

Notes from Danone Horizon Task Force – January 7, 2022

Updates from the last meeting in November

Danone Horizon Announcement to Farmers and Secretary Tebbetts

Danone Horizon sent letters to all farmers and to Secretary Tebbetts outlining changes and new actions, The four items were as follows:

1. Contracts with farmers would be extended until February 28, 2023. No change in terms of the contract.
2. A transition payment would be provided to farmers when the contract ends – whenever that date is and can be if a farm ceases operation or moves to a different market. The payment will be \$2/cwt. on the milk volume produced in the last 6 months of the contract with Danone Horizon.
3. Danone Horizon will provide financial consultants to work with the farmers at no charge.
4. Danone Horizon will co-invest in activities in the Northeast by working with regional stakeholders, including state and federal government to work on systemic challenges related to the Northeast organic dairy infrastructure.

A dairy farmer on the call confirmed that each farmer had to sign and return a letter accepting the extended contract. There are no further details on the investment in the region but there is also a proposal to USDA for investments as well. See the next item.

Regional Work - Northeast Organic Dairy Task Force

USDA has been involved in the issue of Danone Horizon leaving the Northeast and requested that a group come together to provide ideas to assist farmers and improve the organic situation in the Northeast. That group included 27 unique organizations and the work was led by Laura Ginsburg – Agency of Ag and Lead for the Northeast Dairy Business Innovation Center and Britt Lundgren, Stonyfield Organic. The group was requested to not work to a consensus or prioritize the recommendations, so the report shows all ideas but not in any priority order or that one idea has consensus of the group. The full set of recommendations are available on the Agency's website here - <https://agriculture.vermont.gov/administration/danonehorizon-task-force>

Recommendations were made on the following subgroup areas:

- Intuitional Market Development – more organic dairy products into institutions (colleges, hospitals, schools, government feeding programs)
- Processing Expansion – existing processor as well as new processors
- Distribution Logistics – milk hauling – drivers, costs, insurance etc.
- Farm Business Viability – investments on the farm (milk storage, driveways), technical assistance and gap payment for farmers.
- Marketing and Market Development – Market Access program enhancement
- Federal Response – Origin of Livestock Rule, Pasture Rule enforcement, analysis of organic milk price and feed costs for possible DMC for organic producers

An update was provided by the congressional staff that the Origin of Livestock Rule has moved to the Office of Management and Budget for financial review.

Farmer Resources Subgroup

Publication of Options for Farmers. The group discussed the timing for the publication of options for farmers with the recent Horizon announcement. Group members discussed farmer anxiety of the unknown and that holding off on publication would not be helpful to farmers in Vermont. Farmers in Vermont may understand what the options are but seeing them in writing and starting the process of securing a new market should begin

sooner rather than later. The group agreed to publish the options on or about February 15, 2022. Subgroup will meet for further refinement and discussion prior to February 15. Subgroup members – Jen, Calley, Jackie, EB, Laura and Diane.

Northeast Farmer/Pledge Program

The group received an update from Britt on the Northeast Farmer/Pledge Partnership program. Gary Hirshberg is working with a group in the Northeast to launch a campaign to drive consumer support and purchase of organic dairy products. This program will launch the week of January 10th and more information can be found at this web site: <https://www.saveorganicfamilyfarms.org/>

Task Force for the Revitalization of the Vermont Dairy Industry

The Legislative Task Force for the Revitalization of the Vermont Dairy Industry has provided their report to the Vermont Legislature. There are not specific recommendations for organic dairy, but the report does encourage the use of state funds to assist farmers in using risk management tools such as USDA Dairy Margin Coverage Program, Dairy Revenue Protection Program and Livestock Gross Margin Program. Another recommendation that would assist all dairy farmers is a proposal for a granting program to support infrastructure improvement for driveways, bulk tank capacity and other on-farm upgrades.

Buyers Update

Organic Valley is working to make contact with all the Danone Horizon Farms in Vermont. There may be more than one visit as farms are contacted and information gathered. If a farm has not been contacted by Organic Valley, please contact John Cleary.

Stonyfield has reached out to a number of farms in Vermont to determine which will fit into existing routes and Stonyfield program requirements. Stonyfield is making upgrades to the processing facility in Londonderry, NH to allow for greater capacity. IF a farm has any questions, they can contact Justin Johnson.

Agri-Mark, Inc. stated that all of the farms that kept a relationship with the cooperative have been contacted and assured that if they choose to return to the conventional market that they are able to market their milk through Agri-Mark, Inc.

DFA stated that all of the farms that kept a relationship with the cooperative have been contacted and assured if they choose to return to the conventional markets that they are able to market their milk through DFA.