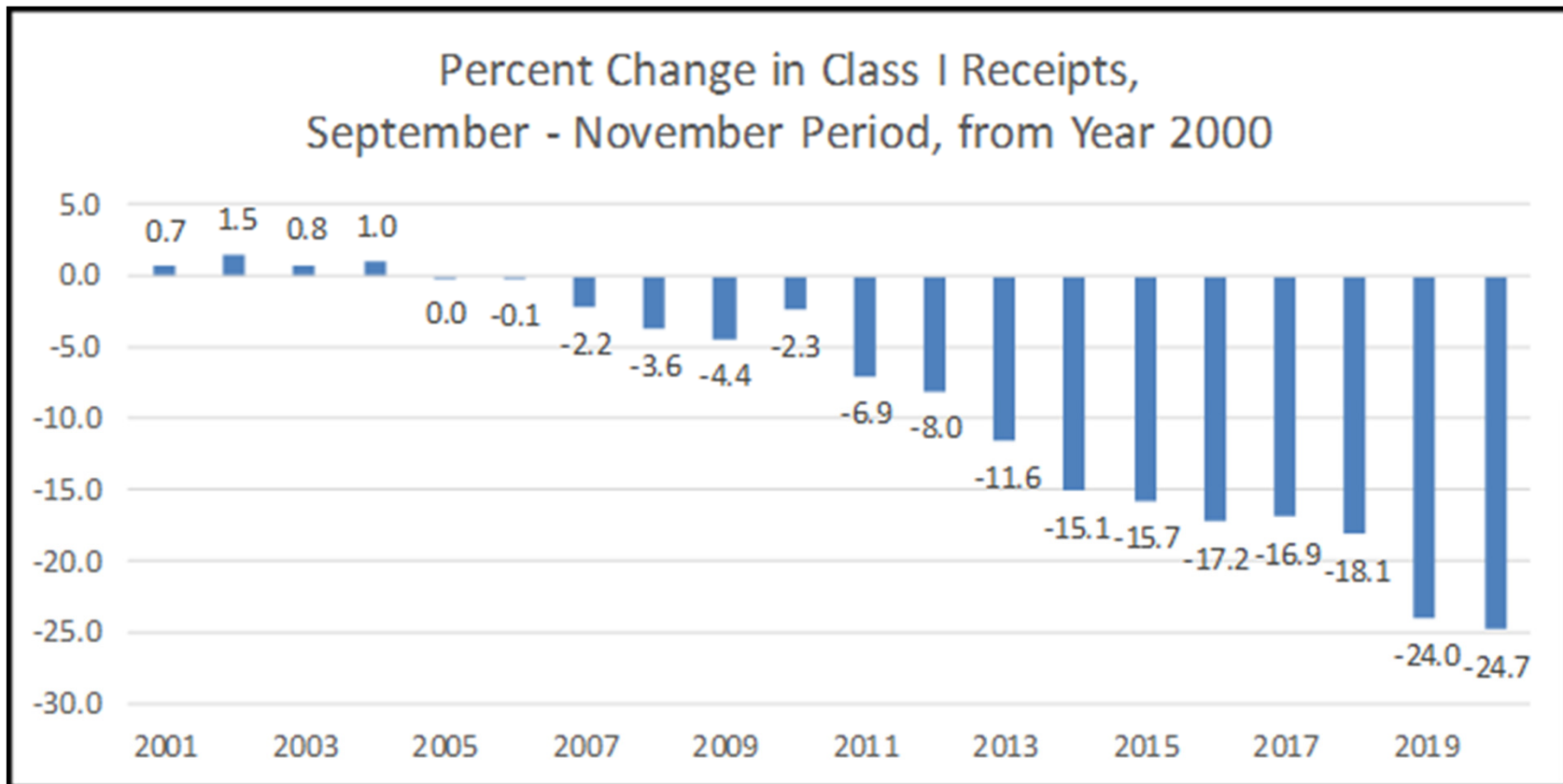
# Number of Pool Plants

	July				
	<u>2000</u>	<u>2010</u>	<u>2014</u>	<u>2018</u>	<u>2019</u>
Pool Distributing Plants	64	56	47	46	47
Pool Supply Unit Plants	-	4	2	2	1
Pool Supply System Plants	-	8	8	9	9
Pool Supply Plants	17	2	3	1	1
Total Number of Pool Plants	81	70	60	58	58

