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**DRAFT Minutes**

**Vermont Milk Commission**

**December 19, 2017**

**Milk Commission Members: Secretary Anson Tebbetts, Chair; Senator Robert Starr; Representative Richard Lawrence; Harold Howrigan, Jr., Paul Doton, Jerry Booth, Linda Berlin, Jane Clifford, and Reg Chaput**

Present: Linda Berlin, Jane Clifford, Paul Doton, Jerry Booth, Senator Bobby Starr, Reg Chaput, Representative Richard Lawrence, Harold Howrigan, and Chair Secretary Anson Tebbetts

No absences

Meeting called to order at 9:40 a.m.

Minutes from December 1, 2017 – motion to approve by Starr with a second from Doton. Minutes from December 1, 2017 were approved.

The Commission Members were provided information from the following speakers and topic areas.

Presentation of immigrant labor demographics by Diane Bothfeld, Director of Administrative Services IV, Vermont Agency of Agriculture, Food and Markets due to speakers being unable to attend. Demographics show between 600 to 800 immigrant workers on Vermont Dairy Farms. Specific programs are being offered by UVM Extension to this population.

Bob Wellington, Senior Vice President for Agri-Mark, Inc. provided an update on milk prices for 2018. Expect milk prices to be $1.00 to $1.20/cwt. lower than in 2017.

Presentation by Past Secretary Roger Albee and Dan Smith – Past Secretary Albee provided a copy of the Grafton Report from 2008. Concerned there is a crisis situation in the current dairy industry in Vermont due to pay price and over supply of milk. Potential options to bring supply and demand into balance, will improve water quality and assist Vermont Farmers. Expect cooperatives and buyers as well as milk commission to take the lead for changes.

Dan Smith – past 6 months trying to determine a proposal to improve the dairy industry in Vermont. Believes a supply management plan is needed. California order will change the world of dairy marketing. Selected statistics from USDA Agricultural Marketing Service report of impact for California coming into the Federal Order. Reviewed volume and utilization of milk for Northeast, US and California. The issue today is that Class I consumption is declining, and over-surplus milk is growing in the Northeast. Before supply management was based on raising price by limiting supply especially on fluid. Somewhere in the current dynamic is a different approach to supply management. Wants Milk Commission to look at supply management. If there is any interest, then they will come back and present any time.

Matt Strasberg – Vermont Ag Mediation Program

Hoping his project would be complimentary to the Milk Commission work.

The proposal:

To better position Vermont in the dairy industry for the future. Can we stabilize the number of dairy farms? What can Vermont do that would have a positive impact over the next 10 to 20 years? Can there be a working group to discuss this topic to generate creative solutions that Vermont do differently.

1. Document the baseline
2. Projections with current programs over the next 10 to 20 years
3. Recommendations for what we should be doing differently – biggest part.

Vermont Ag Mediation Program would be willing to facilitate the working group. Is there interest from the Milk Commission – if so – hoping for a letter of support to fund raise to do this project.

Dr. Qingbin Wang, and Ethan Thompson from the University of Vermont presented information on the Economic Analysis of Anaerobic Digester Systems (ADS) on Vermont Dairy Farms. Their research shows that dairy farms that received substantial grants and have more than 700 milking cows had the best economic return from the installation of anaerobic digesters. Farms that are small struggle to achieve an economic return. There are other benefits of methane digesters to dairy farmers. The pair continue to search out viable options for smaller dairy farms. A suggestion was for increased grant funding and support in the Farm Bill for renewable energy on farms including digestion of manure to methane.

Ryan McLaren, Congressman Welch’s Office - Goodlatte Bill

The Goodlatte Bill would provide a new program for immigrant employees and has been passed out of committee and could be brought up for action on the House floor. Democratic support for this bill is very low. Creates a new ag guest worker program – H2C program. Temporary workers would be able to stay in the US for 18 months. Non-temporary workers that are year around would be able to stay in the US for three years. 45-day touch back provision – current employee would need to leave upon passage and in the future, would need to return to country of origin every 3 years. A concern that these workers may never get back into the country. No protection for current farm workers in the country now. May not get specific worker back when they leave.

How it is different than H2A

Wages – prevailing wage or minimum wage for H2A. New provision that the state minimum wage in this job with equal experience. Higher of state minimum wage or 115% of federal minimum wage. No housing requirement in all this guest worker programs. Removes all transportation requirements. Enforcement would be done by USDA on this worker program.

Rob Michalak, Director of Social Mission for Ben & Jerry’s presented the Caring Dairy Program and proposed changes that will occur to that program in the next 1 to 3 years. More and more concern from consumers on where food comes from and how buyers and processors interact with raw ingredient suppliers. Ben & Jerry’s working closely with St. Albans Cooperative Creamery, Inc. to have interactions with dairy farmers.

The Milk Commission members discussed information and items to be included in the report that is to be provided to the Congressional Delegation for recommendations on the farm bill and to the Vermont Legislature for improvements to the dairy industry.

Chair Tebbetts called on the guests in the room for Public Comment. Sarah Isham, Senior Loan Officer for Vermont Economic Development Authority stated that there are certainly concerns for milk prices and the dairy economy and she encourages the Milk Commission to take a look at supply management programs if that would improve the economic situation for dairy farmers in Vermont. She is glad that these meetings are being held.

Meeting was adjourned at 3:00 p.m.

Minutes respectively submitted by Diane Bothfeld, Director of Administrative Services and Dairy Policy, Vermont Agency of Agriculture, Food and Markets