



# Covid Implications for a diversified dairy farm

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Freund's Farm/CowPots East Canaan, CT



# A farming family since 1949

## Mission

To run a profitable dairy

- open to the possibility of diversification,
- operating in an ecologically aware environment,
- practicing proper animal handling,
- and having respect for our neighbors and community.



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3 generations

3 farm businesses



# An Overview of our diversified dairy farm

## Land management:

200 acres cropland contiguous  
150 acres forestland

## Conservation:

Strip Cropping  
No till  
Riparian buffer zone

## Renewable Energy:

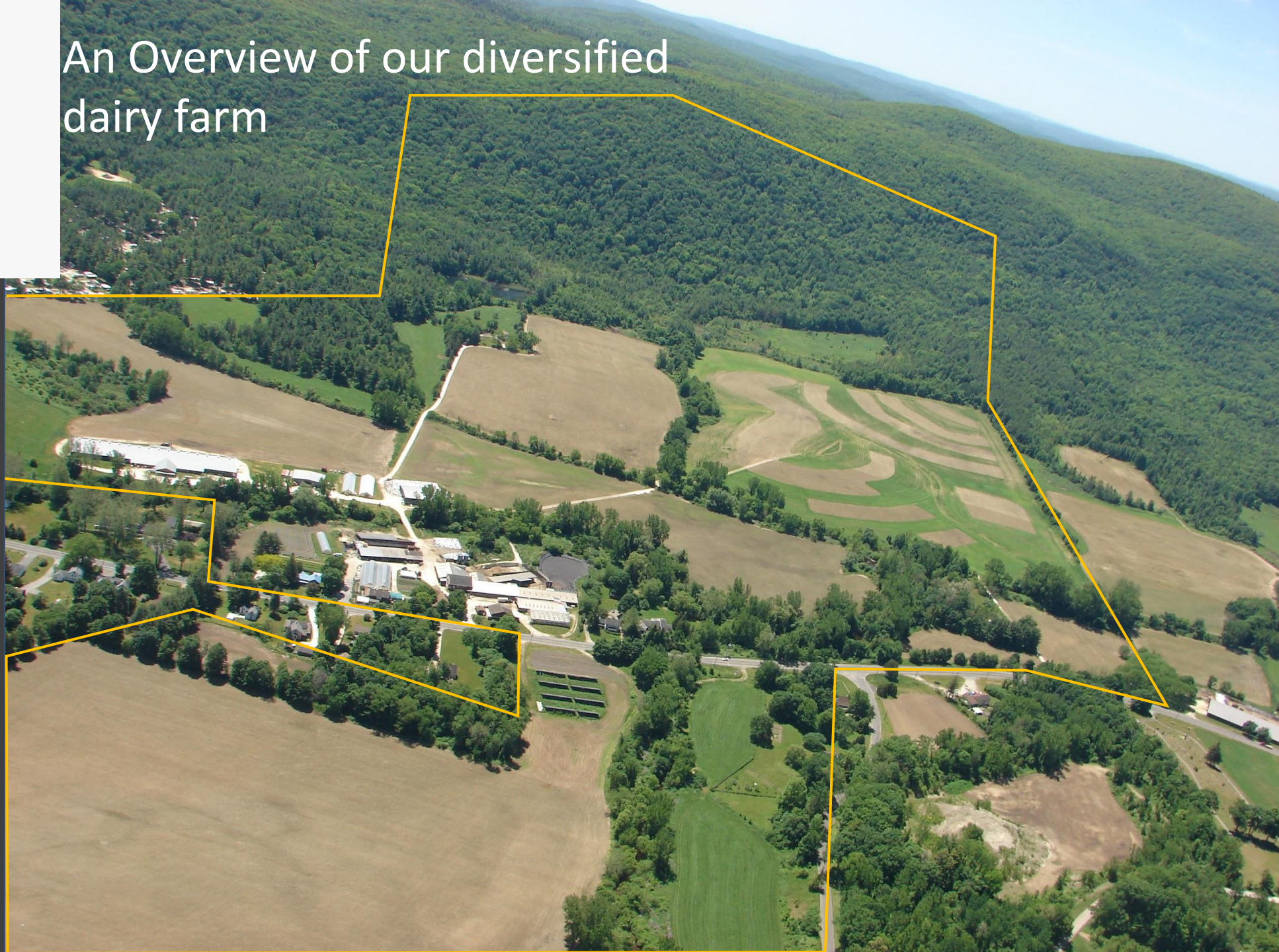
Methane digester  
1200 solar panels

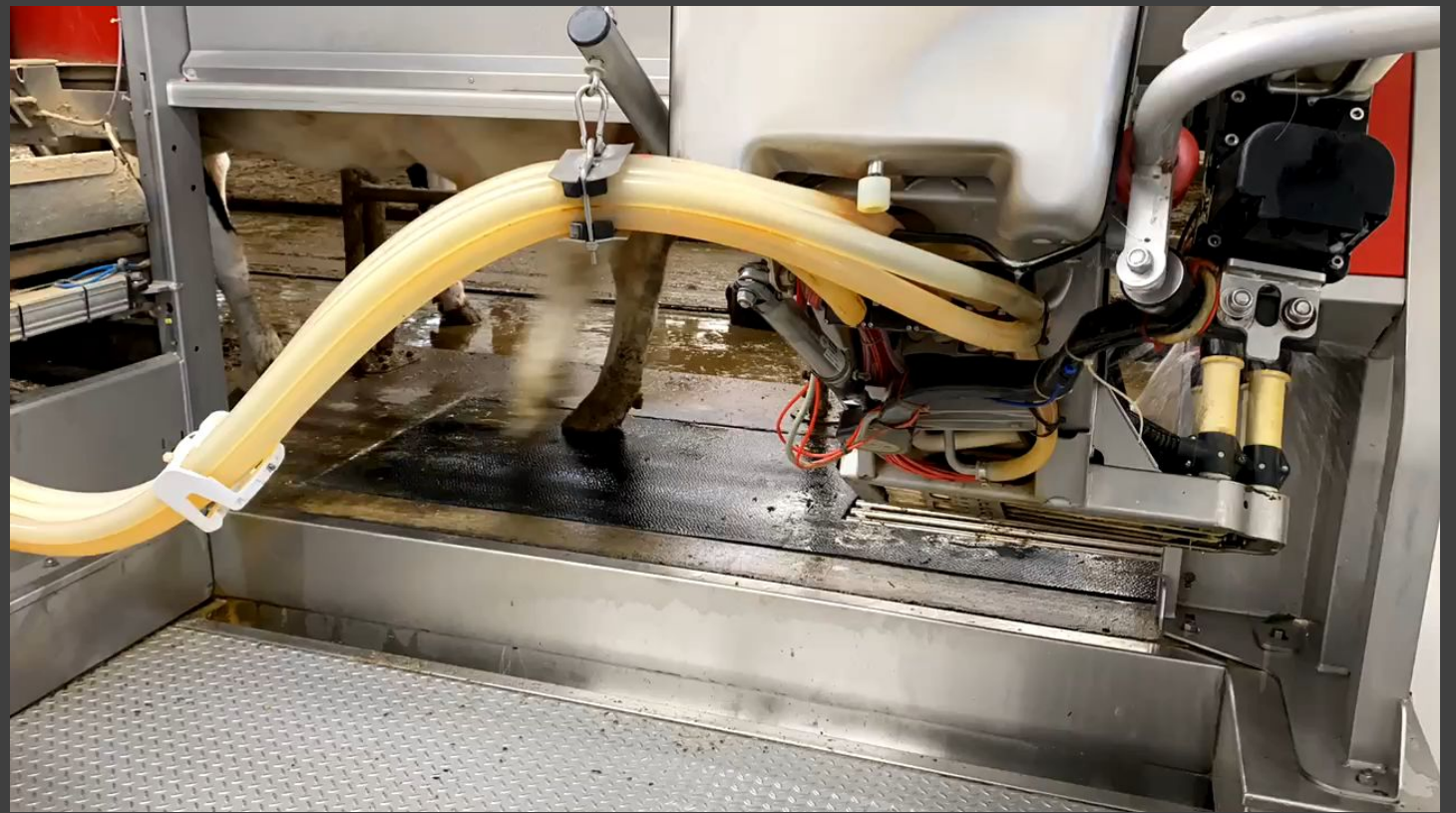
## Residential community:

3000 person campground

## Rural jobs:

5 family members plus 12 FT  
employees





### New Dairy Barn housing 300 cows

- Waterbeds
- Thermostat controlled fans and curtains
- Misting fans
- Robotic feed pusher
- Robotic milking units
- Insulated ceiling
- LED lights
- Alley scraper
- Rotating back scratchers
- Rumination collars (fitbit)

## UConn Zwick Center for Food and Resource Policy

Connecticut milk cost of production estimates for quarter 1 (january, february, march) 2020

**2020 Connecticut Milk Cost of Production Estimates, Statistical Uniform Price, and Application of Public Act 09-229**

	January	February	March	Quarter 1 Average
	Dollars per Hundredweight			
<b>Total Cost of Production</b>				
Connecticut	\$32.09	\$31.38	\$30.79	\$31.43
<b>Minimum Sustainable Cost of Production</b>				
Connecticut	\$26.31	\$25.73	\$25.25	\$25.76
<b>Statistical Uniform Price</b>				
Hartford, CT	\$18.68	\$18.02	\$17.64	\$18.11
<b>Minimum Sustainable Cost of Production Minus Statistical Uniform Price</b>				
Connecticut	\$7.63	\$7.72	\$7.61	\$7.65

Source: 2012 CT DFBS Survey with annual updates. Minimum Sustainable Cost of Production is 82% of the Total Cost of Production. Statistical Uniform Price is from the USDA Federal Milk Order No. 1 (<http://www.fmmone.com>). Values rounded to nearest cent per hundredweight.

