

Co-op fortifies milk money



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Hudson Valley Fresh finds niche market for local dairy products

HILLSDALE--Nobody becomes a dairy farmer to get rich.

But most dairy farmers would agree that if they were rich--or at least if they received a more reasonable price for their milk--it would be easier to stay in business. And now some of them may have found a way to do that.

Hudson Valley Fresh is a five-year-old, not-for-profit dairy cooperative that pays its dairy farmers a fair price for their high quality milk, allowing them to stay in business and their land to remain in agriculture.

The milk price roller coaster is nothing new, but a prolonged downward plunge over the last year coupled with rising production costs have left many dairy farmers in a financial hole that may be too deep to climb out of.

It was during one of those milk price "valleys" that Dr. Sam Simon, Hudson Valley Fresh co-founder and president of its board of directors, got to thinking about how he was "blessed with residual funds" to subsidize his Dutchess County dairy farm until prices hit another "peak."

Many farmers are not so lucky.

The plight of small dairy farmers recently gained national attention with the January 21 suicide of Copake dairyman Dean Pierson, who shot and killed 51 of his dairy cows before turning the rifle on himself.

A retired orthopedic surgeon, Dr. Simon was born and raised on a dairy farm in Middletown.

He always loved dairy cows and planned to retire at an early age so he could get back to dairy farming and breeding champion registered Holsteins. He bought Plankenhorn Farm in Pleasant Valley in 1995, sealing the deal with a handshake from the only surviving member of the family. He renovated the barn to 21st-century standards, hired a herdsman and bought some milkers to add to the herd of heifers he had raised.

No stranger to the ups and downs of milk prices, the doctor said he was making \$3 less per hundredweight (cwt) of milk than it cost him to produce.

Dr. Simon, a member of the Agri-Mark milk cooperative, said the milk from his cows was going into the production of Cabot cheese, recognized for its quality with many awards. But the \$250 bonus check the doctor received from Agri-Mark for the milk just didn't cut it.

Seeing that other small dairy farmers in the area were about "to give up or lose" their farms, he told them "help from the government is not on the way" and proposed that they join forces, produce and pack their own high-quality milk, free of artificial hormones, and sell it for a premium price.

After "doing the research" and exploring the idea of establishing a milk processing facility, the doctor found it to be too risky and decided to find an existing reputable processor. It wasn't an easy task, because established processors did not want to segregate the premium milk produced by him and his neighbors.

Since it was the doctor's aim to produce and market milk from "clean operations" free of artificial hormones and with low somatic cell counts of under 200,000 cells/milliliter, he did not want his milk mixed in a tank with others. Somatic cells in cows are similar to white cells in humans, which are indicative of infection or stress, said the doctor.

He eventually contracted with Boice Brothers in Kingston, a family-run processing operation in business for 100 years.

Dr. Simon co-founded Hudson Valley Fresh with former Assemblyman Patrick Manning, who secured an initial member-item grant allowing Dr. Simon to engage the services of Cornell University to establish by-laws and a business plan for the cooperative.

Currently, Staats trucking hauls milk from the eight Hudson Valley Fresh-participating dairy farms exclusively on specific days of the week. Four of the dairy farms are in Dutchess County, the other four are in Columbia--the Skoda family's Triple Creek Farm in Taghkanic, John Conklin's herd at Langdonhurst Farm in Copake, the Kiernan family's Walt's Dairy in Copake and Jim Davenport's Tollgate Holsteins in Ancramdale.

The current commodity price is about \$16/cwt for milk that costs the farmer about \$19/cwt to produce. Hudson Valley Fresh is paying its farmers \$21/cwt, Dr. Simon said.

Mr. Davenport, a Hudson Valley Fresh member for about two years, said most Hudson Valley Fresh dairy farmers are also members of Agri-Mark. Since Agri-Mark essentially owns the milk produced by its members, Hudson Valley Fresh farmers buy their milk back from Agri-Mark for the class 1 fluid milk price, the highest price for milk, said Mr. Davenport. In turn, any extra milk Hudson Valley Fresh members produce, Agri-Mark will take and sell for them.

After paying the expenses for trucking and processing, any Hudson Valley Fresh profits go directly to members.

As demand for Hudson Valley Fresh products goes up, more of the milk member dairy farmers produce goes into those products, and profits increase, said Mr. Davenport.

His herd of registered Holsteins and purebred Ayrshires has won a national dairy quality award three times in the last five years and also has numerous Agri-Mark regional and top quality awards to its credit. He has a milking herd of 64 and a total herd of 145, which produces 1.7 million pounds of milk per year. Mr. Davenport tends the herd with the help of farm hands, who put in a total of 60 hours per week.

He and his wife, Karen, a teacher and department head in the vocational agriculture department at Housatonic Valley Regional High School, have two daughters--Kristen, a sophomore at Tufts University and Laura, a senior at Taconic Hills.

If Mr. Davenport was not selling his milk to the Hudson Valley Fresh for a premium price, he says he would probably still be in the dairy business, but acknowledges it would be a lot harder.

Hudson Valley Fresh produces premium quality dairy products--whole, skim, low-fat and chocolate milk, half and half, heavy cream and sour cream.

The cooperative sells its products in retail markets throughout the Mid-Hudson Valley, New York City, Long Island, New Jersey and Connecticut. Many schools use Hudson Valley Fresh products, including Bard and Vassar colleges, the Culinary Institute of America, and the Millbrook School.

Dr. Simon notes that Hudson Valley Fresh cannot compete with bargain-priced milk, nor does it try to. "We have to seek out demographics willing to pay a premium price for premium quality to support sustainable agriculture and preserve open space," he said.

Hudson Valley Fresh products are available in Columbia County at Otto's Market in Germantown and the Hillsdale Supermarket.

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