



Rural Vermont's Raw Milk Report to the Legislature January 2012

Overview

Generations of Vermonters have been raised on raw milk. It was produced either by themselves or their neighbors. Vermonters feeding Vermonters is an essential part of the history and cultural heritage of Vermont. As consumers demand greater access to farm fresh products, Rural Vermont envisions a Vermont scale of regulation that allows the free flowing sales of farm fresh products between farmers and their local communities.

As consumer demand increases for farm fresh products, Rural Vermont's community of family farmers want and need the ability to respond successfully to that demand. Over the past seven years Rural Vermont has advocated for the legal allowances of raw milk sales to increase. Rural Vermont greatly appreciates the work of previous legislatures that removed many obstacles to farmers selling unprocessed products.

The impact of Act 62 has been tremendous, expanding markets for farmers and bringing a now estimated million-dollar local economy to widely recognized legitimacy. Notwithstanding this success, many Vermont farmers believe that improvements can be made to the law that would increase their ability to earn a living and provide their neighbors with safe wholesome food.

For the third year, Rural Vermont has analyzed the impact of the law at the community level. After conducting a broad survey of raw milk producers we have compiled a Raw Milk Report to summarize our findings and present suggestions for improvement to the 2012 Vermont legislative body.

The following are the questions we asked and the responses we received.

Survey Questions

1. How much do you charge for raw milk per gallon?

- Cow's Milk: Prices ranged from a low of \$4/gallon to a high of \$10/gallon with an average price of \$6.10/gallon.
- Goat's Milk: Prices ranged from a low of \$8/gallon to a high of \$15/gallon with an average price of \$11/gallon.

2. How much raw milk did you sell from December 1, 2010 to December 1, 2011?

- Total of 64,680 gallons sold by the 69 farms that responded to this question
- Largest sales totaled 5,800 gallons and lowest sales totaled 10 gallons
- Average of 937gallons/farm.

3. What amount (in dollars) did you gross from raw milk sales from December 1, 2010 to December 1, 2011?

- The total sales from raw milk from December 1, 2010 to December 1, 2011 were \$447,926 for both raw cow and raw goat milk
 - i. Average of \$2,440 in sales of raw goat milk per farm
 - ii. Average of \$6,378 in sales of raw cow milk per farm.

4. What percent of your total farm sales are from raw milk?

- Percentages ranged from <1% to 100% of farm sales from raw milk
- 21% was the average percent of farm income from raw milk
- 11% of farms surveyed stated that greater than 85% of their farm income was from raw milk sales
- 52% of farms surveyed stated that 5% or less of their farm income was from raw milk sales

5. Have you seen an increase in sales of any other agricultural products since you started selling raw milk?

- 52% of farms surveyed, that sell other agricultural products, said they saw an increase in sales of those other products.
- Most common product sales that increased were: eggs, meat, and maple syrup
- Sale increases ranged from 10% to 50%

6. Have you had any issues with insurance coverage for your raw milk business?

- 22% of farms surveyed said that they did have problems with insurance for their raw milk business. The farms were either dropped by their insurance companies and have switched providers, or are uninsured.
- 69% of farms surveyed have not had insurance problems
- 9% of farms surveyed either have not looked into the issue or have not told their provider that they are selling raw milk

7. If you sell to a bulk buyer, are there restrictions on your sale of raw milk?

- 50% of the farms surveyed sell to a bulk buyer
- Of those that sell to a bulk buyer, 54% of them are selling raw milk under the “neighborly exchange” clause that Organic Valley requires in its contract with suppliers. This clause restricts farmers’ ability to sell raw milk to other customers.

8. What is the #1 improvement you would make to the current raw milk law?

- 84% of farms surveyed thought improvements were needed in the law
- Most commonly suggested improvements were:
 - Allow delivery of raw milk, and sales at farmers markets and retail locations by all producers
 - Less frequent testing for both TB and brucellosis because of the high cost of testing and low risk due to closed herds
 - Allow sale, from the farm, of value-added raw milk products such as cream, yogurt, cheese, and butter.
 - Increase the quantities of raw milk allowed to be sold
 - Implement scale-appropriate regulation; specifically, an exemption for producers of 25 quarts of milk per day or less.
 - More reasonable labeling requirements

9. Do you understand the requirements of the raw milk law?

- 85% of farms surveyed stated they do understand the law
- 9% of farms surveyed stated they do not understand the law
- 6% of farms surveyed stated they understood some but not all parts of the law

Survey Summary

The results of the raw milk survey showed sales totaling 64,680 gallons of milk, which brought in approximately \$447,926. The farms that were surveyed averaged gross sales, for all raw milk, of \$6,491 per farm from December 1, 2010 to December 1, 2011. Rural Vermont's analysis shows that raw milk sales have remained stable or increased in spite of continued stagnancy in the economy and the problems experienced by farms with insurance carriers and bulk buyers.

