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**DRAFT Minutes**

**Vermont Milk Commission**

**October 13, 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: Paul Doton, Jerry Booth, Representative Dick Lawrence, Jane Clifford, Senator Bobby Starr, Reg Chaput

Absent: Linda Berlin and Harold Howrigan, Jr.

Meeting called to order at 9:30 a.m.

Minutes from the Commission meeting on September 26, 2017 were reviewed. A motion to approve was made by Senator Starr with a second by Clifford. Minutes were approved.

Information on the status of the dairy industry and Farm Bill Proposals was provided to the Commission members.

Ed Maltby – Executive Director of the Northeast Organic Dairy Producers Association. Information on the oversupply of organic milk and pricing levels of different organic buyers. The concerns of supply and prices is a national issue for organic dairy farmers. Organic dairy buyers are not adding farms at this time in New England. Believes that supply and demand will come into line late in 2018. Provided proposals for the Farm Bill.

Dan De LaBuere – National Farmers Organization (NFO) Dairy - NFO is a marketing association – not a cooperative – an has been marketing milk in the United States for over 50 years. NFO works with other organizations to market the milk of their associated farmers. Dairy Farmers of America (DFA)has worked with NFO in the northeast to market milk but that relationship will end in the future. Notice given in November of 2016 that marketing arrangement would end in November 2017 for all NFO associated farms in Northeast. Organic farms associated with NFO will not be affected. NFO has been working to secure a new market but has not been successful. DFA has provided a 6-month extension of the marketing agreement. As a part of the extension, NFO will have a separate federal rating, will need to segregate the milk and secure separate hauling. NFO is actively looking for a market for this milk.

Vermont State Statute requires a 90- day notice to dairy farmers producers if there is a change in their market. In August, the notice was provided to all associated NFO dairy farmers for the potential end of the marketing agreement at the end of November. A new letter has been sent to all farmers about the 6-month extension. Dairy Farmers have been leaving NFO and it is estimated that there are 10 farms remaining with NFO for the 6-month extension.

Laurie Colgan, VT Agency of Education provided information on all school related feeding program managed by the Vermont Agency of Education. Of all the schools in Vermont, only 3 schools do not offer lunch and only 4 schools do not offer breakfast. 900,000 gallons of milk per year provided through all nutrition programs. Total milk needed is 7,740,000 pounds. State makes 2.7 billion pounds per year.

Karen Flynn and Donna Bister – Vermont Department of Health, Women, infant and Children Program (WIC) – WIC is focused on health outcomes for pregnant women, infants and toddlers up to the age of 5. Home delivery of WIC food products has ended – WIC recipients receive an EBT card that is programs for purchases of WIC approved foods. 113 vendors in Vermont where EBT cards can be used. If there is no store in the area, stores across state borders can be approved and use of the EBT card is recorded in Vermont. 60% of eligible Vermont residents utilize the WIC program.

Paul Remillard and Julie Jacques USDA Farm Services Agency – Review of Milk Margin Protection (MPP) Data for Vermont. Voiced a concern that the MPP has not met its intended purpose for dairy farmers. Multiple educational opportunities for dairy farmers were completed in Vermont prior to the first sign up for the program. 28 times more money paid into the program than was paid out to dairy farmers in Vermont. Other possible programs that benefit Vermont Dairy Farmers were discussed.

1. Vermont produces the best hay and forages. Can the government provide incentives for hay and forage production? All safety nets are gone for hay and roughages in Farm Bill. Excessive moisture more of an issue in Vermont than drought. No program to protect on this. Insurance or other payment program for quality loss on feed.
2. Livestock forage and livestock indemnity program is tied to a heat index for pasture losses. Heat index is not a good indicator for Vermont pasture growth. Could there be another indicator for pasture growth issues in Vermont?

Public Comment –

Jacques Rainville Jr. – Highgate – NFO farmer who is concerned about the market for his milk. Discussed supply management for all dairy farms across the country – he believes a 15% cutback in milk production is needed. The current situation is a buyers’ market and there is no place to go with milk. Concerned that his farm may face bankruptcy. Very concerned that lager farms continue to expand with the ability to invest – why should farms be able to expand if smaller farms do not have a market for their milk? Is concerned about investing in Water Quality improvements if his farm will not have a market for milk in the future. Could a whole herd buyout be used to reduce cow numbers? Farmer spreads the wealth throughout the community. Organic should be a choice – not a way out.

Merri Paquin – Williamstown. Voiced many concerns. Organic dairy producers with Organic Valley. Price has been reduced and farm is on a quota. Feels being pushed out of business and not being listened to by Organic Valley which is a cooperative. Has requested that all Organic Valley employees take a pay cut. Believes that there could be a Vermont brand of bottled Organic Milk. Family experienced a barn fire in 2014 and did not have fire insurance at that time. Worked with Farm First, Farm Viability and Vocational Rehabilitation to assist her on next steps. Barn is being rebuilt and is half finished, but able to milk cows in the facility. Feels there are concerns with how the barn looks from Organic Valley. Husband is very ill and children are committed to dairy farming. Why can’t they just farm and make a living? Concerned for young farmers who want to take part in dairy farming. What is VT doing to help young farmers? 46 small dairy farmers – will sit and beg as VT dairy farmers as a protect in the near future. She will not lose the farm and land but will not milk cows. Cannot keep milking at a loss – broken hearted about the situation. When begging – will no longer be farming but will give any money collected to a struggling dairy farmer.

Milk Commission members discussed the next meeting scheduled for November 7, 2017. Commission members would like information on the following:

* Bob Parsons, UVM Extension – economic analysis of cost of production for organic dairy.
* New England Dairy Promotion Board to present to the Commission on breakfast initiative.
* Request a presentation on NMPF recently passed class I averaging. Pros and cons.
* Request a presentation on additional solids in fluid milk
* What are other states doing around the farm bill with Dairy? Invite Secretary’s to present or provide a written information.
* Farm Bill – Farm Bureau proposal for new Dairy Revenue insurance and other Farm Bureau initiatives.
* At least 2 hours of witnesses to discuss the farm bill.

Speaker already secure for November 7 meeting:

* Congressional delegation will review Senate and House goals for Farm Bill.
* Bob Gray, States Ratification Committee will review ideas for the Farm Bill

Meeting adjourned at 2:15 a.m.

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