

The Struggle of Vermont Farmers, 2003-2006

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Contents

Part I. Dairy Farmers of Vermont Seek Sustainable Milk Price	3
Part II. Dairy Farmers of Vermont United: First Round Of Negotiations With Milk Co-ops Conclude	4
Part III. FARMERS SEIZE MEANS OF PRODUCTION: Farmer Controlled Processing Plant Opens In The Kingdom	6
Part IV. Down on The Farm: Interview With Vermont Farm Organizer Peter Sterling .	7



Left: Peter Sterling, Right: Anthony Pollina

Part I. Dairy Farmers of Vermont Seek Sustainable Milk Price¹

Northeast Kingdom, Barton VT, Spring 2003- Less than thirty years ago there were 4,000 dairy farms throughout the Green Mountain of Vermont. Today there are just 1200 remaining. Out of these, farmers and agricultural experts state that 200 or more are facing the very real possibility of being forced out of business in the coming year. These farmers are currently receiving between \$10-\$11 per hundred weight for raw milk. This is down approximately 40% from a year ago when the going market value was regularly \$17 per hundred weight. At the present wholesale price many family farmers are unable to cover the basic costs of living. In contrast, the retail price of processed milk has risen and so called co-ops (who are middlemen) & processors are seeing record profits.

For many of these farmers hope is being kindled through the formation of a new organization called the Dairy Farmers of Vermont (DFV). The intension of this organization is to band together as much raw milk produced in the state as they can, and then proceed to collectively bargain with dairy co-ops and processors in order to bring up the prices. Peter Sterling, an organizer for the group, states “we intend to push the processors to pay the farmers a fair and stable price and put that into a long term contract.”

The organizational drive of DFV was launched in earnest over the course of this past winter. Their immediate goal was to represent one third of all raw milk produced in the state, and then in the spring move towards negotiations with the co-ops and processors. Since then they have met their initial goal by signing up over 300 dairy farms, representing a staggering 850,000,000 lbs. of raw milk. DFV organizers now project that negotiations will begin in a matter of weeks.

On Saturday, April 26, forty dairy farmers gathered in the Barton Grange Hall for a chicken dinner and some live country/bluegrass music in celebration of meeting their spring goals. In-between music, food, and drinks, Anthony Pollina² (a DFV organizer and leader in the social democratic Vermont Progressive Party) facilitated a conversation during which the farmers expressed deep concern over dropping prices and the lack of communication & accountability of the co-ops/processors. Farmers also articulated the negative effects so called free trade has had on the industry. One farmer brought up the fact that large amounts of raw foreign milk, subsidized by the Canadian government, is now being shipped to processing plants in New England

¹ This article was first published in Catamount Tavern News in 2003.

² Today [2017] Anthony Pollina serves as a popular Vermont State Senator for the democratic socialist VT Progressive Party representing Washington County.

at the expense of Vermont farmers. This farmer went on to explain how this corporate practice is a result of NAFTA & the policies of the World Trade Organization, and how this not only hurts Vermont farmers, but are also undermining the rights and hard earned gains of Quebec farmers and their organizations. While many present expressed deep frustration with the situation, the night as a whole was marked with optimism that DFV *can* and *will* make concrete gains for the Vermont family farmer.

DFV also hopes to facilitate the purchasing of a farmer owned processing plant, possibly in Springfield Vermont. The estimated purchasing costs are presently estimated at three to four million dollars. When asked by this writer, Peter Sterling asserted “we are currently working on this and it is moving very quickly.” If DFV can do this, it is expected that the rate of return for participating farmers would drastically increase as the cost of the middleman would be completely taken out of the picture.

When negotiations get underway, DFV will have farmers, allied labor leaders, and attorneys on their side of the table. DFV intends on making the process open to the public and democratic. Any final agreement between themselves and the co-ops/processors will have to be ratified by a majority of the member-farmers before it is final.

Part II. Dairy Farmers of Vermont United: First Round Of Negotiations With Milk Co-ops Conclude³

Northeast Kingdom, Vermont, Fall 2003- As of this coming December it will have been one year ago that the first meeting of the Dairy Farmers of Vermont (DFV) took place. In an old barn in Derby Line, a couple of farmers and two organizers (Peter Sterling and Anthony Pollina) shot the bull about the need for a farmer organization here in the Green Mountains. With that, they began what many thought would be impossible. At first folks said “farmers will never join an organization.” Then, hundreds of them did. Even then, naysayers scoffed that the co-ops/processors would never agree to bargaining meetings. They did.

The Dairy Farmers of Vermont, a democratic organization representing 314 Vermont farms accounting for one third of all raw milk produced in the state, have recently completed the first round of negotiations with the so-called co-ops/processors. The meetings were held in Vermont’s Capital City of Montpelier. The stated goal of DFV is to bring up the price they receive for their product to levels which will guarantee the survival of the family farm. To date the price of raw milk continues to be close to \$11 a hundred weight. This is down from the \$17 that they were receiving a year and a half ago. In spite of these falling wholesale prices the retail price for a gallon has risen during the same period. At the current level, numerous farms have gone under and those that are still in operation find it hard to cover the basic costs of electricity, fuel, and supplemental food for their family.