Despite gains in the previous years, twenty raw milk producers who were contacted during the survey indicated that they were no longer selling raw milk. Topping the list of reasons why was the difficulty and/or expense of complying with the current regulations. Other reasons cited were that their insurance carrier dropped raw milk coverage, a bulk buyer ban on raw milk sales, or that their off-farm jobs prevented them from continuing raw milk sales.

Rural Vermont estimates that there are currently over 150 farmers selling raw milk in Vermont. Working from that estimate, combined with the results of our survey, we believe it is reasonable to extrapolate that the sale of raw milk contributes approximately one million dollars in gross income to Vermont farmers. Through our community contacts, we have also learned that many farmers are selling raw milk "under the radar" due to fear of or inability to comply with the current regulations. Rural Vermont urges the Legislature and the State of Vermont to continue to work collaboratively with farmers to help support this growing and beneficial sector of our local food economy.

Survey Methods

This year Rural Vermont attempted to reach as broad a population of farmers as possible. We used a variety of methods, including email, phone calls, direct mail, sending press releases and networking with other agricultural organizations. With the crucial assistance of our intern Maggie Donin, Rural Vermont invested over forty-five hours of staff time researching, surveying, and compiling this report. This survey was designed to provide a snapshot of the current viability and future potential of raw milk sales.

Timeline:

In December, we emailed all of Rural Vermont's three thousand plus contacts directing them to a web-based survey instrument. We also encouraged our contacts to forward the survey to raw milk producers they might know that Rural Vermont has not yet identified.

We sent copies of the survey to other agriculture organizations including NOFA-VT, RAFFL, WAGN, Bob White Systems, some of the VT dairy inspectors, and sent out a statewide press release announcing that we were surveying raw milk producers. Three additional follow up emails were sent to all of our contacts and social media was used to further spread the word.

To the 150 raw milk producers who did not respond to the emailed survey, Rural Vermont sent a paper copy of the survey by mail. Finally, during the week of January 2, 2012 we called the remaining

producers that had still not responded. Each of those farms was called three times and on the third call we left them a message asking them to contact us.

We successfully made contact with a total of 95 farms. Twenty of the producers we spoke with are currently not selling raw milk and two of the producers were exclusively using their milk for production of “commercial” raw milk cheeses. Some participants did not complete all questions on the survey. These variances are accounted for in the results presented in this report.

Suggestions for improvements that will help meet the rising consumer demand and address farmers’ concerns:

Rural Vermont envisions the possibility that all Vermont farmers are allowed to sell raw milk at a scale of their choosing that enables them to make a living while contributing to meeting the needs of their community. Vermont consumers’ increasing demand to access to raw milk and value-added raw milk products offers a tremendous opportunity to increase the financial viability of our farmers and protects the state’s treasured “working landscape” and promotes our cultural heritage.

Rural Vermont would like to see the Vermont Legislature work with the 6,000 small Vermont farmers to ensure that the following areas of concern are addressed:

- **Small Scale Exemption:** At the time it was passed, numerous complaints arose over Act 62’s removal of the 25-quart exemption; many farmers used raw milk sales as a means of supplementing their income and sold directly out of their bulk-tanks. Some of those farmers already are required to have their milk tested and feel it is an extra regulatory hurdle for them to follow the requirements of Act 62 for small quantity sales.
- **Reasonable Testing and Vaccination Procedures:**
 1. Once-per-lifetime testing, of the individual animal, for tuberculosis and brucellosis
 2. Vaccinations should be on the farmer’s prerogative
 3. More reasonable and affordable alternatives to the Tier 2 requirements that milk samples be hand delivered to the Agency of Agriculture laboratory – such as allowing for use of a courier service to send milk samples to a USDA lab
- **Delivery to a Central Location:** To date there are only two farmers registered as Tier 2 producers who are allowed, under the regulatory scheme required in Act. 62, to deliver raw milk. We have heard from many farmers that the requirement that delivery be made to each consumer’s home is cost prohibitive. Delivery to central locations such as farmers’ markets would create greater economic opportunity for small-scale producers.
- **Allowing Sale of Value-Added Raw Milk Products:** Broader exemptions from the Pasteurized Milk Ordinance would help farmers produce and sell more value-added raw milk products such as cheese, butter and yogurt that are in high demand by consumers.