For details on the methodology used, please see Zwick Center Research Report No. 1 available at: [http://zwickcenter.uconn.edu/outreach-presentations\\_4\\_2016452852.pdf](http://zwickcenter.uconn.edu/outreach-presentations_4_2016452852.pdf)

Please contact Prof. Kimberly Rollins at [kimberly.rollins@uconn.edu](mailto:kimberly.rollins@uconn.edu) or (860) 486-4394 with questions.

## Brief Dairy Economics Review

*It's only 2 slides, I promise*

## Optimism for 2020

2020 forecasted \$19.50/cwt\*

following 5 years of depressed prices

\*cwt=100 lbs

(11.6 gallons in 100 lbs)

## Reality check for 2020

April pay price

\$13.47/cwt

May pay price

\$15.95/cwt

Receiving 50% of  
our cost of  
production!

## CME Forecast released on March 30, 2020

CME:DCK2020, D 13.05 ▼ -0.10 (-0.76%) O:13.12 H:13.15 L:13.05 C:13.05



# Dumping milk in the headlines

'You can't turn off a cow:' Milk market dries up without schools, restaurants

BY BRIGITTE RUTHMAN Republican-American April 7, 2020

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www.usatoday.com > news > factcheck > 2020/04/10  
**Fact check: Farmers dump milk because**  
Apr 10, 2020 - A Facebook video focuses on bottling limita  
need for **milk dumping**. But there's more to the story.

abcnews.go.com > story  
**Dairy farmers dumping milk amid COV**  
Apr 21, 2020 - Dairy farmers **dumping milk** amid CO  
industry. The issue isn't necessarily the virus, instea

www.nbcnews.com > news > us-news > dairy-farme  
**Dairy farmers forced to dump milk**  
Apr 13, 2020 - Many **dairy** operations have ever  
at-home consumption has tapered off and the r

www.dairyreporter.com > Article > 2020/04/06  
**US dairy farmers dumping milk**  
Apr 6, 2020 - The Wisconsin Dairy Alliance  
down drains, retailers are limiting consume

www.cnbc.com > 2020/05/02 > coronavin  
**Coronavirus devastates agri**  
May 2, 2020 - **Dairy** farmers grappling v  
lockdown are **dumping** out as many as

## Why??

Food Service (schools, restaurants, cafeterias)  
utilizes **30-50%** of cheese and **60%** of butter

Supply chain could not respond quickly enough to fill  
retail needs.

By April, there was **10% oversupply** of milk in U.S.

## Before Covid - Ongoing Supply and Demand Challenges:

Trade & Export market  
Beverage alternatives  
YOY production growth

# Cooperatives respond

Effective May 1, 2020:

4%-15% reduction required of each producer, depending on coop, penalties for shipping excess.

Farmers respond by:

- Selling cows
- Drying off cows
- Adjusting feed ration with higher forages, less grain
- Dumping milk
- Paying the penalty

Our farm dumped approximately  
**28,000 lbs** of milk in May.



# Supplying dairy to feed our local communities

- CT Milk Promotion Board donates \$40,000 for dairy purchases to CT food banks
- Operation Community Impact pioneered by Litchfield County 4-H
- 34,000 pounds donated by Cabot to CT's Foodbanks
- Guida's and DFA Cares donate fluid milk in Eastern CT



Crops and cows require daily attention,  
even during a pandemic.

Our 3 businesses shifted our attention on maintaining a  
healthy workforce:

Distributed masks

Supplied hand sanitizer and gloves

Posted reminders to wash hands

Communicated with service providers

Asked customers to practice social distance.