This first round of talks occurred within a fog of mutual mistrust and hostility. Many farmers harbor negative feelings towards the co-ops. The co-ops ostensibly set the rate the farmers receive for raw milk, and they are therefore the obvious target of farmers who are upset about the plummeting prices. This mutual hostility is furthered by the fact that the co-ops, theoretically owned by member-farmers, have evolved into capitalist corporations which seek to further their

³ This article was first published in Catamount Tavern News in 2003.

own agenda as opposed to acting in the collective interests of its participants. They clearly do not answer to the individual farmers, and they rarely show any interest in the thoughts, concerns, problems, and wellbeing of the farms from which they collect their raw products (*just ask any Vermont farmer!*). Irasburg dairy farmer and DFV member Maureen Lehouillier says “the co-ops are bleeding the life out of dairy farms.” Even so, the first round of talks is being heralded by farmers as a good first step in the right direction.

The DFV negotiating committee, made up of farmers & allies from organized labor, held three separate meetings with representatives from Agrimark, the St. Albans Co-op, and the Dairy Farmers of America cooperation (the latter two are both members of the umbrella group Dairy Marketing Services). Each of these meetings counted ten to twenty farmers in attendance. DFV organizers are calling these meetings significant in that it was the first time that the co-ops and the farmers were able to sit down and have serious conversations about prices and the industry in general.

At the meetings DFV laid out various options. One was that the co-ops raise the price they pay for raw milk, or at least eliminate certain deductions that they take out of the farmers’ check such as the ‘hauling fee’ (a fee for the use of milk trucks), ‘truck stop charge’ (a charge for the milk truck actually stopping at the farm), and the ‘promotion charge’ (a charge supposedly for the marketing of the collective product). It was pointed out that the hauling fee and the truck stop fee are redundant and unnecessary and that all these various charges culminate in a substantial price reduction as far as the farmer is concerned. The second option put forth by DFV was that it is increasingly possible that they will purchase their own plant in Springfield Vermont, and market a new line of “Vermont Made” milk. If this becomes a reality it is understood that such a farmer owned operation would effectively eliminate many of the middlemen, and therefore raise the amount of revenue that actually makes it back into the farmers’ pocket. DFV argued that if and when this occurs, the co-ops must begin to work with them in good faith or risk being cut out of the equation. Here it should be mentioned that the St. Albans Co-op currently owns the “Family Farms of Vermont” line of milk, but has thus far put no significant resources into its promotion. DFV asked this co-op to give, sell, or redirect the bottling of this product to DFV through the future Springfield plant (this “Vermont” milk is currently bottled in New Hampshire). While St. Albans has not yet agreed to these possibilities, they have not ruled them out.

As a whole, DFV members and organizers contend that this first round of negotiations, while reaching no reaching no definitive conclusions, have gone well. The meetings with the Dairy Farmers of America and the St. Albans Co-op were more or less cordial given the starting point.

The meeting with Agrimark (who initially refused to meet with DFV) was more confrontational, but not without some promise. Dairy Farmers of America, for their part, appeared interested in working with DFV in the production of a well marketed Vermont brand of milk (one that would presumably be of high quality and carry a slightly higher retail price that would directly benefit farmers). It appears possible that they could work with DFV in regards to their proposed Springfield operation.

In regards to DFV charges that the co-ops can afford to pay farmers more than they currently do, Dairy Farmers of America representatives alleged that it was not the co-ops which are responsible for the low wholesale prices. They claimed that much of the blame should be laid on large retail operations such as Wal-Mart, other large chain stores, and cheese processors; all of whom compel the co-ops to sell them milk at reduced rates. The DFV negotiating committee countered that *if* this is true, then the co-ops should be willing to stand together with the farmers and their

organizations in order to confront these corporations in a united manner. When asked about this possibility by CT News, DFV organizer Anthony Pollina said “what we are looking for is farmers and organized labor to take on not only the [so called] co-ops, but the Wal-Mart’s of the world, so farmers and consumers can get their fair share.”

Another round of negotiations as well as special Town Meetings are planned for the coming months. DFV spokespeople say they are optimistic that this second round will lead to more concrete results. Now that the general parameters of the negotiations have taken form, the co-ops are encouraging the organization to come forth with more detailed concrete proposals. Any eventual agreement and contract reached between the negotiating committee and the co-ops will have to be ratified by DFV member-farmers; one farmer, one vote.

In related news, rumors have been circulating that political officials in New England have been considering reviving a version of the now dead “Northeast Dairy Compact” (previously killed by the Republican controlled U.S. House and Senate). The revived program would take form in a manner aimed at circumventing the need for Congressional approval. The rumored multi-state agreement would link the retail price of milk (which has been on the rise) with the price received by farmers (which has been on the decline), setting a ratio whereby the wholesale price would become more stable and fair. In other words the agreement would stipulate that if the retail price was to rise by a certain amount, then the farmer would have to be paid an equivalent amount more for their raw product. CT News will be following both these stories and will be bringing you news as events unfold.

Part III. FARMERS SEIZE MEANS OF PRODUCTION: Farmer Controlled Processing Plant Opens In The Kingdom⁴

Montpelier, Vermont, July 29 2006- With the price of raw milk remaining at unsustainable lows, Vermont’s dairy industry faces what many farmers and experts are calling ‘a crisis of historical proportions.’ Non-organic dairy farmers are currently receiving \$12 a hundred weight; that is \$5 less than two years ago, and the same price, *unadjusted for inflation*, that they received as far back as 1994. This latest downturn is forcing farmers to tighten a belt that, according to the Dairy Farmers of Vermont (DFV) organization, is already cutting off the life blood of the state’s dairy industry. