

Task Force to Revitalize the Vermont Dairy Industry

FARM SHOW DAIRY UPDATE

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Daniel Smith, Esq., Co-Chair
Jackie Folsom, Task Force Member

Task Force Timeline

- Feb 2020: Joint Hearing on state milk market regulation
Covid Pandemic erupts
- May 2020: Act No. 129, Sec. 31 directs Department of Financial Regulation Report and creates the Task Force
 - (1) evaluation of the long-term sustainability of Vermont dairy farming
 - (2) recommendations for revising regulated dairy pricing and other state market regulation
- Jan 2021: DFR Report submitted
- ***March 2021:*** ***American Rescue Plan Act enacted***
- May, 2021: Task Force begins work
- ***Nov 2021:*** ***Infrastructure, Investment, and Jobs Act enacted***
**** \$2.6 Billion in Federal Funding For Vermont ****
- Dec 2021: *Task Force presents initial report with shorter term proposals for federal funding and long-term proposals for structural change; recommends extension*

DFR Report

The Department does not take a position on the sustainability of the FMMO system as a whole, but rather agrees that changes to the FMMO pricing formulas may help ensure more adequate prices for all of Vermont's dairy farmers.

DFR Recommendations

- (A) Risk management and hedging
- (B) State milk marketing orders
- (C) Regional compact
- (D) Supply management
- (E) Increased focus on organic
- (F) Increased support for innovation and farm management

Task Force Recommendations

A. RISK MANAGEMENT

1. State Payment of Farmer Premiums for Participation in Dairy Margin Coverage Program for Tier 1 milk, up to \$9.50.
2. State to take additional efforts to increase long-term participation by Vermont farmers in other USDA risk management programs.
3. State to advocate for federal reauthorization of the three USDA risk mitigation programs.

B. PRICE STABILIZATION AND ENHANCEMENT

1. State Assistance for Farmer Participation in Risk Management
2. State to advocate for 2023 Farm Bill reform of FMMO program
3. Obtain legal opinion regarding State Regulatory Milk Market Order Pricing Program; follow up Task Force review and action
4. Obtain legal opinion regarding Raw Milk Use Tax - Producer Tier Payment Program; follow up Task Force review and action
5. Fee on Retail Sale of Packaged Milk Products for Advertising Funding

C. INFRASTRUCTURE SUPPORT

1. Expansion of Assistance and Infrastructure Programs
2. Funding of Grant Writers; Ombudsperson

D. TRANSPORTATION

1. General Assembly to explore alternatives for shifting the costs of hauling from dairy farmers to other sources.
2. General Assembly to review conforming weight limits on Vermont highways with neighboring states in order to facilitate regional dairy hauling.

E. LABOR

1. Increased Commercial Driver License Assistance
2. Incentives; Housing or Bonuses
3. Apprenticeship Programs

F. PURCHASING—STATE AGENCIES AND SCHOOLS

- Explore incentives to increase State and school purchasing of Vermont milk.

G. EXPLORE DEVELOPMENT OF EXPANDED AND NEW PROCESSING CAPACITY

H. INCREASED BUSINESS ASSISTANCE AND SUCCESSION PLANNING

I. EXTENSION OF TASK FORCE AUTHORITY; ASSESSMENT AND QUANTIFICATION OF RECOMMENDATIONS

J. RECOMMEND EXTENSION OF TASK FORCE OPERATION