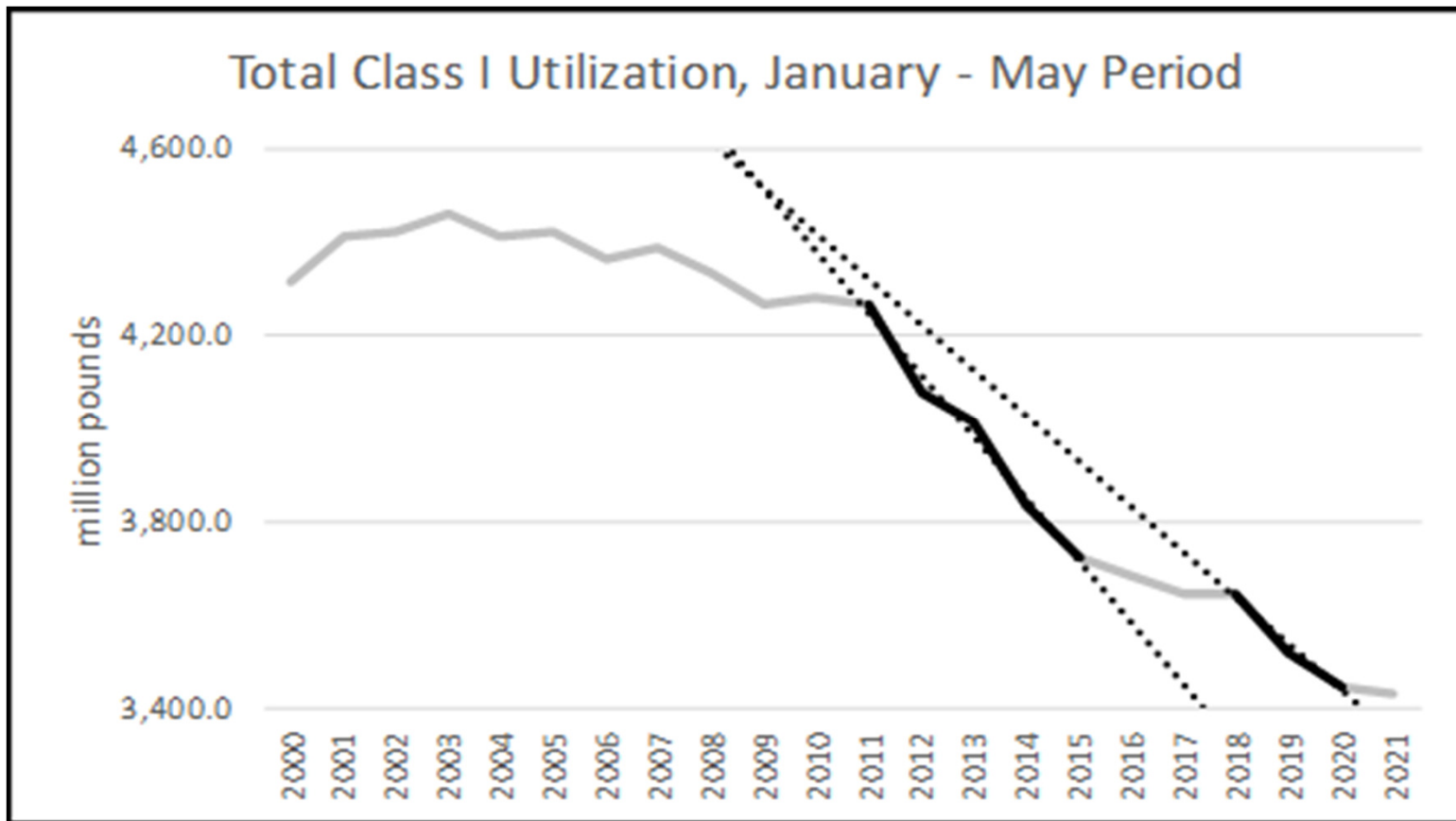
# Northeast Order Utilization Percents



# Fall Class I Utilization Compared to Initial Year of the Order



# Steep Periods of decline in Class I Utilization





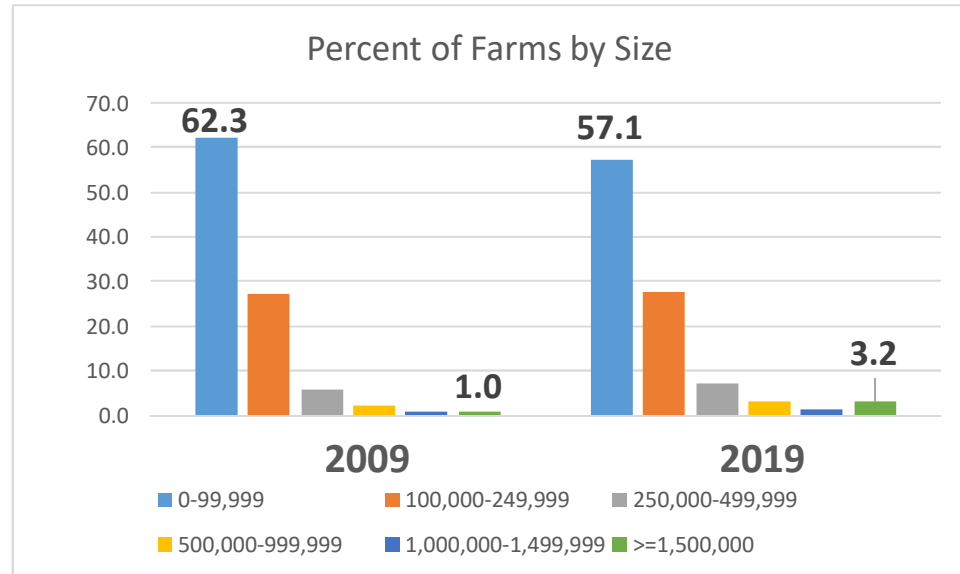
## Total Per Capita Sales, Fluid Milk Products, Northeast Marketing Area, **Jan-Jun**

Total Per Capita Sales, Northeast Marketing Area						
	2010	2014	2018	2019	2020	2021
	pounds of fluid milk products					
Northeast Marketing Area	86.2	79.2	72.3	69.6	69.3	65.3

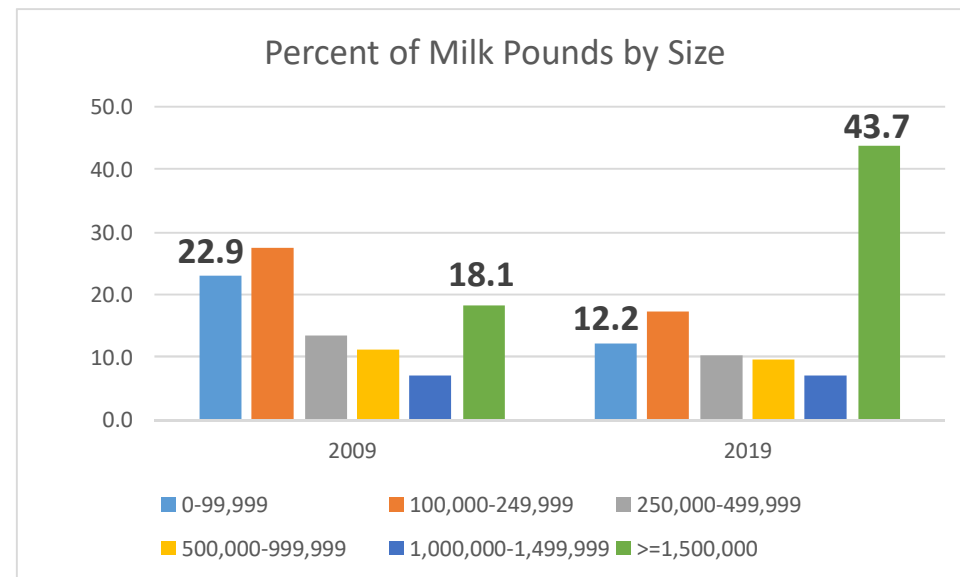
Sources: USDA's Estimated Fluid Milk Products Sales Report; U.S. Census Bureau July 2020

# Structural Change in Northeast

Distribution of farms by size has not changed a great deal.



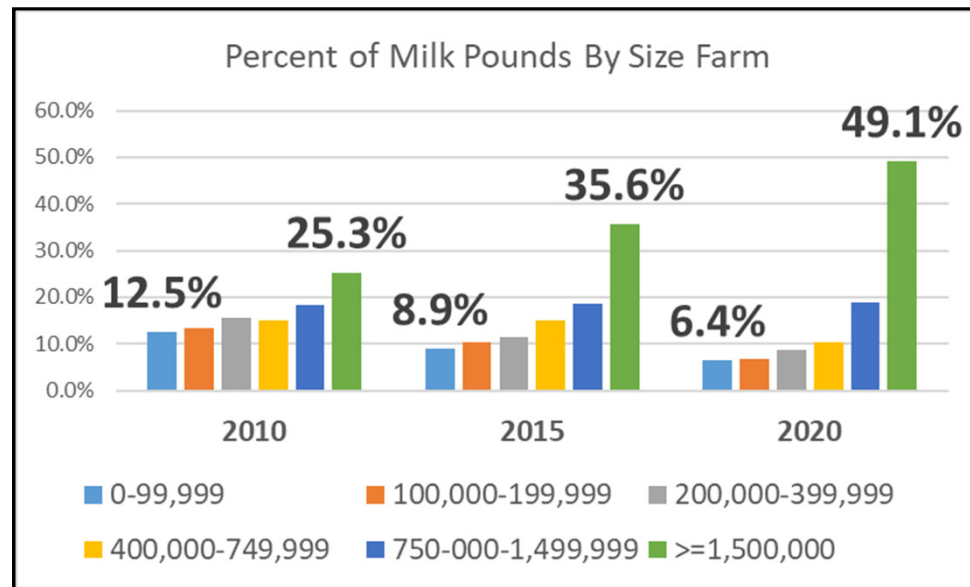
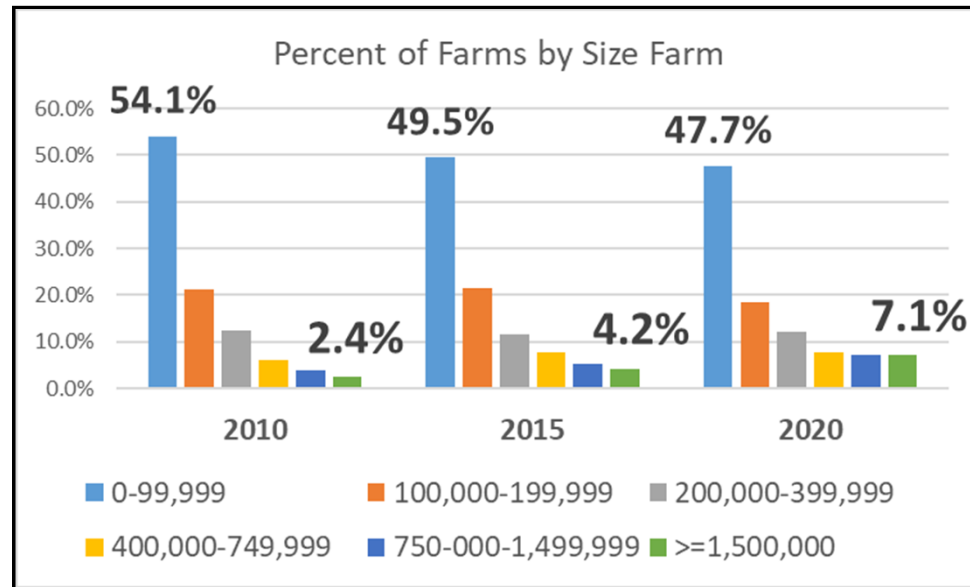
Distribution of the size of farms milk is pooled from has changed a great deal.



# Structural Change in Vermont

By proportion of farms, largest size category has tripled in 10 years. 38 farms make up largest category.

Distribution of the size of farms milk is pooled from has changed a great deal. Half the milk in Vermont comes from the largest category, or the 38 farms in that category.



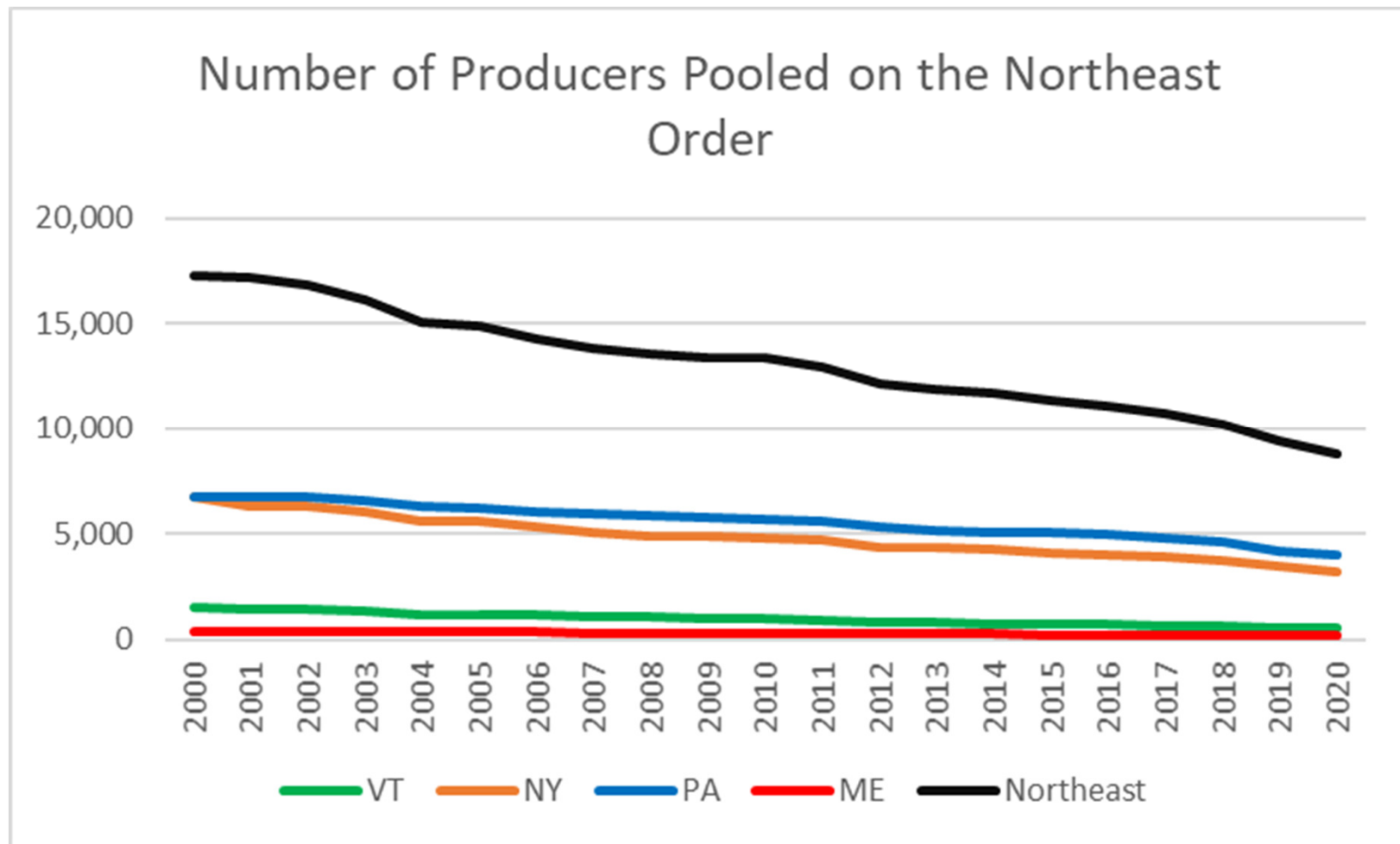




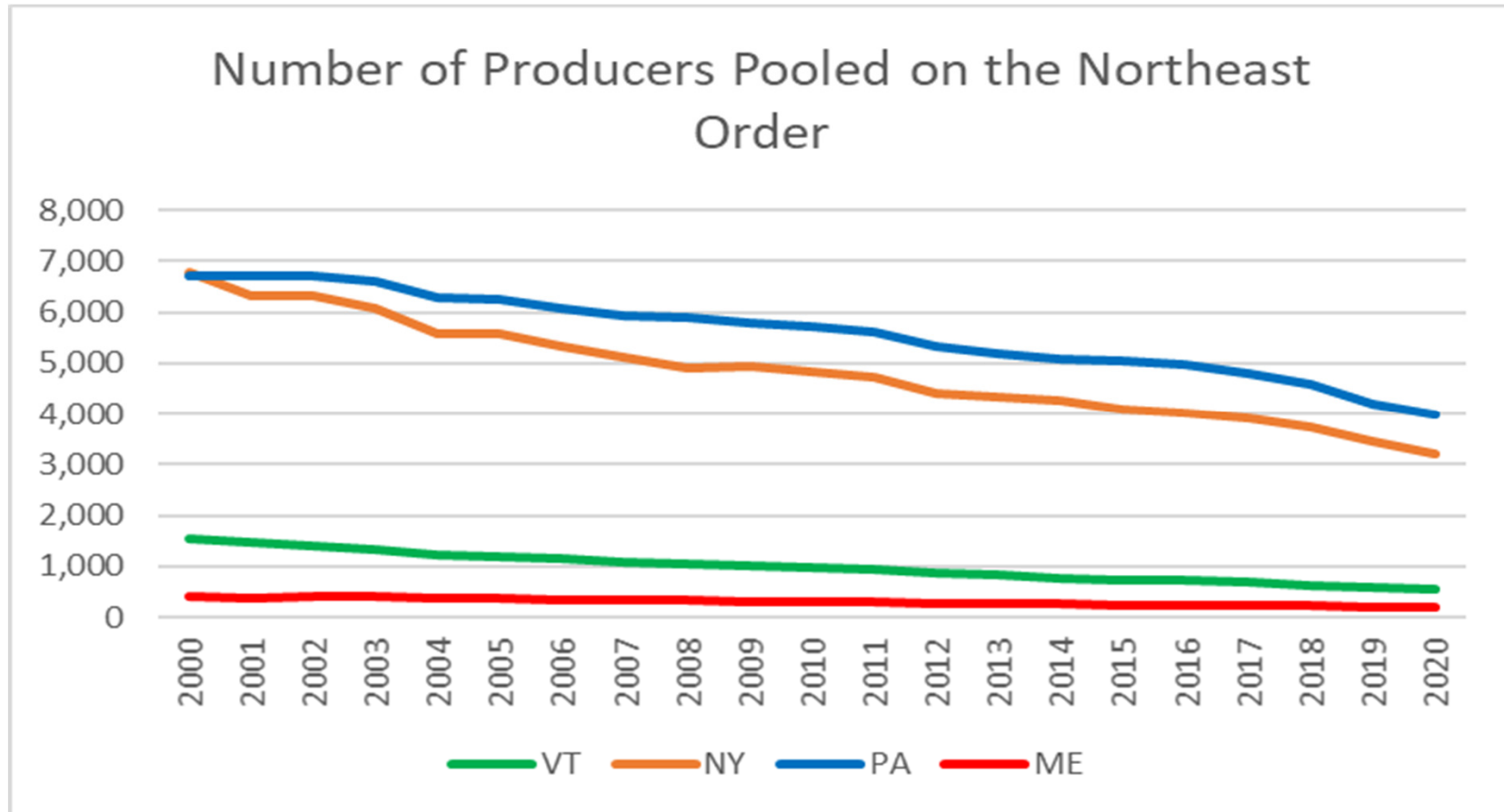
### Producers Pooled on The Northeast Order, 2000-2020

<u>Year</u>	<u>VT</u>	<u>NY</u>	<u>PA</u>	<u>Northeast</u>
2000	1,549	6,775	6,720	17,279
2001	1,467	6,329	6,725	17,165
2002	1,419	6,310	6,730	16,869
2003	1,349	6,092	6,599	16,114
2004	1,212	5,575	6,305	15,039
2005	1,201	5,594	6,238	14,904
2006	1,152	5,347	6,068	14,284
2007	1,098	5,123	5,949	13,877
2008	1,054	4,918	5,902	13,584
2009	1,021	4,939	5,789	13,384
2010	978	4,840	5,728	13,429
2011	959	4,734	5,604	12,965
2012	873	4,409	5,322	12,177
2013	829	4,338	5,194	11,915
2014	781	4,277	5,097	11,702
2015	745	4,101	5,051	11,356
2016	716	4,012	4,968	11,095
2017	679	3,930	4,786	10,761
2018	630	3,751	4,593	10,216
2019	581	3,452	4,204	9,447
2020	537	3,197	3,978	8,831

