

In 2014, The Vermont Dairy Promotion Council partnered with The Vermont Agency of Agriculture, The Agency of Commerce, and Castleton Polling Institute to assess the impact of the dairy industry in Vermont.

This presentation outlines key findings.

Today's **Agenda**

- Snapshot of Vermont's Dairy Industry
- Dairy & the Vermont Landscape
- Dairy's Role in Vermont Agriculture
- The Economic Impact of Vermont Dairy
- Dairy & Our Way of Life
- Dairy & The Vermont Brand
- Challenges & Opportunities
- Q&A with Ken Jones



The Basics:
*What does Vermont's Dairy
Industry Look Like?*

WHAT VERMONT DAIRY LOOKS LIKE TODAY



Data compiled from the 2012 Census of Agriculture, with 1/2015 updates from the Vermont Agency of Agriculture, Food and Markets

WHAT VERMONT DAIRY LOOKS LIKE TODAY

	# of farms	# of dairy cows
Addison	124	32,498
Bennington	10	1,429
Caledonia	73	6,739
Chittenden	39	5,065
Essex	11	1,841
Franklin	184	35,736
Grand Isle	14	3,330
Lamoille	34	2,856
Orange	84	8,618
Orleans	131	21,081
Rutland	67	4,087
Washington	35	4,368
Windham	20	3,069
Windsor	30	2,826
State Total:	868	134,132

Concentration of dairy farms:

Franklin County 26.1% Orleans County 15.3%

Addison County 26.2%



WHAT VERMONT DAIRY LOOKS LIKE TODAY

749 Small Farms
(<200 cows)
82%



Farr Family Farm
Richmond

130 Medium Farms
(200-699 cows)
15.1%



Gingue Brothers Dairy
Fairfax & Westford

25 Large Farms
(700+ cows)
2.8%



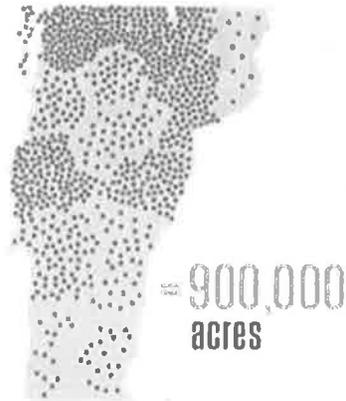
Blue Spruce Farm
Bridport



*Our Landscape:
How Does Dairy Shape Vermont
our Working Landscape?*

THE ROLE OF DAIRY IN VERMONT'S LANDSCAPE

15%
OF THE STATE
is covered by dairy
farms and the fields that
provide their feed



In Context:
*What Role Does Dairy Play in the
Overall "Ag Economy?"*

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

OVER 80%

of Vermont's farmland is devoted to dairy and crops for dairy feed

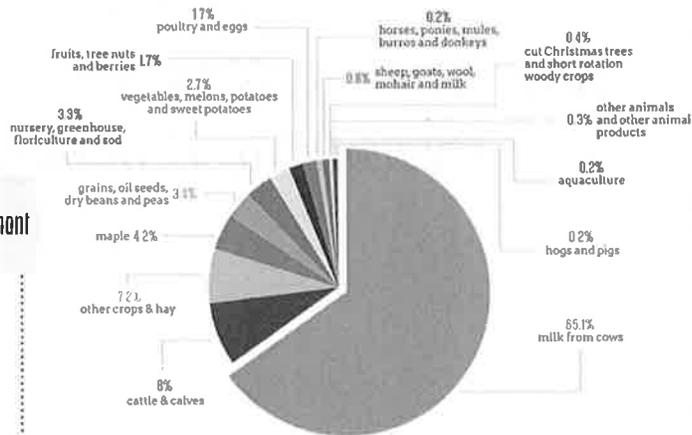
**DAIRY IS
70%** of Vermont's
Agricultural Sales

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

Share of Agricultural Products Sold in Vermont

(based on retail value)

Milk generates more sales than any other Vermont agricultural product...



