

Danone Horizon Task Force Meeting – October 8, 2021

The Task Force group meet to provide updates on the subcommittee work and to determine next steps for the task force.

Farmer Subcommittee

All but two farms have been contacted and have provided information from the survey questions. Nine of the farms have connected to Farm Viability. The feedback from many of the farms is that they are hoping that one buyer comes forward that can take on all the milk. Some are looking into switching commodities or business models. Some are reviewing the possibility of being a grass only dairy. There is some concern of the stability of one-off markets where there is no cooperative backup – for example if a cheese maker wanted to purchase the milk, the farmer would like a cooperative market as a backup if the cheese maker ended the relationship.

Group will provide aggregate milk amount once farms who were reluctant to provide volume data are contacted for permission to include their data in the aggregate.

Processor Subcommittee

Survey was prepared and sent out to 170 dairy processors that hold a milk handlers license in Vermont. The survey was also shared with NY, ME and NH so that it could be sent to their state specific processors. At this time, 25 responses have been received which is a 14.7% response rate. A reminder will be sent on Monday, October 11 and the survey will be closed on October 15, 2021. The respondents vary in size from local cheese makers looking for milk to large regional processors. Some processors have contacted Secretary Tebbetts directly and did not complete the survey.

Next steps from the survey:

1. Agency will follow-up with positive respondents for more organic milk
2. Review validity of the interest, what is needed to implement and what the timeline is
3. Determine best method to connect farmers with interested processors

Funding Subcommittee

Based on the work of the Processor Subcommittee, a funding committee is now appropriate. Sarah Isham, Laura Gingsburg, Andrew and or Tom from Senator Leahy's office and Diane will take part. Processor and farmer financial needs will be discussed, and foundation or other funders will be invited to determine interest in providing support to farmers and processors.

Multistate Subcommittee

USDA Secretary Vilsack has been involved in this issue and is providing resources from USDA to address the issue of Horizon ending contracts in the Northeast. Secretary Vilsack has requested that the Northeast Dairy Business Innovation Center will be used as a vehicle for a task force of the states and USDA to look into the issue. Secretary Vilsack has challenged the Northeast Dairy Business Innovation Center and the Northeastern states to come up with possible solutions and requests within 60 days. USDA is providing internal resources to assist with information and contacts to other organizations. Themes that are being discussed include:

1. Lack of processing for organic milk in the Northeast – fluid and other value added products
2. Transportation – lack of drivers, infrastructure and trucks
3. Interim program for farmers to bridge the pay price if a solution is not ready by September 1, 2022 – bridge between the organic and conventional price
4. Institutional Markets for organic milk and dairy products

USDA Task Force will begin weekly meetings next week.

Northeast Dairy Business Innovation Center has a grant opportunity at this time for service providers that could work with the Horizon Farmers on several front – grassed based dairy, transition to farm management strategy etc. The opportunity is shown below.

The Northeast Dairy Business Innovation Center has the follow contract opportunity for technical service providers.

Grazing Transition, Homegrown Forage Enhancement, and Alternative Farm Management Contract

The Northeast Dairy Business Innovation Center (NE-DBIC) hosted at the Vermont Agency of Agriculture, Food and Markets (VAAFAM), seeks multiple contractors across the Northeast region to offer localized cohort-based technical assistance for dairy farmers considering transitioning their farm to a grass-based production model, enhancing the production of home-grown forages, and/or utilizing alternative farm management strategies not typically found in the United States dairy sector. Each cohort will consist of at least 5 dairy farms and will be available for enrollment to farms based in one or more states within New England, Delaware, New Jersey, New York, and Pennsylvania. Contractors will be expected to:

- Recruit dairy farmers for the cohort group.
- Host on-farm cohort learning opportunities.
- Provide one-on-one technical assistance to cohort members.
- Work with participant farmers to determine if their project would benefit from NE-DBIC grant funds to implement project activities. If so, support farms in developing a grant plan and application for funds.
- Communicate and coordinate with other contracted service providers awarded through this bid.

Contracts will be issued for up to \$150,000. Total funds available: \$500,000

Learn more at: <https://agriculture.vermont.gov/transition-grazing-cohort-ta-contract>

Andrew from Senator Leahy's office mentioned the Senate Appropriations bill had cleared committee and includes increased funding for the National Organic Program and the Northeast Dairy Business Innovation Center. Senator Sanders and Congressman Welch's Staff people provided support for the work of the task force. All the congressional delegation were thanked for their ongoing efforts.

The Vermont Farm Bureau has met with counterparts in New York and Maine all took part in a stakeholders call with Secretary Vilsack. They encourage the ongoing work to support the farms impacted by the Danone Horizon decision.

Organic Standards Subcommittee

Organic Certifying groups from the impacted states have also been meeting. Groups are working to send the same message surrounding organic certification. They support the update to the origin of livestock rule, equal enforcement of the pasture rule across the US and shared concerns that farmers may have to feed conventional grain for a time depending on the timing of the solution. The group is clarifying with farmers that the organic certification cannot be maintained if switching to conventional grain and that the existing cows cannot be easily switched back to organic if conventional feed is consumed.

The Organic certifying groups would like to see greater transparency from USDA on the inspection that occur surrounding the pasture rule to be able to determine if farms are meeting the requirement. Especially for farms that may be "suspect" and have the most challenges in meeting the grazing requirement.

Origin of Livestock rule has been redrafted at USDA and is moving through the internal federal process to be released sometime in early 2022.

Next Steps

1. Drafting of one page fact sheets of the possible options for farmers will begin – Diane will lead
2. In person meeting with farmer impacted by the Horizon issue – Diane to follow-up with farmers to determine there is interest in having a meeting with Secretary Tebbetts
3. In person meeting with Vermont Legislators – Diane will work with Senate and House Agriculture committee leadership to set this meeting up in late December or early January.
 - a. Potential legislative actions
 - i. Bridge program for organic price
 - ii. Subsidized loan a VEDA/VACC for impacted farmer
 - iii. Further assistance for local food purchased for organic dairy product into schools

Next meeting will be November 5, 2021 from 1 to 2:30 p.m.