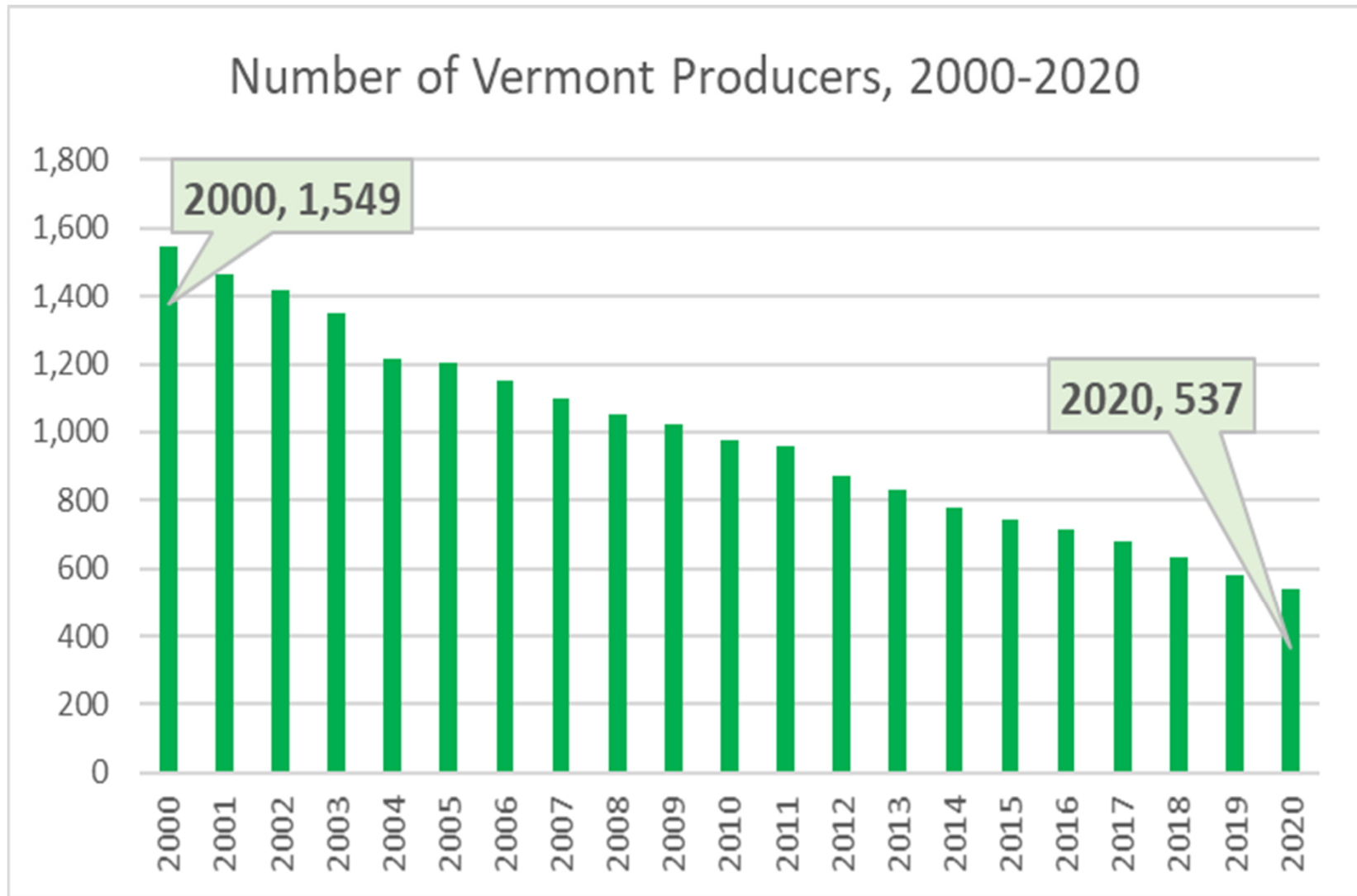
# State Comparisons



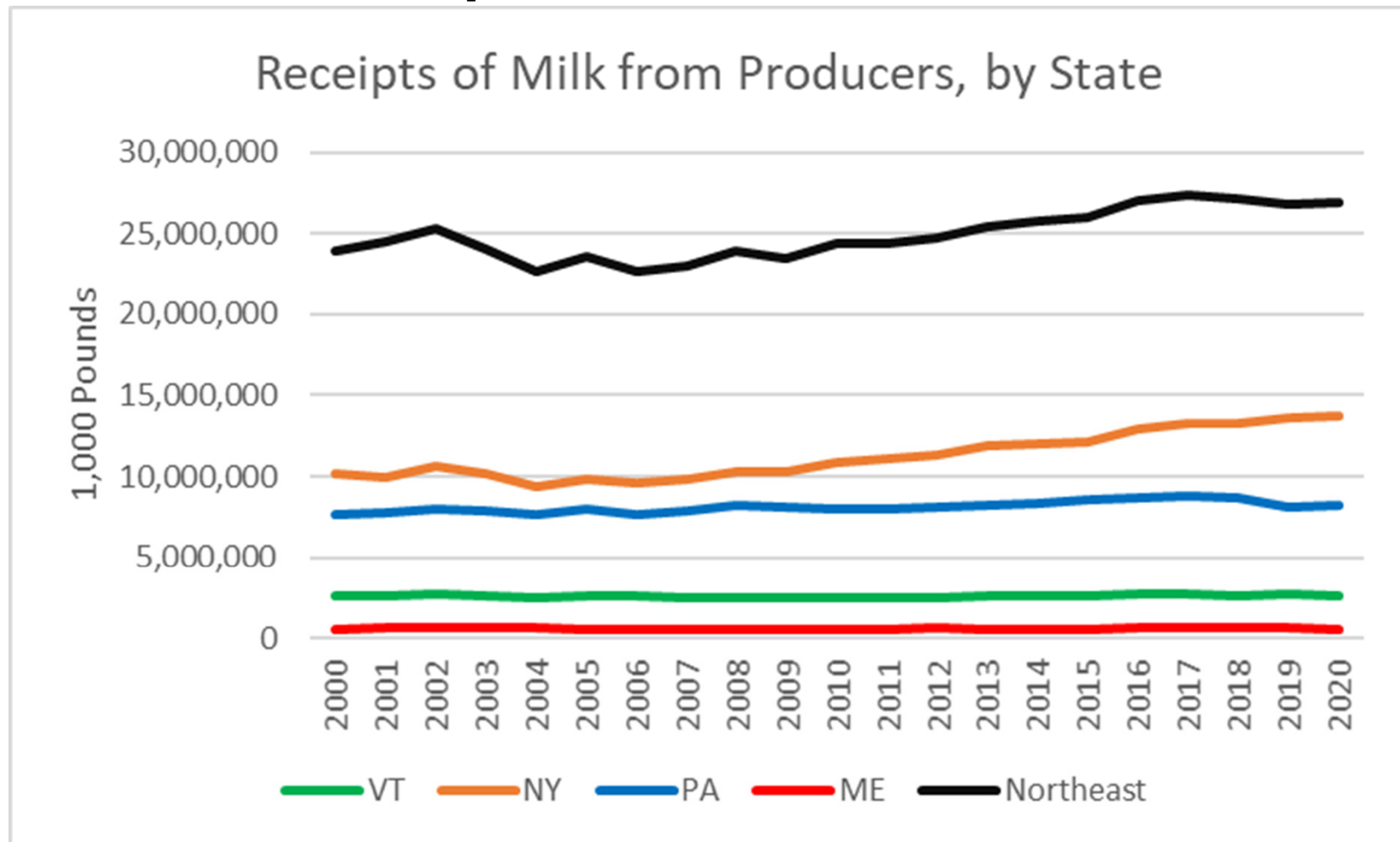
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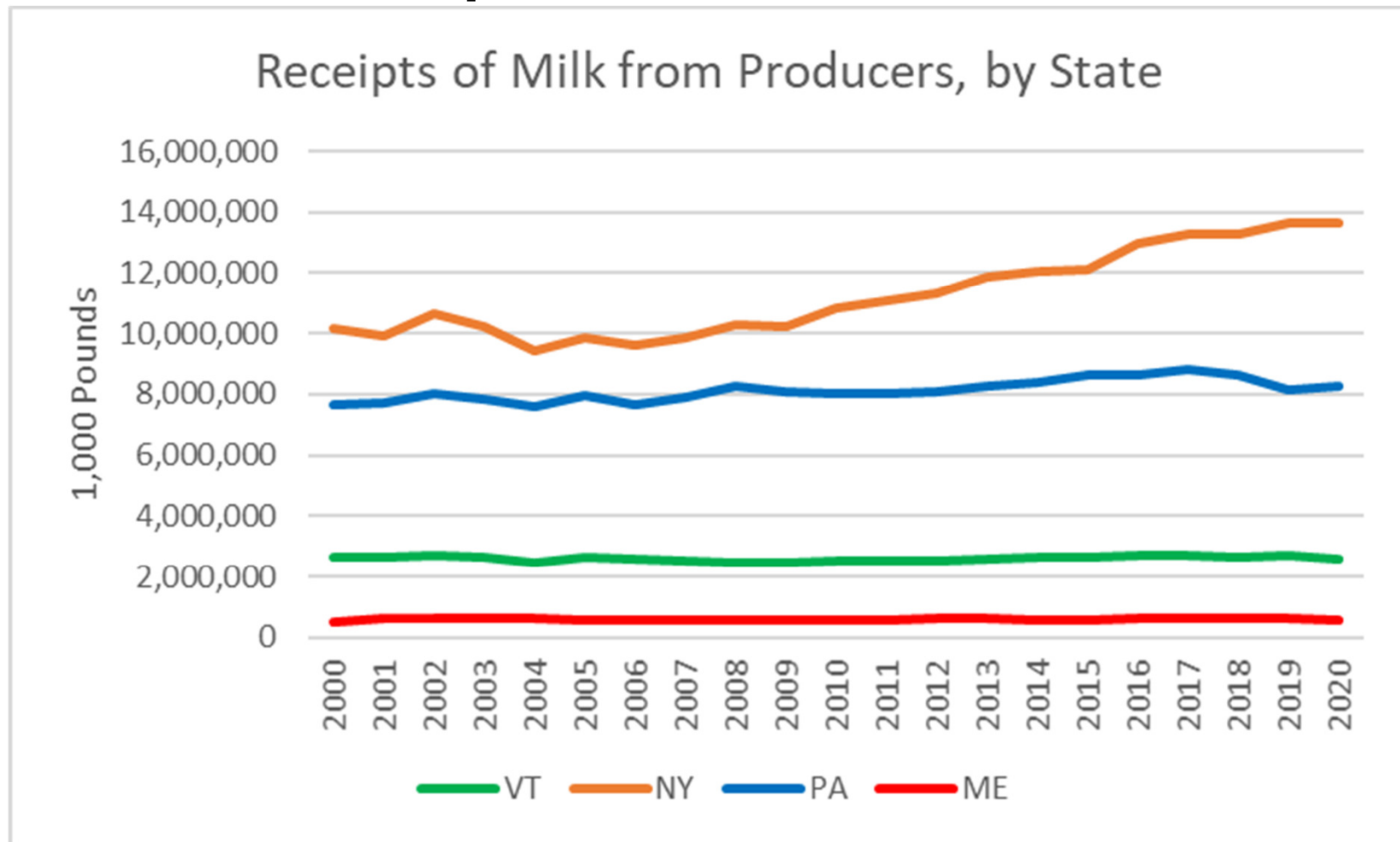
	VT	NY	PA	ME	Northeast
<b>Percent Decline Compared to 2000</b>	-65.3%	-52.8%	-40.8%	-52.9%	-48.9%