US Center of Agriculture 2012 Ranking of Market Value of Agricultural Products Sold, Vermont

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

Small State, Big Impact

63% of milk produced
in New England
COMES FROM VERMONT



*Our Economy:
How Important is Dairy to
Vermont's Economy?*

AT THE HEART OF THE VERMONT ECONOMY

Dairy businesses invest
\$500 MILLION+
to support Vermont's agricultural
economy every year

Every Vermont dairy cow provides **\$12,500**
in economic activity to the state annually

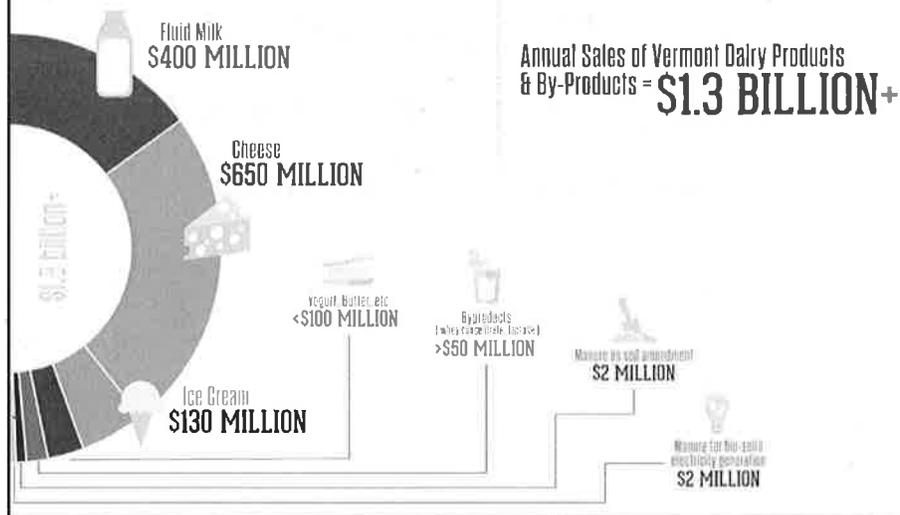
Every day:

Dairy brings approximately
\$3 MILLION
in circulating cash to the state of Vermont

It's not just cows:
The Vermont sheep and goat-based dairy
business is small but growing steadily.

In 2012, the revenue from sheep
& goat farming (including wool
and mohair production) was
\$5 MILLION+

AT THE HEART OF THE VERMONT ECONOMY



AT THE HEART OF THE VERMONT ECONOMY

Each year

VERMONT DAIRY BRINGS \$2.2 BILLION

in economic activity to the
state of Vermont

\$2.2 Billion in economic activity includes:

- VALUE OF PRODUCTS SOLD
- INDUCED IMPACTS
(dairy business' wages and profits effects on the local economy)
- SECONDARY IMPACTS
(benefits to local agriculture, tourism, real estate, and more.)

A GOOD LIVING QUALITY JOBS WITH A SENSE OF PLACE



Dairy =
6,000-7,000
VERMONT JOBS



PROVIDES
\$360 MILLION
in wages & salaries



A GOOD LIVING QUALITY JOBS WITH A SENSE OF PLACE

Dairy is one of Vermont's top job providers

Vermont's Dairy Workforce vs Other Vermont Industries

INDUSTRY	NUMBER OF JOBS
Dairy	6,000-7,000
Machinery Manufacturing	2,761
Computer & Electronics Manufacturing	6,849
Grocery Stores	8,055

A GOOD LIVING QUALITY JOBS WITH A SENSE OF PLACE

Vermont's Key Private Employers: [a sample]

employer	employees
University of Vermont Health Center <i>(formerly Fletcher Allen Health Care)</i>	5,383
UVM	3,446
Keurig Green Mountain	2,196
Shaw's Supermarket	1,600
Dealer.com	817
Burton Snowboards	375

Vermont Business Magazine, November 2014



*Our Quality of Life:
How Do Vermonter's Perceive
Dairy's Impact on our Way of Life?*

DAIRY IS VITAL TO THE
VERMONT WAY OF LIFE

What do Vermonters think about Dairy?



97%
say dairy farms are
important to the state



92%
say dairy farms add to
the beauty of Vermont



93%
agree that dairy is important
to Vermont's economy



91%
say it's important to
Vermont's quality of life

DAIRY IS VITAL TO THE VERMONT WAY OF LIFE

What do Vermonters think about Dairy?

