

Organic Dairy Farming

An Introduction

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TUG HILL COMMISSION ISSUE PAPER SERIES

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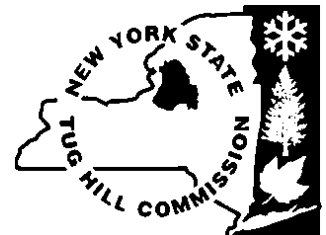


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The Tug Hill Commission *Technical and Issue Paper Series* are designed to help local officials and citizens in the Tug Hill region and other rural parts of New York State. The *Technical Paper Series* provides guidance on procedures based on questions frequently received by the Commission. The *Issue Paper Series* provides background on key issues facing the region without taking advocacy positions. Other papers in each series are available from the Tug Hill Commission at the address and phone number on the cover.

Agriculture in the Tug Hill Region

A large part of the cultural heritage on Tug Hill can be connected to its farms, particularly dairy farms. In the 1800's, settlers moved onto Tug Hill and cleared land for cultivation. Areas such as Cronks Corners in Pinckney were once bustling hamlets filled with dairy farms and cheese-processing plants. Over time the long winters and thin soils made farming too much of a challenge for many families, and farm fields were abandoned to be reclaimed by the forest.

However, there remain a large number of farms, especially in the areas outside the central Tug Hill forest, around population centers like Adams and Lowville. The numbers speak for themselves:

- New York is the nation's third highest milk producing state, with three Tug Hill counties among the top 10 counties in production in New York: Jefferson (4), Lewis (6), and Oneida (9) (New York Agricultural Statistics, 1998-1999)
- Overall, farm products make up about 4% of the total value of products produced in the four counties, but comprise 10% to 16% of the value of products produced in Jefferson and Lewis Counties (Census of Manufactures and Census of Agriculture, 1992)

Many challenges face today's farmers, such as low milk prices and increasing costs of farming as technology changes the way farming is done. Today's family farms are looking for ways to hold on to the land and their way of life, while at the same time making a profit. In fact, a 1998 issue paper prepared by the Tug Hill Commission entitled "Importance of Dairy Farming to the Tug Hill Region and Possible Role of the Proposed Northeast Dairy Compact" concluded that the current federally-regulated milk pricing system (for conventional milk) contributes to the difficulties many farms in the Tug Hill region face. As the Northeast Dairy Compact has yet to be approved on the national level, this issue remains a difficult one for the Tug Hill dairy farmer.

In an effort to take their future into their own hands, farmers are searching for other ways to diversify their farms and make them more economically viable. Organic dairy farming is just one alternative farmers are considering. The trends in the organic food market are heartening: natural foods is the fastest growing sector of the retail market, and the organic industry has had 20% growth or greater for the past decade. If the farmer can cash in on some of that by switching to organic, it may make a significant difference to the farm operation.

This paper addresses some basic questions farmers might have about organic dairy farming, and points them in the right direction for more information if they think it may be a good fit for their operation. Much of this paper is based on a workshop Cornell Cooperative Extension of Lewis County and the Tug Hill Commission held in May of 2000.

Background on Organic Food and Potential Future Changes

In 1990, the Organic Foods Production Act (OFPA) was adopted as Title XXI of the 1990 Farm Bill. The purpose of the Act was to create a national set of standards for products labeled organic. Although state and private organizations provide organic certification, each organization's requirements are somewhat different. Both consumers and producers of organic products have sought national standards to create consistent requirements and to protect against mislabeling, and to make it easier to sell organic products on the global market.

The OFPA formed a National Organic Program (NOP) within the United States Department of Agriculture (USDA) to establish organic standards and to require and oversee mandatory certification of organic production. The National Organic Standards Board (NOSB) was created by OFPA to advise the Secretary of Agriculture, who has final authority in determining the regulations.

So what is the definition of the term "organic"? There has been some debate about the definition, but the following was passed by the National Organic Safety Board at its April 1995 meeting in Orlando, Florida:

"Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony.

'Organic' is a labeling term that denotes products produced under the authority of the Organic Foods Production Act. The principal guidelines for organic production are to use materials and practices that enhance the ecological balance of natural systems and that integrate the parts of the farming system into an ecological whole.

A draft proposed rule for national organic standards was published in late 1997, and over 275,000 comments were received on the rule. Based on the feedback, USDA agreed to change its position and not include irradiation, genetically modified organisms, or sewage sludge in organic production. Since then, the USDA has published a second proposed rule, with the public comment period ending in early June of 2000. The outcome of this second try remains to be seen.

If adopted as it is currently written, one of the provisions of the rule would require dairy herds to be on organic feed a full year before the farm could be certified organic. The majority of the organic community is hoping to have that changed. They feel that the requirement may make it impossible for most farmers to transition to organic, as it would require significant expense and delay a return on the investment. The new rules will also require USDA to accredit the certifying agencies, which may increase certification costs for farmers.

How Does a Conventional Dairy Farm Make the Transition to Organic?

Currently, to be able to legally sell or label milk as organic, the farm must be certified organic by at least one of several certifying agencies (see next section for a list of agencies working in New York). Often the certifying agency a farmer works with, is determined by the company to which the farmer plans to sell his organic milk, as many of the buyers require a certain organization's certification. And although each certifying agency has its own specific set of regulations that a farm must meet, the general requirements remain similar across agencies.

Feed

- no synthetic fertilizers or pesticides can be used on the land in the past 3 years
- records of treatments and harvests for all fields
- log of feed purchases

Herd Management

- managed pasture with edible forage through the grazing season
- young stock outside
- no synthetic fly controls
- no docking tails

Herd Health

- no antibiotics
- no hormones

According to farmers that have made the transition, they have found that feed availability, health care, and increased paperwork present problems for some farmers when switching to organic methods. Some of the benefits of switching include access to new markets at higher prices and increased herd health.