# State Comparisons

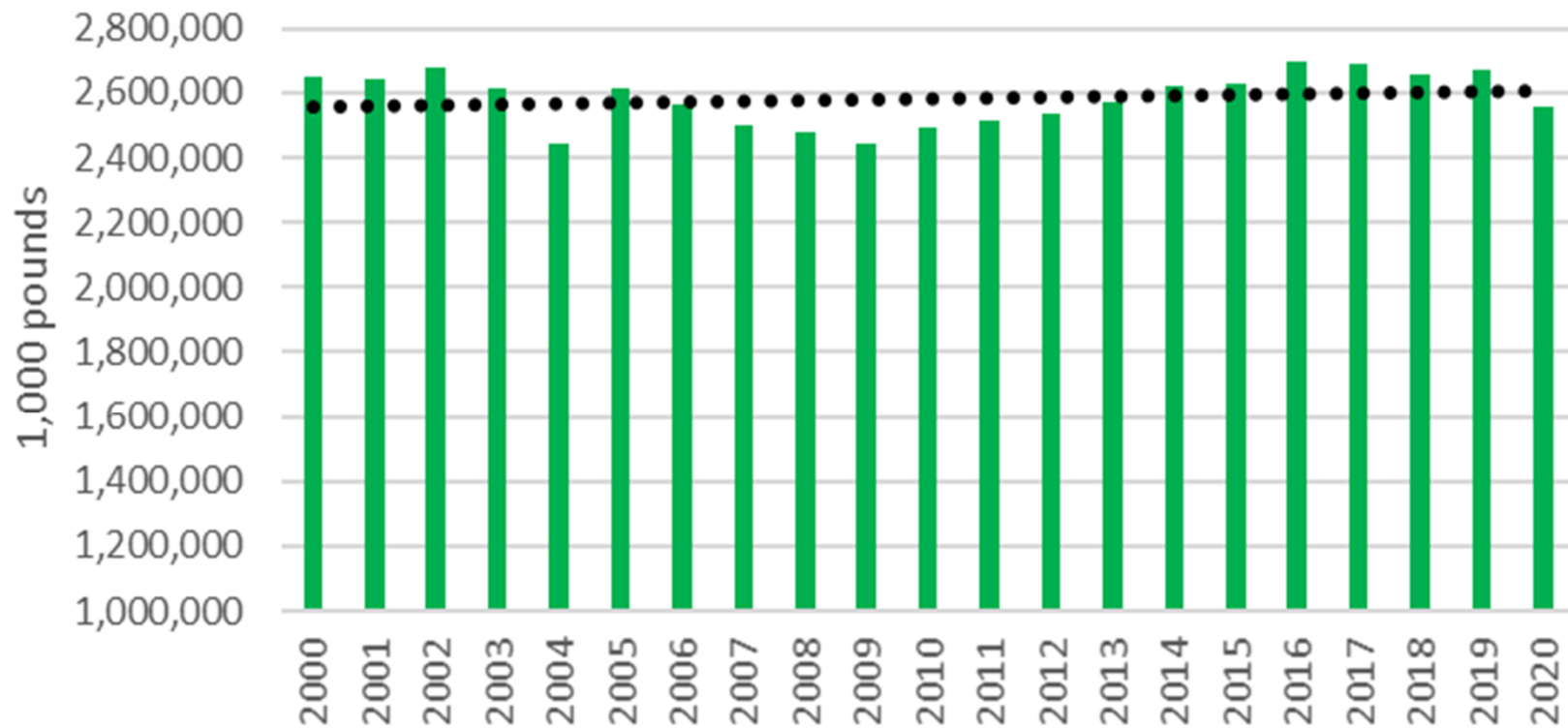


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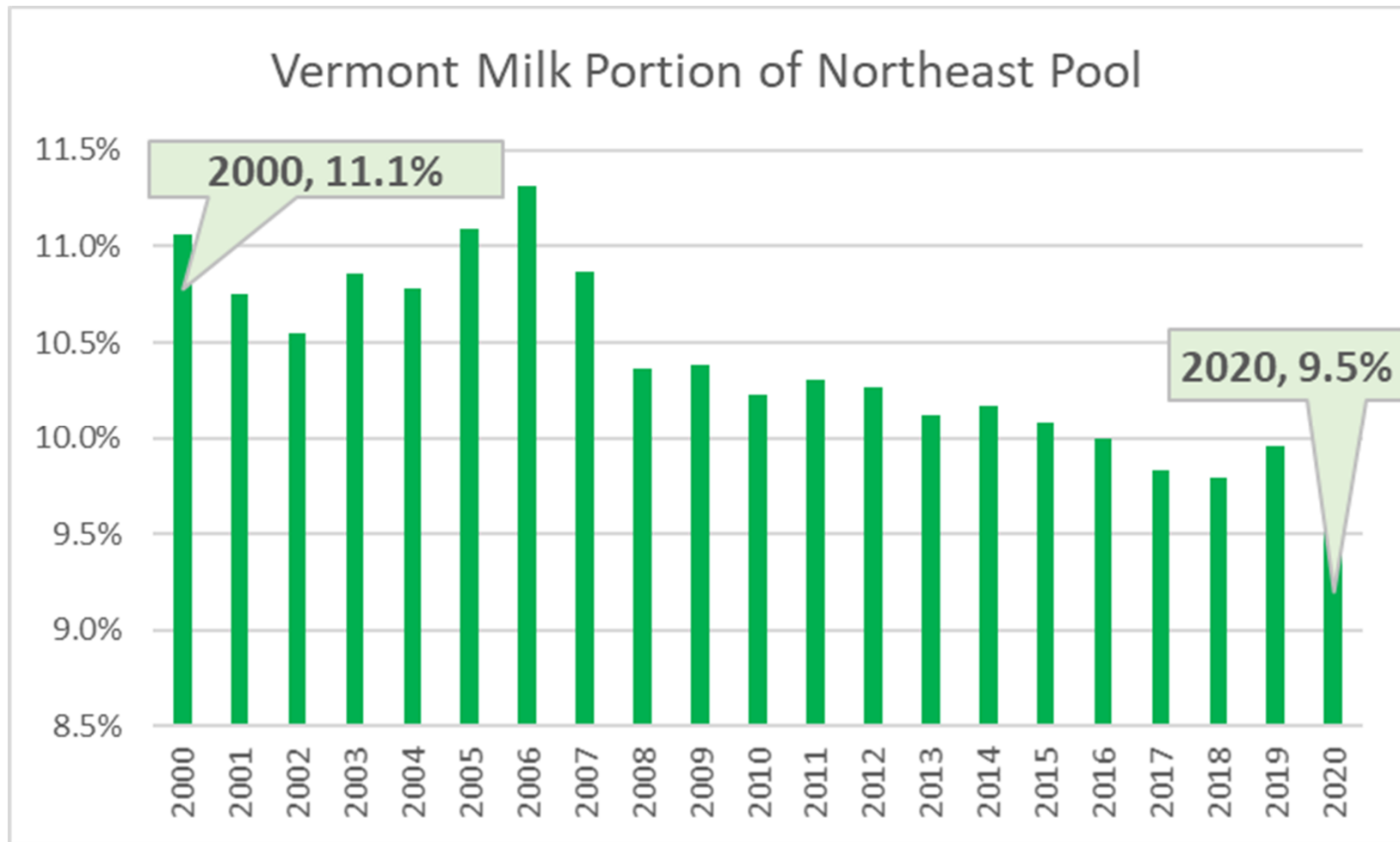