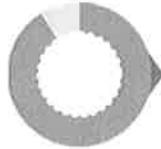
A polling of Vermonters shows that



91%
say dairy is important
to Vermont's future



85%
are willing to pay a little more
to insure their dairy products
are sourced from Vermont



91%
believe buying locally-produced
products is important

DAIRY IS VITAL TO THE VERMONT WAY OF LIFE

66% of Vermonters use
farmland for recreation





*The Vermont Brand:
What Role does Dairy Play in the
Vermont Brand?*

DAIRY IS ESSENTIAL TO
THE "VERMONT BRAND"

Dairy farms are key to attracting over

13.5 MILLION
VISITORS to Vermont
every year



84%

of Vermonters agree Dairy
is important to Vermont's
Tourism Industry

from the "Vermonters' Views
on Dairy" poll

DAIRY IS ESSENTIAL TO
THE "VERMONT BRAND"

Vermont is a Food Destination

Vermont Cheesemakers
Festival is lauded by NYT,
CNN, Fodors

Ben & Jerry's is VT's #1
Tourism Destination

Interest in food & farming
is growing, & VT delivers
"authentic" experiences



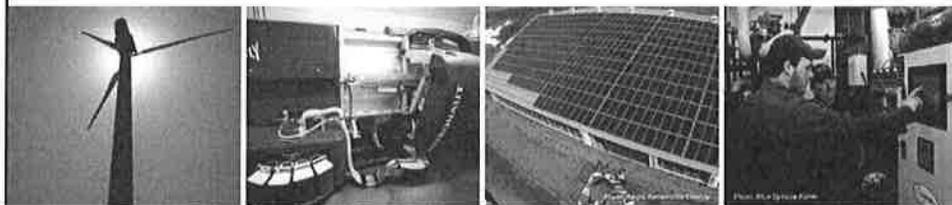
*The Future:
Where are we Headed?*

LOOKING FORWARD

THE FUTURE OF VERMONT DAIRY

Technology & Sustainability

16+ Digesters
20 Robotic Milkers
Energy Efficiency



LOOKING FORWARD

THE FUTURE OF VERMONT DAIRY

Challenges & Opportunities

- Generational Transitions
- Labor & Immigration
- Volatile Milk Prices
- Water Quality



TODAY MORE THAN EVER MILK MATTERS

There's hard work ahead...but it's worth it

- ▶ 63% of milk produced in New England comes from Vermont.
- ▶ Dairy brings **\$2.2 BILLION** in economic activity each year.
- ▶ Dairy represents **70%** of the state's agricultural sales.
- ▶ Over **80%** of Vermont farmland is devoted to dairy and crops for dairy feed.
- ▶ Dairy is one of Vermont's top private employers, providing **6,000-7,000 jobs** (and \$360 million in wages and salaries).

- ▶ Every Vermont dairy cow provides **\$12,500** in economic activity to the state annually.
- ▶ Dairy helps shape Vermont's unique landscape, which attracts more than **13.5 MILLION** visitors each year.
- ▶ Vermonters are positive about dairy: **91%** say dairy is "important to our state's future."
- ▶ Every day, dairy brings in approximately **\$3 MILLION** in circulating cash to the state of Vermont.



