New York Organic Dairy Task Force
March 31st, 2016
DFA (Dairylea) Offices
5001 Brittonfield Pkwy, East Syracuse, NY 13057

Meeting Minutes*

Attendees:
Fay Benson – New York Organic Dairy Program
Ellen Fagan - New York Organic Dairy Program
Marty Broccoli – Ag. Economic Development Specialist, Cornell Cooperative Extension, Oneida County
Aileen Randolph – NY Farm Viability
Gary Latta - Director of Industry Relations and Economics, Northeast Dairy Foods Association Inc.
Bruce Krupke - Executive Vice President, Northeast Dairy Foods Association Inc.
Tom and Brenda Hosking – Owners of Hosking Sales, New Berlin, NY
Dave Hardy –Northeast Pool Manager, Organic Valley
John Stoltzfus – Producer
Robert Zufall – Producer
Daniel Guido – Area Supervisor, DFA Northeast
Lauren Tonti - Organic Certification Specialist, NOFA NY
Ashleigh Knecht - Handling Certification Coordinator, NOFA NY
Peter Slaunwhite – Producer Relations Manager, Eastern NY, Horizon Organic
Carroll V. Wade – Producer
Bethany Wallis - Education Director, NOFA NY
Anu Rangarajan – Director, Cornell Small Farms Program
Sarah Johnston - Organic & Risk Mgt Specialist, NY State Dept. of Ag. and Markets
Paul Tillotson – Producer
Mike Davis - Upstate Niagara Cooperative, Inc.
Charles Blood – Producer
Sharad Mathur – Dairy Marketing Services
Jamie Stroughtenger - Dairy Marketing Services

10:15am discussion/reports/efforts

Attendees went around table, introduced themselves and gave updates from their perspective of the dairy industry.

Marty Broccoli
  • Present to discuss the potential development of NY organic beef market from cull dairy cows and/or dairy bull calves.

*this meeting was recorded.
Aileen Randolph
- Promoted NY FVI’s Dairy Profit Team opportunities

Bruce Krupke
- Concerned about Organic Trade Association
  - Added this subject as a topic to the agenda in response
- NEDFA opposed to minimum wage
- Concerned about mandate to label GMOs

Dave Hardy
- Organic Valley expanding grass milk program. Working on 2nd load
- 13 members for grass milk, looking for more producers who’d be interested on those routes.

Bethany Wallis
- Discussed NOFA’s Dairy Transition Program. Still have more space.

Anu Rangarajan
- Cornell Small Farms Program, new farmer training efforts including Dairy Grazing Apprenticeship.

Mike Davis
- Upstate Niagara not putting on new loads for the rest of the year
- Added another fluid plant in Williamburg, PA

Discussion:

**Organic Dairy Cull Beef Market**

Marty Broccoli
- Needs feedback on pricing assumptions
  - Are there other auction barns looking into certification? Empire in Pavilion?
  - Only 3 organic slaughter house in NY
  - Potential to line up truckers to deliver to Hoskings every other month? Or every other week?
    - Could use 3-4 16 capacity trailers and a few 8 capacity trailers.
  - Cull dairy cows for grinding meat. Can be fattened up to try to make a value added animal prepped to go for organic
  - Demand for steers to be raised as organic. Has own pricing schedule.
- Animal that has ever been transitioned CANNOT be slaughtered for beef
  - 2 types of certifications
  - Mother needs to be certified/ has to be born certified
  - How many farmers are meat certified?
Certification can easily be changed, but farmer can’t request a change
There are many cows qualified for meat certification

Next Steps?
- Forward contracting on some of the animals so producers know what they’re going to receive
- Subcommittee
  - Review discussion, expand opportunities for organic dairy to sell beef cows.
    - Chuck Blood
    - Bethany Wallis
    - John Stoltzfus
    - Marty Broccoli
    - Tom Hosking
    - Laura Tonti
    - Ashleigh Knecht
  - Talking about collection point system
    - Potentially on an organic farm in separate area for biosecurity purposes.

National Organic Trade Association
- Proposal to adjust federal orders, opt out of federal order pool for organic milk
- Reach out to Ed Maltby
- Attendees looked at petition; link will be sent to attendees via email: https://www.ams.usda.gov/rules-regulations/moa/dairy/organic-amendment

Fay Benson reached out to Andy Novaković for a comment on the subject post meeting. See his response below:

From: Andrew Milovan Novakovic
Sent: Tuesday, April 5, 2016 10:14 AM
To: A. Fay Benson; Ed Maltby
Cc: Mark Stephenson
Subject: Re: OTA's Dairy Proposal

The proposal takes advantage of an existing feature of FOs that allows a partially regulated handler who pays in excess of his normal obligation a kind of waiver from having to pay into the pool. This is described on p. 5 of Chip’s letter. The rationale is kind of like saying, I pay my farmer’s plenty and am only partially affiliated with the regulated market as it is, so how about you just call it good without having to contribute money to another plant’s farm suppliers.

The justification for this, with which I agree by they way, is that although organic milk can be used to replace conventional milk, the same is not true in reverse. Thus, the old logic for pooling that but for the grace of god I could have been the guy selling to Class I doesn’t apply. There is no comparable logic for an Organic Class I processor to share Class I money with conventional producers who could not be an alternative source of milk for that purpose.
I think the OTA could have made a case to be completely exempt but there are two problems with that. One is that there are times when organic supply exceeds organic demand. That organic surplus needs to find a home and being disqualified from federal order regulation would probably be a disadvantage. It would be a bit like trying to market Grade B milk - more annoying for the regulated processor than it is worth. This would be unappealing to the organic producer. The second reason (and probably a lot more important one) is that this exemption takes money out of the pool and thus is annoying to conventional pool producers. Frankly, I doubt there is enough money here to make all that much difference for conventional milk but in no small degree it is the principle of the thing. There is also an argument that this is the nose in the tent that then invites proposals for "bGH-free” milk, non-GMO, CLA, A2, brown eggs and goodness knows whatever else somebody can think of to say my milk isn’t like his milk.

To try to minimize the objections to this exemption, the OTA proposal gets a bit convoluted about not only stipulating that the Organic price paid has to include all the regulated value they would normally owe but also the over-order premiums that are normal charged. The OOPs calculation is an estimate but the idea is to make the proposal just that much more palatable to the conventional side of the market that could easily quash it.

Andrew M. Novaković
The E.V. Baker Professor of Agricultural Economics
Associate Director for Engagement
Charles H. Dyson School of Applied Economics and Management
Cornell University
451A Warren Hall
Ithaca, New York  14853-7801

telephone: 607-821-2613
e-mail: a.novakovic@cornell.edu
URL:  http://www.dyson.cornell.edu

Attendees also discussed the economic burden of $15/hr minimum wage for dairy industry and GMO labeling. Costs of GMO labeling include the label changing costs, costs of reporting, monitoring and following up on regulations.

**Dairy Grazing Apprenticeship**

Joe Tomandl, program director of DGA called in from Wisconsin to describe the program and its direction.

- The program needs funding and labor
- 501c3 non-profit with a board.
- Approved vendor for farm services agency’s financial management training program.
- Heavily grant funded
  - Trying to engage industry
  - Difficult to create estimate return on investment
  - Most processor want their funds to go to “their” master farmers.
$5,000 incentive in 2nd year of apprenticeship for farmers.
State of NY, you apprenticeship program in high school level?

- Housing/Food
- Need to work with NY state of labor to get approval