## Receipts of Milk from Vermont Producers

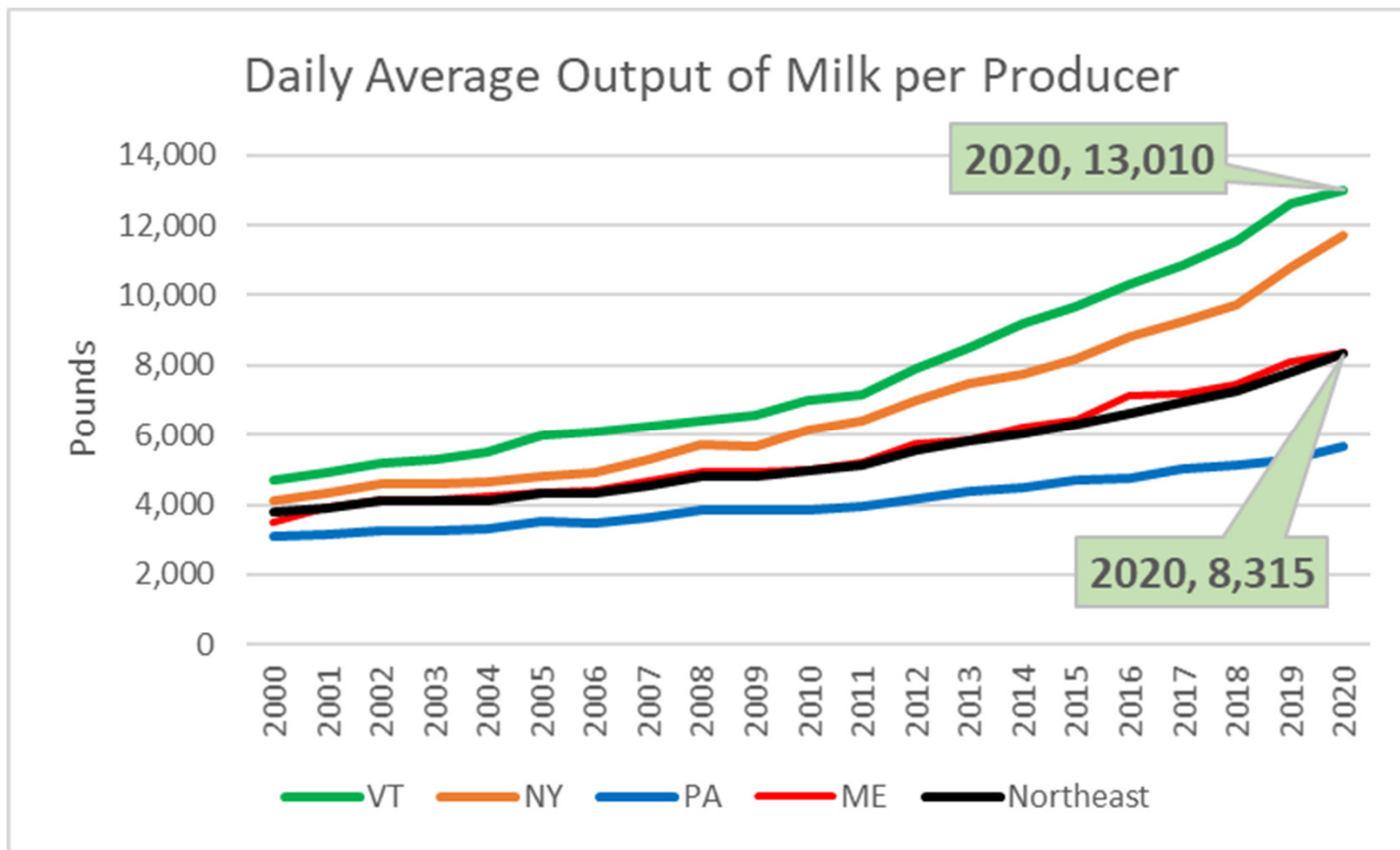


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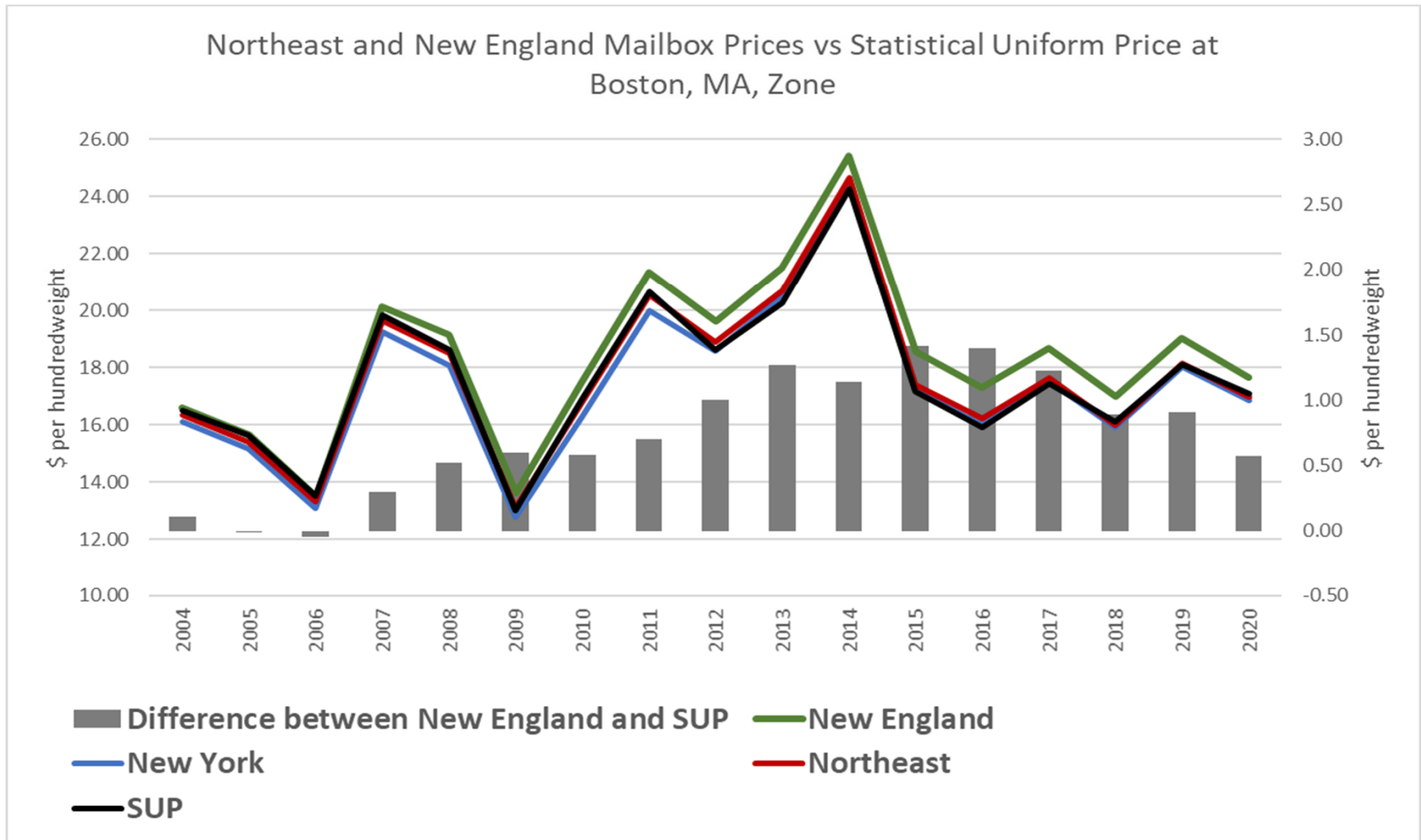


