

Recommendations to the Vermont Legislature

The situation for the Vermont Dairy Industry is difficult to solve at the State Level. The Milk Commission has discussed several options for state action and three options are shown below that will assist dairy farmers thorough a show of support for the industry and will increase consumption of real dairy products in our state.

Truth in labeling of dairy products has been an issue for many years but with the proliferation of plant-based beverages (milk) action is needed. The dairy industry believes that Food and Drug Administration (FDA) has the authority to mandate label changes for nut and plant-based beverages to remove the word milk from their labels. The FDA has been taking comments on this issue but has been slow to act. More non-milk beverages are being added and Oat beverage(milk) is a new addition. Truth in labeling is important so consumers understand what they are purchasing and to meet the standards of identity for a dairy products that are so important for the State of Vermont. The Vermont Milk Commission requests that the Vermont Legislature adjust Vermont Statute so that all products sold in must meet the standard of identity to carry the label of milk, cheese, butter, ice cream and yogurt. Products for sale in Vermont that are mislabeled could be placed under a stop sale by the Agency of Agriculture, Food and Markets and returned to the offending company. The second offense at a retail outlet could result in penalties per product type and those penalties could be used to augment generic dairy promotion.

The Milk Commission also recommends that the Vermont Legislature place in statute state standards for fluid milk so that all milk sold in Vermont meet a higher milk solids content at between 9 to 12%. Increased milk solids would increase the protein and minerals in milk with very little increase in calories in milk. Increased solids also have the added benefit of improving the taste of milk.

Milk solids include protein and minerals and can improve the texture of lower fat fluid milk products with a minimal increase in calories. The State of California has higher solids standards for bottled fluid drinking milk sold within their state boundaries. The goals of the higher solid milk in California is to keep all bottled milk as close as possible to the milk as it is produced by the Holstein cow. On-average milk from Holstein cows contains 3.5% butterfat and 8.75% solids not fat and 87.8% water. The general philosophy behind enhanced fluid milk standards is to replace the fat that is removed with other milk solids to maintain the total solids in milk at ~12% (except for non-fat skim milk which is at 9%). Whole milk across the United States is very similar to the milk as it is produced by the cow, but as fat is removed from milk the solids levels decline as well. The table below shows the different between milk in California and that in the remainder of the United States.

Table 8 - Fat and Solids levels in fluid milk in California and the rest of the United States¹

<u>Bottled Milk Fat Level</u>	California	United States
Whole	3.5%	3.25%
Reduced Fat	1.9 - 2.1%	2.1%
Low Fat	0.9 - 1.1%	1.2%
Non Fat	0.2%	0.2%
<u>Solids-Not-Fat</u>		
Whole	8.7%	8.25%
Reduced Fat	10.0%	8.25%

¹ Information presented to the Milk Commission by Rob Vandenheuvel on December 1, 2017

Low Fat	11.0%	8.25%
Non-Fat	9.0%	8.25%

The impact of expanding these milk solid standards in drinking milk nationally was considered in 2010 by the Federal Dairy Caucus of which Representative Peter Welch from Vermont was a member. As a part of this exploration, the caucus requested an analysis from the Food and Policy Research Center at the University of Missouri. The analysis in 2010 was completed by Scott Brown. In 2010, this analysis showed that these standards taken nationally would use 350 million pounds of milk solids, would provide a \$0.27/cwt. increase to dairy farmer prices but would cost consumers \$0.17 per gallon.² Research is being completed using 2017 data but in 2010, increasing the solids content in milk nationally would benefit the dairy industry including Vermont farmers.

The Milk Commission's has a recommendation for dairy products for Vermont Schools and all state owned and operated facilities that serve meals. The Milk Commission recommends a full range of dairy products at all fat levels be offered at Vermont Schools and other facilities, such as state prisons, that serve meals. For Vermont Schools, there are reimbursements for milk through the USDA Feeding Programs, but part of the requirements is to provide not more than 1 percent fat milk, plain or flavored. The Milk Commission recommends in addition to 1 percent and skim, that whole milk and 2 percent milk, plain and flavored, be offered at all Vermont Schools and if these products cause a financial issue with USDA reimbursement, that the State of Vermont fund the difference. The Milk Commission also recommends that fluid milk of all fat levels be provided to all facilities that serve meals and that the state of Vermont increase funding to allow for fluid milk to be served. Every effort regardless of price differences should taken to serve all types of Vermont dairy products at all Vermont State owned facilities that serve meals.

The Milk Commission would also like to recommend that the Energy Efficiency Utilities (Efficiency Vermont) institute a granting program to assist dairy farmers to install a larger bulk tank or a second bulk tank to move dairy farms to every other day pick up of milk. Older bulk tanks, being run at capacity, strain the capability of the bulk tank as well as cause operation of the compressor units for cooling at a maximum level. The installation of larger tanks and or a second tank would eliminate the need for the daily pick-up of milk. Moving to every other day pick up would decrease the number of truck trips to individual dairy farms reducing greenhouse gas emissions and greenhouse gas miles. Dairy farm pay into the Electric Utilities and many dairy farms have availed themselves of the programs available and are looking for a new program to access the energy efficiency funds they have been paying. A granting program for larger or second bulk tank, paying up to 75% of the costs with a 25% dairy farmer share, which could be in-kind, would be of great benefits to farmers, the electric grid and the environment. Dairy cooperatives could also be involved by providing assistance to farmers for the remaining 25% of the cost share requirement.

² Food and Agricultural Policy Research Institute, university of Missouri, August 2010. The Effect of Adopting California Fluid Milk Standards in the United States. FAPRI Report #07-10. Scott Brown (browns@missouri.edu) page 7 -8