



FARMERS CREAMERY

Monthly Newsletter | February 2019

GENERAL NEWS

100% Grass-Fed Kefir Distribution is Growing!

Distribution for Kalona SuperNatural 100% Grass-fed Organic Kefir is growing! Consumers can now find our delicious kefir at Natural Grocers in Iowa City and at Erewhon Market and Organic Roots in Southern California.



Organic Dairy Farmer Staying Positive Despite Challenges

SARATOGA SPRINGS, N.Y. — Chuck Phippen has two words of advice for all dairy producers: “It depends.” Every situation is different, and what works one place might not be the right fit somewhere else. But one thing is for sure — Phippen, a former suburban Connecticut aircraft engineer, wouldn’t trade his lifestyle for anything.

“How profitable is it? You can make a whole lot of money working for a company,” he said. “But I went to a lot of retirement dinners for people who joined Pratt & Whitney right after World War II. Most of them said, ‘I wish I’d spent more time with my family.’”

“So when I was 33 I said, ‘I’m going to do something different with my life. Let’s buy a farm and see what happens. I can always go back to work.’”

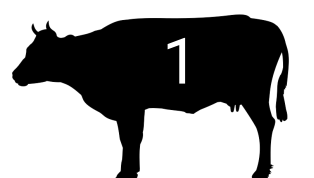
In 1994, he and his wife, Diane, packed up their family for rural central New York where they purchased a farm and went into business with a herd of 37 milk cows, 12 bred heifers and 12 calves.



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COMMODITY PRICES

Grower FOB Farm Gate Organic Grain				
Commodity	Price Range	Average	Change	Prior Year
Yellow Corn	8.75 - 10.50	9.09	-0.40	9.00
Soybeans	N/A	N/A	N/A	18.06
Grower Delivered Elevator/Warehouse Organic				
Commodity	Price Range	Average	Change	Prior Year
Yellow Corn	9.25 - 11.00	10.01	0.57	9.32
Soybeans	17.55 - 18.80	18.51	-0.32	18.67





INDUSTRY NEWS

Organic Market Disruptions in New York State

Story Courtesy of Pete Hardin / The Milkweed

Two private purchasers of organic farm milk in New York State have given notice to a number of producers that their milkmarkets will be terminated.

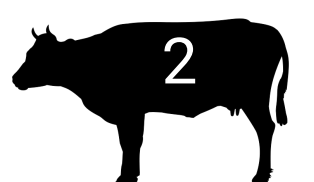
Maple Hill Farms (Kinderhook, NY) faces loss of its organic fluid milk sales and has notified 15 of its 28 organic producers that their markets will be terminated on June 1, 2019. The remaining 13 producers will have their contracts terminated at the end of 2019. Those producers are being encouraged to find other markets, or switch to grass-fed only organic production through Maple Hill.

Maple Hill will continue buying milk from its grass-fed organic milk producers. However, milk hauling costs and logistics compel Maple Hill to encourage its smaller grass-fed organic producers to boost production or lose their grass-fed organic markets. Credit Maple Hill with giving those impacted producers a long lead time on this matter.

Balancing costs for organic milk is expensive – “surplus” organic milk brings nothing much better than conventional fare for sellers right now. The reasons for Maple Hills’ loss of its organic fluid milk sales are not clear. Byrne Dairy (Lafayette, New York) had been co-packing and distribution Maple Hill’s Class I sales.

Byrne Dairy has also notified selected producers in its organic milk supply of pending market termination. Some organic observers in the Northeast attribute part of the problem of termination notices to out-of-region loads of organic milk disrupting both intermittent prices and markets.

Last fall, The Milkweed reported that at least a few trucks filled with “organic” milk from Texas had been offloaded at a Byrne Dairy plant in the Syracuse area.





INDUSTRY NEWS

Organic Dairy Farmer Staying Positive Despite Challenges (Continued from Page 1)

Story Courtesy of Paul Post / New York Correspondent

First, however, he learned the ropes by working nights at Pratt & Whitney so he could work days at a local dairy, gaining invaluable experience.

"I wanted to know everything he could teach me," Phippen said.