Visit www.VermontDairy.com for more data & details

AN ECONOMIC ASSESSMENT OF
MILK MATTERS
THE ROLE
DAIRY IN VERMONT

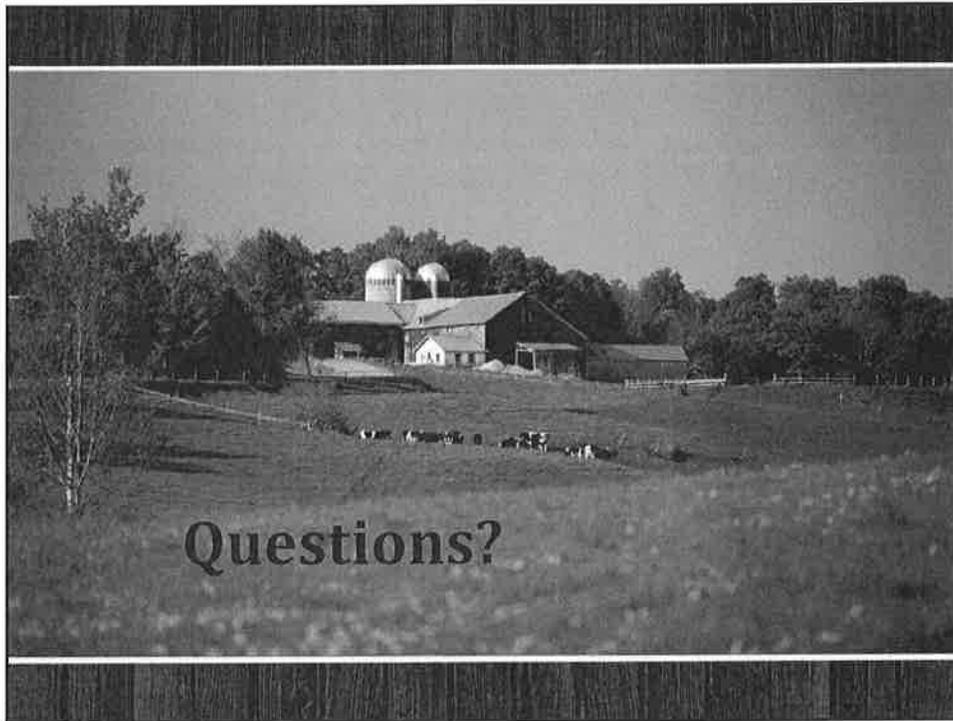
VERMONT'S DAIRY INDUSTRY

CLICK TO DOWNLOAD
"MILK MATTERS" REPORT (PDF)

CLICK BELOW TO DOWNLOAD PDF'S:

- FULL ECONOMIC REPORT
- DAIRY BY THE NUMBERS
- VERMONT DAIRY POLL

CONTACT US WITH ANY QUESTIONS



Vermont Dairy Data - ~~March~~ ^{April} 14, 2015

Category	2008	2009	2010	2011	2012	2013	2014	1 st Q 2015
Ave. Milk Price	\$17.77	\$12.16	\$16.07	\$19.99	\$17.98	\$19.60	\$23.63	\$16.23
CME Class III price	\$17.44	\$11.36	\$14.41	\$18.37	\$17.44	\$17.99	\$22.34	\$15.73
MILC Payment - USDA	\$0.00	\$1.15	\$0.02	\$0.00	\$0.7281	\$0.2586	\$0.00	\$7.999 margin
# of VT Cow Dairy Farms	1,096	1,051	1,015	996	972	939	880	863
Milk Production USDA	2.57 b lbs.	2.46b lbs.	2.52b lbs.	2.54b lbs.	2.56 b lbs.	2.615 b lbs.	2.672 billion	215 million
Ave. # of cows in VT USDA	140,000	135,000	137,000	134,000	133,000	133,000	132,000	132,000
Ave. # of cows/farm	127	128	133	135	138	142	150	153
Certified Organic Cow Dairy Farms	199	204	196	196	189	205	205	205
Off-Farm Dairy Processors	29	27	26	27	29	36	58	59
On-Farm Dairy Processors	34	37	40	53	54	59	62	64
Total Dairy Processors	63	64	66	80	83	95	120	123

** -USDA no longer collecting data due to sequestration cut backs. Greatest Milk Volume 2.70 billion in 2002. Greatest numbers 154,000 in 2002. Total Dairy Processors in 2002= 58

Vermont Dairy Cow Operations by County

2015	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	% change prior month	% change since Jan.	Average #
County															
Addison	124	124	122	121									-0.82%	-2.42%	123
Bennington	16	16	16	16									0.00%	0.00%	16
Caledonia	73	73	72	73									1.39%	0.00%	73
Chittenden	39	39	41	41									0.00%	5.13%	40
Essex	11	11	11	11									0.00%	0.00%	11
Franklin	184	183	180	180									0.00%	-2.17%	182
Grand Isle	14	14	14	14									0.00%	0.00%	14
Lamoille	34	34	33	32									-3.03%	-5.88%	33
Orange	84	84	85	85									0.00%	1.19%	85
Orleans	131	129	129	128									-0.78%	-2.29%	129
Rutland	67	67	65	65									0.00%	-2.99%	66
Washington	35	35	33	33									0.00%	-5.71%	34
Windham	20	20	20	20									0.00%	0.00%	20
Windsor	36	36	36	36									0.00%	0.00%	36
TOTAL	868	865	857	855									-0.23%	-1.50%	861

Average number of dairy farms in 2011 – 996, 2012 – 972, 2013 -939, 2014 -880

Dairy Cow Farms By Size – Milking cows

	LFO – over 700	MFO – 200 – 699	SFO –under 200	Total
2011	18	148	830	996 yr ave.
2012	17	145	810	972
2013	17	142	780	939
2014	25	129	726	880