

## Vermont

State of the Dairy  
Industry

### Dairy Still Number 1 Ag Product

- 80% of state ag receipts
- #2 in US in milk per resident
- #14 nationally @2.6 billion lbs
  - 2.45 billion lb in 1994
  - 2.58 billion lb in 2004
- Cows down to 145K from 158K since '94
- 1.6% of US milk since 1970

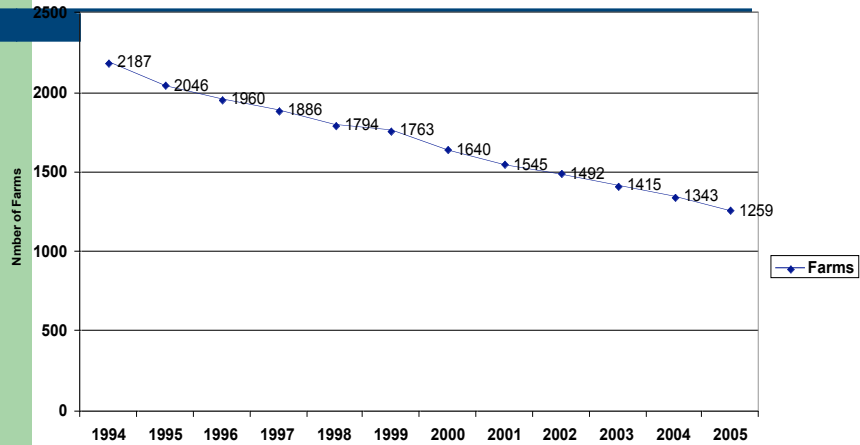
## Bigger Share of New England

- NE – 4.4 b lb in 1994, 4.2 b lb in 2004
- VT 56% of New England milk in 1994
- VT 62% of New England milk in 2004
- Maine holding at 14.5% of New England
  - 612 million lb in 2004
- MA, NH, CN at 3-400 million lb each

## Vermont Dairy Farms

- Same old news:
- Fewer farms (down 42% in last 10 years)
  - 2187 in 1994
  - 1259 in 2005, loss of 2-7% per year
- Herd size bigger
- Milk per cow up (1973-10,200 to 18,100-04)
- More milk per farm

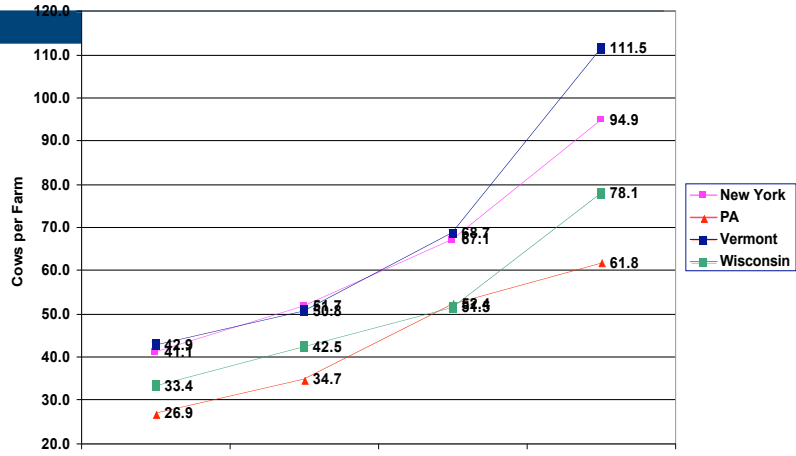
## Vermont Dairy Farms (1994-2005)



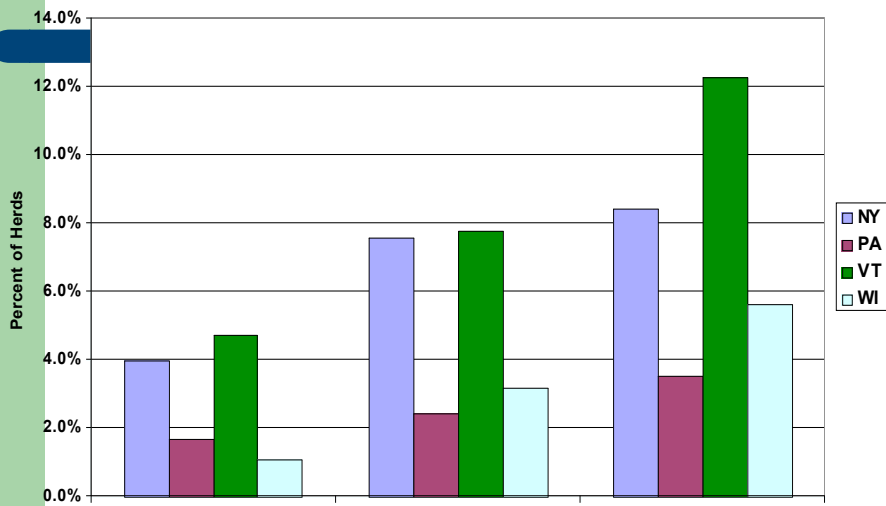
## Farms Getting Bigger Faster

- Average herd size
  - 42 cows per farm in 1974
  - 50 cows per farm in 1984
  - 68 cows per farm in 1994
  - 111 cows per farm in 2004
- Same as other states
- But is VT size increasing faster?

### Dairy Cows per Farm



### Percent of Herds > 200 Cows



## Milk Production Concentrated in Large Herds

- More milk per cow
- 2002 Survey – 11% of herds use bST
  - 137 cows vs. 69 cows
  - 21,500 milk vs. 16,500
  - 25% of milk cows
  - 37% of milk production

## Technology

- First robotic milkers operating
- Large operations are new facilities
  - Up to date ventilation and milking
- Generally keeping with state of the art
- Owners with multiple farms

## Other Major Trend – Organic Herds

- Vermont – up to 65 herds
  - From 2 herds in 1994
  - Nearly 5% of state dairy farms
- Maine
  - 60+ farms
  - Nearly 18% of state farms
- Estimate average of 50+ cows per farm
- Lower production, generally grass based

## Organic Trends

- Estimated 20% growth per year
- New plant in Maine
- Interest goes with milk price
  - Great interest in 2002-2003
  - Less interest in 2004
  - 3 years to transition land and herd
- Recent increase in milk price
- ~ \$22-\$24/cwt

## Future of Dairy in Vermont?

- Bigger herds concentrated in central and northwest Champlain Valley
- Smaller herds through North
- Growth of organic herds in northeast
- Many farms will not make the transition to the next generation

## Other Factors Impacting Northeast Dairy on the Horizon

- Development pressures on farmland
- CAFO and environmental concerns
- Odor regulations
- Vermont Anti GMO & large farm movement
  - GMO liability bill likely to pass legislature
  - Right-to-Farm Bill on horizon
- Reality – California adds another Vermont every 2.5 years