# Spring 2020

## At Freund's Farm

- Planting and harvesting crops
- Cow care uninterrupted
- Continued delivery of grain, straw, supplies
- Robot tech service and support
- Milk truck here everyday
- Zoom calls from my barn!
- Virtual farm tours





# A busy spring

## At CowPots

- Surge in interest by home gardeners
- Season extended by 6 weeks
- Continued development of custom products and new style
- Increased demand for edible starts
- Promotion of seed starting kits for families with young children
- Important revenue stream



# Meanwhile...

## At Freund's Farm Market & Bakery

- New arrival of laying hens
- Greenhouse overflowing with plants
- Safe space for customers and employees
- Surge in demand for curbside pick-up
- Opportunities to support our neighbors and community

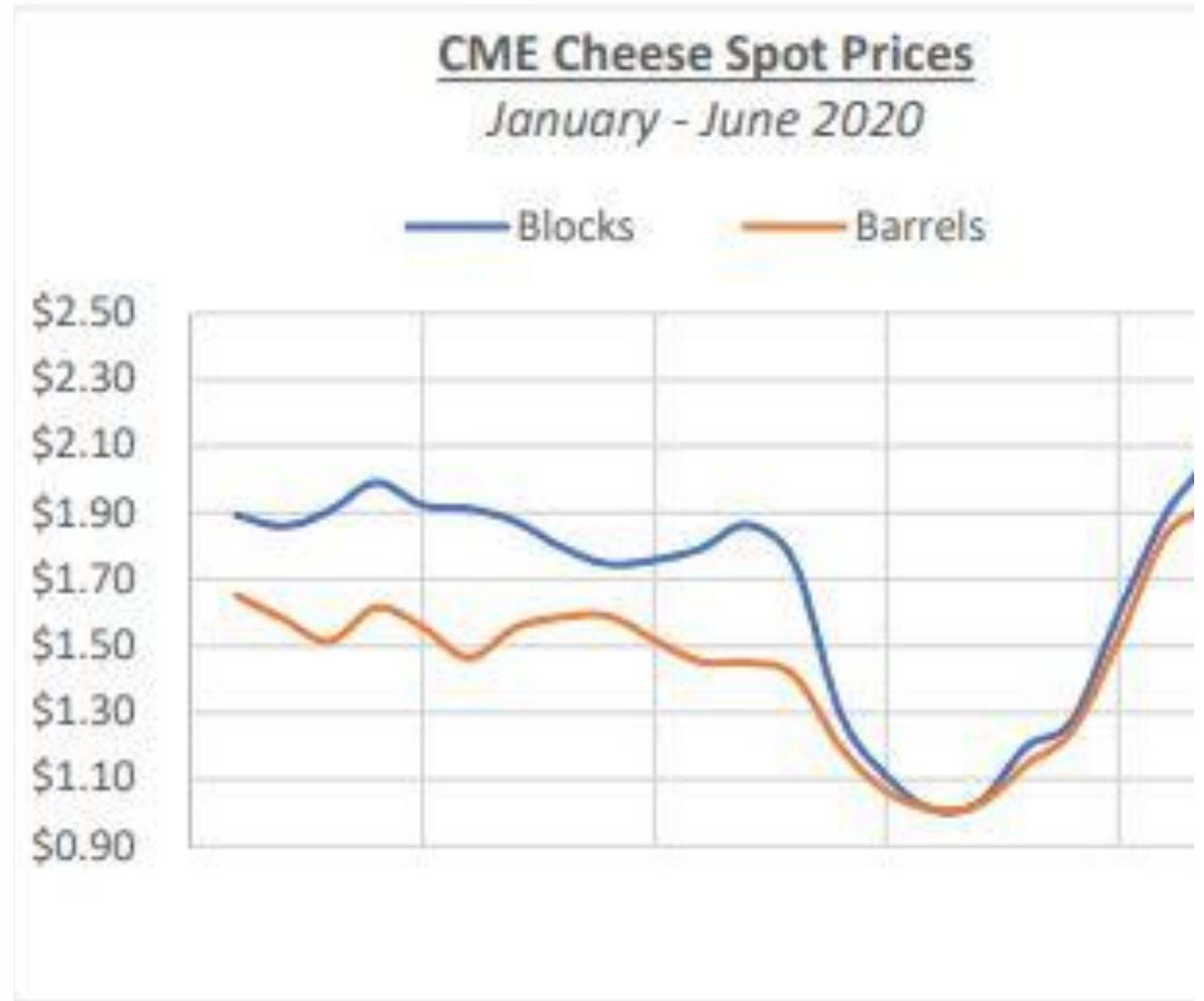


# For Dairy: A Rebound – but only cautiously optimistic

- Food service returning
- State and federal government purchasing dairy for Food Box program.
- Cooperatives reduced milk supply

## Reasons for Caution:

- Covid in the fall?
- Market volatility
  - International and domestic
- Supply chain able to adapt





## Call to Action

Time for meaningful conversation about our food system and supply chain.

- Choose local farm products. Support farm businesses.
  - Remember: milk is a local food 365 days/year.
- Buy local brands, including cooperative brands, i.e. Cabot
- Be part of the conversation: How can your local food systems be enhanced and improved?
  - Regional food hubs, farmers markets, market integration



# Thank you

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