



Organic Dairy in Vermont

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About Us

Vermont Organic Farmers LLC (VOF) is a USDA accredited certification body owned by the Northeast Organic Farming Association of Vermont (NOFA-VT).

VOF certifies farms and facilities in Vermont to the USDA's organic regulations. VOF currently certifies about 800 organic farms and food producers.

NOFA-VT is a 501(c)(3) non-profit organization promoting organic practices to build a food system in Vermont that is economically viable, ecologically sound, and socially just.



Number of Organic Dairies in VT

169 producers certified to produce milk at the end of 2020:

Addison = 20

Orange = 23

Bennington = 2

Orleans = 36

Caledonia = 13

Rutland = 4

Franklin = 27

Washington = 12

Grand Isle = 2

Windham = 5

Lamoille = 8

Windsor = 5



Number of Organic Dairies in VT

- At the end of 2020, 26% of all the dairies in the state were organic
- These producers manage 60,500 acres of organic hay, pasture, and crops
- Gross 63 million annually



Herd Size for Organic Dairies in VT

- Average 81 milkers per farm
- Median of 68 milkers per farm
- Range from 5 cows to 440 cows
 - 4% have less than 19
 - 34% have 20-59
 - 29% have 60-79
 - 11% have 80-99
 - 15% 100-199
 - 6% have 200-440
- 94% are small farms & 6% are medium farm operations
- Historically, organic has allowed small to medium size farms to stay in business



Prices & Contracts

- Prices are guaranteed with contracts, which allows for future planning & investment
- Prices are based on components (butterfat and protein) and milk quality.
 - Range from \$29-\$35/cwt.
 - 100% Grassfed Organic gets an additional \$5/cwt premium.



Consumer Demand

Between 2010 and 2018, the percentage of U.S. residents buying organic milk rose from 4 to 13 percent. *

By 2022, that number is expected to surge an additional 14.3%.*

*According to Packaged Facts U.S. Beverage Market Outlook 2019 report

*According to Statista data



More consumers are buying organic foods

Consumers prefer organically produced food because of their concerns regarding health, the environment, and animal welfare, and they show a willingness to pay the price premiums established in the marketplace.

Organic products have shifted from being a lifestyle choice for a small share of consumers to being consumed at least occasionally by a majority of Americans. National surveys conducted by the Hartman Group and Food Marketing Institute during the early 2000s found that two-thirds of surveyed shoppers bought organically grown foods.



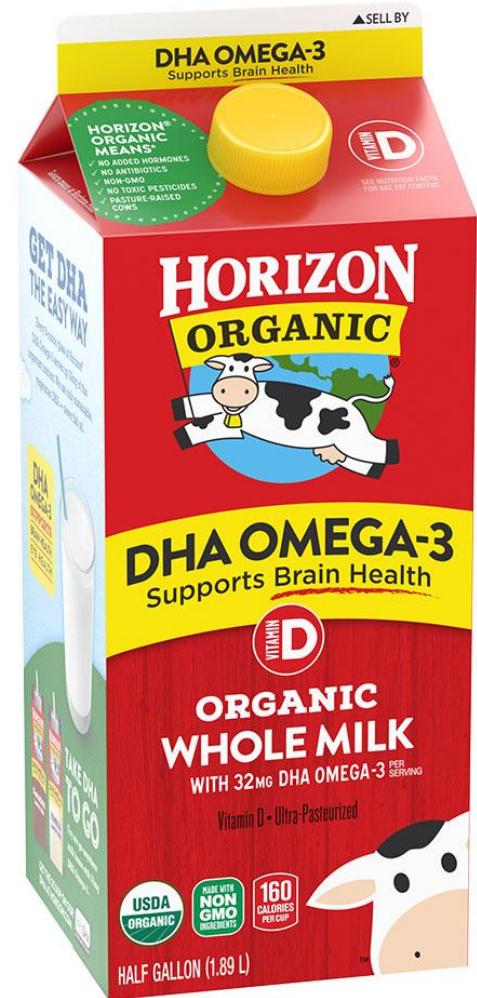
Issues in the Industry

- Seeing attrition in the number of organic dairies in Vermont
 - On average about 5% loss in number of producers a year since 2017
 - (from 203 [2016] to 169 [2020])
- Starting to see consolidation with large 14,000 cow dairies nationwide
 - Suspect that due to their size and locations (arid parts of the country) they are not meeting the pasture standards of the organic regulations
 - Typically these large farms are also managing youngstock conventionally and then transitioning them to organic production



Issues in the Industry

Immediate crisis is that 27 producers in Vermont are losing their contract shipping to Danone/Horizon Organic in August 2022



**How can the state play a role in
addressing these issues?**

How can we utilize more VT organic milk in our state?

- How could public institutions play a role in supporting these farms?
 - Leverage the **Local Food Purchasing Incentive program**. If a viable Vermont fluid milk product that schools could afford and access came online, then perhaps the program could include milk. It is currently excluded from the program because there are very few (effectively none for most schools) Vermont fluid milk products that meet schools' needs (pack size, distribution, price) and the Act 129 "Local to Vermont" definition



How can we utilize more VT organic milk in our state?

- How could public institutions play a role in supporting these farms?
 - **Supporting a processing facility in the state** (Thomas Dairy?) that can process milk in 5 gallon bulk bags and 8 ounce cartons



How can we make Vermont more attractive to milk buyers?

- What infrastructure do milk processors want/need?
 - **Butter-making, cheese making, ultra-filtration**



How can we support our farmers?

- Supporting programs that **reward environmental stewardship**
- Supporting **programs that offer business and succession planning** to producers
- Creative solutions to keep farmland affordable



What needs to happen on the federal level to improve fairness of USDA's organic standards?

- **Close the loophole** for the Origin of Livestock rule (allowing only a one-time whole herd transition)
- **Enforce the pasture rule** on these large dairy operations
- **Increase cost-share** for organic producers





Thank you!

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