Covid Implications for a diversified dairy farm

Amanda Freund    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.
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)
Connecticut milk cost of production estimates for quarter 1 (January, February, March) 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>Quarter 1 Average</th>
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<td>$32.09</td>
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<td>$18.68</td>
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<td>$18.11</td>
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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.fmsone.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

Please contact Prof. Kimberly Rollins at kimberly.rollins@uconn.edu or (860) 486-4394 with questions.
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
Receiving 50% of our cost of production!

May pay price
$15.95/cwt
Dumping milk in the headlines

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

By BRIDGET BURKETT Republican-American April 7, 2020

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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