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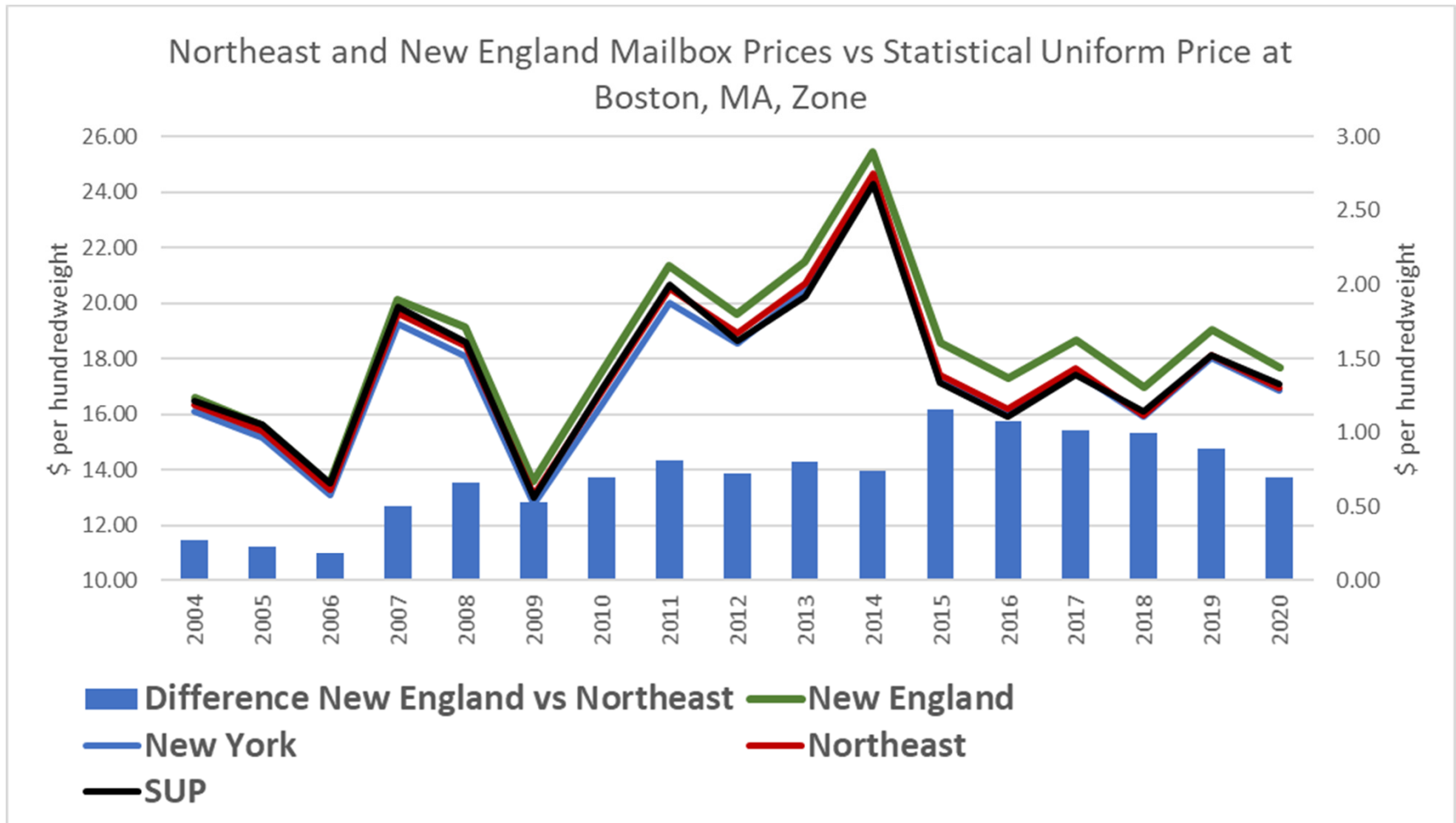


Percent Growth in DDP Since 2000				
VT	NY	PA	Northeast	
178.2%	185.4%	82.2%	119.5%	

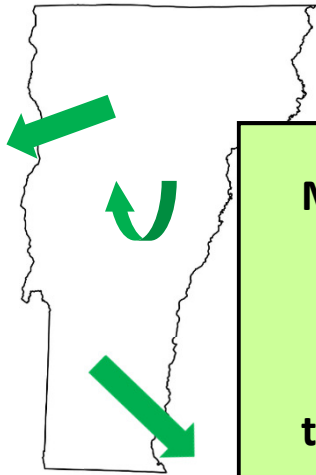
# Prices



# Prices



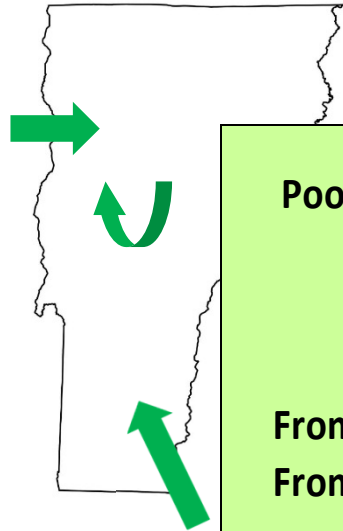
# Destination of Milk Produced in Vermont



## Milk Produced in VT to Plant Destination ....

	2011	2015	2019
	Percent		
to VT	46.1	55.3	62
to Outside of VT	53.9	44.7	38
to MA	35.9	30.3	24
	2011	2015	2019
	Pounds		
to VT	1,178,192,863	1,454,616,033	1,650,500,746
to Outside of VT	1,379,564,341	1,175,113,124	1,011,425,483
to MA	919,415,040	797,271,563	642,124,495
<b>Total</b>	<b>2,557,757,204</b>	<b>2,629,729,157</b>	<b>2,661,926,229</b>

# Source of Milk Received in Vermont



Pool Milk Received by Plants in Vermont...				
	2011	2015	2019	2020
	Percent			
From VT Source	72.7	74.1	81.4	81.2
From Outside VT	27.3	25.9	18.6	18.8
	2011	2015	2019	2020
	Pounds			
From VT Source	1,179,781,508	1,454,616,033	1,650,500,746	1,578,952,843
From Outside VT	443,807,043	508,464,853	376,683,712	365,002,671
<b>Total</b>	<b>1,623,588,551</b>	<b>1,963,080,886</b>	<b>2,027,184,458</b>	<b>1,943,955,514</b>