There are many resources within the Tug Hill region to provide information and assistance to farmers who are considering going organic. Local Cornell Cooperative Extensions agents are somewhat familiar with organic production, and can certainly direct farmers to other resources within the county, including other farmers who have experience in organic farming.

Providing organic feed to the herd is one of the challenges some organic farmers face. Feed is often the biggest expense in organic dairying, and it is important to the farmer's profit margin to reduce the amount of purchased feed as much as possible. Extension agents can assist with this, as well as feed mills dealing in organic feeds. For example, Farney Feed Mill, one of the few providers of organic feed in upstate New York (they are NOFA-NY certified), can help farmers balance their feed and their forage.

Soils management becomes a big concern in producing organic forages and feed. Assistance to the farmer in looking at soils management from an organic viewpoint can come from the County's Soil & Water Conservation District and/or Natural Resources Conservation Service office, as well as private firms. For example, in Lewis County Cook's Consulting assists farmers in creating a land management plan and nutrient management plan. They also perform soil tests to document that the fields have not been treated with inappropriate pesticides or fertilizers.

Another important resource is the farm veterinarian. Although organic certification generally requires that no hormones and no antibiotics be used, the veterinarian can still assist the farmer in finding ways to increase herd health. As more farms in the area transition to organic, the veterinarians in the area will become more familiar with the practice. Countryside Vet in Lowville, for one, has expressed its interest in becoming more involved with organic dairy farm operations.

What Certifying Organizations Work in New York?

The following organizations are some of the agencies that provide organic certification in New York. In general, certifying agencies provide the buyer of organic milk assurance that the farmer is following the required practices.

NOFA-NY

26 Towpath Rd
Binghamton NY 13904
(607) 724-9851
Contact: Patricia Kane, Certification Program Administrator

New York Certified Organic, Inc. – Organic Crop Improvement Association (OCIA)

1443 Ridge Road,
Penn Yan NY 14527
(315) 536-9879 or (607)-869-5921
Contact: Mary-Howell Martens

Farm Verified Organic, Inc. (FVO)

5449 45 St. SE
Medina, ND 58467
(701) 486-3578
Contact: Annie Kirschenmann, Program Manager
E-mail: farmvo@daktel.com

Examples of Buyers of Organic Milk

In the Tug Hill region, examples of companies that buy organic milk are included in the following list. If a farmer is considering making the transition to organic dairying, it would be a good idea to contact some buyers first. Different buyers require organic certification from different certifying organizations.

Dairylea Cooperative

Upstate Milk Cooperatives Inc.
Route 37
Watertown, NY 13601
(315) 782-3356
<http://www.dairylea.com>

Dairylea Cooperative is owned cooperatively among approximately 2,800 dairy farmers in the Northeast. It is the largest milk-marketing organization in the Northeast, selling more than 5 billion pounds of raw milk annually. The Cooperative provides many services for its members, including investment, insurance, financing, marketing, and economic development.

Organic Cow of Vermont/Horizon Organic Dairy

PO Box 190
Chelsea, VT, 05038
(802) 685-3123
<http://www.horizonorganic.com>
Contact: Cindy Masterman

Horizon Organic Dairy is a global company that sells certified organic milk, other dairy products, eggs, and juices since 1992. It buys from producers all over New York, and is currently looking for contracts for 2000-2001, at a price of \$21/100 weight. Many of its producers are members of the Dairylea Cooperative, but membership with DairyLea is not a requirement to sell milk to Horizon. Horizon requires farms it buys milk from to be certified with NOFA.

Butternut Farms Organic Co-op Inc.

182 Sunnyside Road
Nichols, NY 13812
(607) 699-3979
<http://www.butternutfarms.com>
Contact: Oscar Robinson

Butternut Farms is a farmer-owned co-op with members primarily in the Leatherstocking region of NYS. They began shipping organic cheese in 1998, and expect to soon be selling fluid milk, as well as flavored cheeses, processed cheeses and shreds. Organic butter and yogurt are still in the earliest

stages of research and development. Although not currently looking for new members, they may be in the very near future as they begin to market their new products.

What Market is there for Organic Products?

Founded in 1985, the Organic Trade Association (OTA) is the business association that represents much of the organic agriculture industry in North America. On their web page (<http://www.ota.com>), they have the following statistics on the market for organic products in the United States:

- Natural Business' 1998 Financial Market Overview reported that organic food sales were \$4 billion for 1997, and that natural foods are the fastest-growing segment of the retail market.
- Based on statistics from Natural Foods Merchandiser, the organic industry has posted double-digit sales growth of 20% or greater for the ninth consecutive year.
- Packaged Facts, a New York City-based market research firm, predicts that sales of organic foods and beverages will increase by more than 150 percent to \$6.6 billion by the year 2000.
- According to a 1995 Food Marketing Institute's "The Food Marketing Industry Speaks:"

Percentage of mainstream stores carrying organic produce: 42%

Percentage of shoppers who buy natural or organic foods at least once a week from supermarkets: 25%

Percentage of senior management who believe that organic and natural foods are an upcoming trend: 75%

- According to a 1995 United States Department study, more than 5,000 U.S. farmers are using organic methods and the majority of these growers were producing fruits and vegetables. Texas is the leading state with over 10% of its farms, or 18,000 acres, certified organic in 1995.

Clearly, organic holds promise to add to farm income substantially as the market for organic products grow.