He also took Cooperative Extension classes and read everything he could get his hands on including the book "Greener Pastures on Your Side of the Fence," by Bill Murphy, of the University of Vermont.

Phippen told how he was able to leave a lucrative career and support a large family (he and Diane have 12 kids) with a small herd of cows in "Profitable Dairy Management," one of many workshops at the Northeast Organic Farming Association-New York winter conference in Saratoga Springs.

"Just being a low-cost producer," he said, matter-of-factly. "We have a lot of kids, which helps. They aren't paid a salary, but every Tuesday we go skiing at Mount Snow, and so far we've put seven kids through college."

One way or another the Phippens make sure their hard-working children are rewarded.

However, he shared several other tips for operating in the black such as reducing energy costs by installing an 1,836-kilowatt solar panel array. He only had to invest \$20,000 thanks to incentives and financial help from the New York State Energy Research and Development Authority.

"They also do energy audits, where they come and look at all energy usage on the farm," Phippen said. "They evaluate everything and make recommendations about how to save money."

For example, changing over to a scroll compressor on his bulk tank reduced costs considerably.

"Everything mechanical on your farm is going to die at some point," he said. "Why not get 75 percent of it paid for? Plus it saves money because it's more efficient."

In central New York, the Phippens' farm was divided by a heavily traveled highway, so after nine years, they found a more suitable site in Hoosick, Rensselaer County, bordering Vermont.

At first, they were producing conventionally and selling milk to Agri-Mark, but gradually transitioned to organic. "We already met most of the standards by what we were doing," Phippen said.

Today, his Breese Hollow Farm milks about 65 strictly grass-fed Jersey cows. They graze from April to November and eat only dry hay and baleage in winter.

"Grazing is my favorite thing," Phippen said. "That's how I got into it."

Upon moving to the new farm, he mowed off an unused 3.5-acre field, spread manure on it and used no-till to plant orchard grass and red clover, a good source of nitrogen that he seeds in most other fields, too.

"Heifers graze this field after two cuttings of hay," he said.

No-till saved valuable time and money by eliminating the need for plowing, discing and harrowing.

"It works," Phippen said. "Again, it depends."

Phippen said he transitioned to organic production for health-related philosophical reasons, and the opportunity to realize greater profits. The organic Jersey herd's milk gets a premium price, \$42-per-hundredweight, because of its flavorful, high butterfat and protein content. By comparison, conventional milk is currently fetching about \$16-per-hundredweight.

But after many successful years in business, the farm is faced with an uncertain financial future. Most recently, it's been selling milk to Maple Hill Creamery. In December, the company notified Phippen and many other small producers that it's going to stop buying their milk, effective June 1. Breese Hollow Farm's remote location and relatively small milk volume isn't worth the cost of sending trucks there to pick it up.

"They're looking for bigger farms with at least 300 cows," Phippen said. "We haven't got the land base to do that."

So he's scrambling to find another buyer.

"There's Horizon, Organic Valley, Stonyfield Yogurt and Hawthorne Valley, which we used to sell to, is a possibility," he said. "Right now no one is taking any new producers because there's too much milk on the market."

However, the Phippens have always managed to make ends meet. This spring, they plan to supplement farm income by opening a new ice cream stand on heavily-trafficked Route 7, a major thoroughfare for skiers, fall leaf peepers and other tourists headed to Vermont.

It'll be called "Scoops by the Dozen," named for their 12 children. Phippen, 58, has no intentions of selling out. He just needs to find another buyer. In fact, the couple's son, Scott, looks forward to taking over the farm someday.

Phippen believes one of the major problems in the organic milk industry is that some large farms, in western parts of the country, are selling milk that doesn't really meet organic standards. This makes it hard for small farms, with true organic milk, to find a market, he said.

The USDA isn't verifying organic standards, a problem compounded by the ongoing partial government shutdown, Phippen said. Of course, farming has many challenges. But he's never regretted giving up a big paycheck in return for the daily blessings many people never enjoy.

"This is my baby," said Phippen, showing a picture of his youngest daughter, Savannah. "I read to her every afternoon. It all depends on what you want out of life."