# Handlers Receiving Vermont Milk 2011

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Name</u>	<u>City</u>	<u>State</u>	<u>Name</u>	<u>City</u>	<u>State</u>
Agri-mark, Inc.	Cabot	VT	Agri-mark, Inc.	West Springfield	MA	Agri-mark, Inc.	Chateaugay	NY
Agri-mark, Inc.	Middlebury	VT	Berkshire Cheese Makers	Great Barrington	MA	BelGioioso Cheese Inc. (former Cappie)	Schenectady	NY
Bonnieview Farm	Craftsbury	VT	Crescent Ridge Dairy, Inc	Sharon	MA	Byrne Dairy	Syracuse	NY
Butterworks Farm	Westfield	VT	Friendly Ice Cream	Wilbraham	MA	Crowley Foods Division of HP Hood LLC	Binghamton	NY
Commonwealth Dairy	Brattleboro	VT	Garelick Farms, Inc.	Lynn	MA	Elmhurst Dairy, Inc.	Queens	NY
Crowley Cheese	Healdville	VT	Garelick Farms, Inc.	Franklin	MA	Euphrates, Inc.	Johnstown	NY
Franklin County Cheese	Enosburg Falls	VT	HP Hood LLC	Agawam	MA	FAGE USA	Johnstown	NY
Grafton Village Cheese	Brattleboro	VT	Plymouth Artisan Cheese	Plymouth	MA	Garelick Farms, Inc.	East Greenbush	NY
Grafton Village Cheese	Grafton	VT	Garelick Farms, Inc.	Bangor	ME	HP Hood LLC	Oneida	NY
HP Hood LLC	Barre	VT	HP Hood LLC	Portland	ME	Kraft Foods North America, Inc.	Lowville	NY
Jasper Hill Farms	Orleans	VT	Oakhurst Dairy	Portland	ME	Losordo Cheese	Heuvelton	NY
Maplebrook Farm	Bennington	VT	Franklin Foods	Duluth	MN	Midland Farms, Inc.	Menands	NY
Millborne Farms	Whiting	VT	Dairy Fresh, L.P.	Winston Salem	NC	Morningstar Foods Inc.	Delhi	NY
Monument Farms, Inc	Weybridge	VT	Milkco, Inc.	Asheville	NC	North Lawrence Dairy (formerly Kraft)	North Lawrence	NY
Orin Thomas and Sons	Rutland	VT	Hatchland Farm LLC	North Haverhill	NH	Pollio Italian Cheese Company	Campbell	NY
St Albans Cooperative	St Albans	VT	HP Hood LLC	Concord	NH	Queensboro Farm Products, Inc.	Canastota	NY
Swan Valley Cheese	Swanton	VT	Stonyfield Farm Inc.	Londonderry	NH	Steuben Foods Inc	Elma	NY
Elm City Cheese	Hamden	CT	Farmland Dairies LLC	Wallington	NJ	Ultra Dairy, LLC	East Syracuse	NY
Guida-Seibert Dairy	New Britain	CT	Garelick Farms, Inc.	Florence	NJ	Worcester Creameries Corp	Roxbury	NY
HP Hood LLC	Suffield	CT	Lebanon Cheese	Lebanon	NJ	Brewster Dairy	Brewster	OH
Kohler Mix Specialties	Newington	CT	Montena-Taranto Foods	Ridgefield	NJ	Crowley Foods Division of HP Hood LLC	Philadelphia	PA
Smyth, Michael E & Daniel	Enfield	CT	Readington Farms, Inc.	Whitehouse	NJ	Lamagna Cheese	Verona	PA
Centennial Farms Dairy	Atlanta	GA	Tropical Cheese	Perth Amboy	NJ	Munroe Dairy LLC	East Providence	RI
Pet Dairies	Baxley	GA				Providence Specialties Products	Providence	RI
Associated Milk Producers	Sibley	IA				Country Delite Farms	Nashville	TN
Dean Foods	Huntley	IL				Heritage Farms Dairy	Murfreesboro	TN
Dairy Farm Products	Goshen	IN						
Bluegrass Dairy and Spring	field	KY						

# Handlers Receiving Vermont Milk - 2015

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Name</u>	<u>City</u>	<u>State</u>
Agri-mark, Inc.	Cabot	VT	Northstar Processing	Litchfield	MN
Agri-mark, Inc.	Middlebury	VT	HP Hood LLC	Concord	NH
Butterworks Farm	Westfield	VT	Stonyfield Farm Inc.	Londonderry	NH
Commonwealth Dairy	Brattleboro	VT	Agri-mark, Inc.	Chateaugay	NY
Crowley Cheese	Healdville	VT	Byrne Dairy	Syracuse	NY
Franklin County Cheese	Enosburg Falls	VT	Craigs Station Creamery	Pavilion	NY
Grafton Village Cheese	Brattleboro	VT	C'Ville Yoghurt	Cortland	NY
Grafton Village Cheese	Grafton	VT	Euphrates, Inc.	Johnstown	NY
HP Hood LLC	Barre	VT	FAGE USA	Johnstown	NY
Jasper Hill Farms	Orleans	VT	Garelick Farms, Inc.	East Greenbush	NY
Maplebrook Farm	Bennington	VT	Golden Age Cheese	Woodhull	NY
Monument Farms, Inc.	Weybridge	VT	HP Hood LLC	Oneida	NY
Orin Thomas and Sons	Rutland	VT	Losordo Cheese	Heuvelton	NY
Spring Brook Farm	Reading	VT	Midland Farms, Inc.	Menands	NY
St Albans Coop Creamery	St Albans	VT	North Country Dairy LLC	North Lawrence	NY
Swan Valley Cheese	Swanton	VT	Queensboro Farm Products	Canastota	NY
Vermont Farmstead Cheese	South Woodstock	VT	Saputo Dairy Foods USA	Delhi	NY
Calabro Cheese	East Haven	CT	Steuben Foods Inc	Elma	NY
Elm City Cheese	Hamden	CT	Ultra Dairy, LLC	East Syracuse	NY
Guida-Seibert Dairy Co	New Britain	CT	Upstate Niagara Coop	Rochester	NY
HP Hood LLC	Suffield	CT	Worcester Creameries Corp	Roxbury	NY
Saputo Dairy Foods USA	Newington	CT	Minerva Dairy	Minerva	OH
Agri-mark, Inc.	West Springfield	MA	Skotidakis Inc	St Eugene	Ontario-C
Dahlicious LLC	Leominster	MA	Lamagna Cheese	Verona	PA
Friendly Ice Cream	Wilbraham	MA	Westover Dairy	Lynchburg	VA
Garelick Farms, Inc.	Franklin	MA	CROPP	Chaseburg	WI
Garelick Farms, Inc.	Lynn	MA			
HP Hood LLC	Agawam	MA			
Plymouth Artisan Cheese	Plymouth	MA			

# Handlers Receiving Vermont Milk - 2019

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Name</u>	<u>City</u>	<u>State</u>
Agri-Mark, Inc.	Cabot	VT	Agri-Mark, Inc.	West Springfield	MA
Agri-Mark, Inc.	Middlebury	VT	Friendly Ice Cream	Wilbraham,MA	MA
Butterworks Farm	Westfield	VT	Garelick Farms, Inc. LLC	Franklin,MA	MA
Champlain Valley Creamery	Middlebury	VT	Garelick Farms, Inc., DIP	Franklin,	MA
Commonwealth Dairy, LLC	Brattleboro	VT	HP Hood LLC	Agawam,MA	MA
Crowley Cheese, Inc.	Healdville,VT	VT	LANCO-Pennland Quality Milk Produce	Hancock,MD	MD
Franklin County Cheese	Enosburg Falls	VT	Oakhurst Dairy	Portland,ME	ME
Grafton Village Cheese	Brattleboro,VT	VT	HP Hood LLC	Concord,NH	NH
Grafton Village Cheese	Grafton,VT	VT	Stonyfield Farm, Inc.	Londonderry,NH	NH
HP Hood LLC	Barre,VT	VT	Montena-Taranto Foods	Ridgefield,NJ	NJ
Jasper Hills Farms	Orleans	VT	Tropical Cheese	Perth Amboy	NJ
Maplebrook Farm	Bennington,VT	VT	Agri-Mark, Inc.	Chateaugay	NY
Norwich farm Creamery	Norwich,VT	VT	Cayuga Milk Ingredients	Auburn	NY
Orin Thomas and Sons DBA	Rutland	VT	Chobani, Inc.	New Berlin	NY
Plymouth Artisan Cheese	Plymouth,VT	VT	Euphrates, Inc.	Johnstown,NY	NY
Spring Brook Farm	Reading,VT	VT	Garelick Farms, Inc. LLC	East Greenbush, NY	NY
St. Albans Creamery LLC	Saint Albans	VT	Garelick Farms, Inc., DIP	East Greenbush, NY	NY
Swan Valley Cheese	Swanton,VT	VT	HP Hood LLC	Oneida,NY	NY
Vermont Farmstead Cheese	South Woodstock	VT	HP Hood LLC	Vernon,NY	NY
Calabro Cheese	East Haven	CT	Kraft Foods North America	Lowville,NY	NY
Elm City Cheese	Hamden,CT	CT	Midland Farms, Inc.	Menands,NY	NY
Guida-Seibert Dairy Co.	New Britain	CT	North Country Dairy LLC	North Lawrence	NY
Saputo Dairy Foods USA, LLC	Newington,CT	CT	Queensboro Farms Products, Inc.	Canastota,NY	NY
Horizon Organic Dairy, Inc.	Denver,CO	CO	Saputo Dairy Foods USA, LLC	Delhi,NY	NY
			Steuben Foods Incorporated	Elma,NY	NY
			Upstate Niagara Cooperative, Inc.	Buffalo,NY	NY
			Worcester Creameries Corp.	Roxbury,NY	NY
			WhiteWave Foods	Mount Crawford	VA
			Cooperative Regions of Organic Produ	Chaseburg	WI
			BelGioioso Cheese Inc.		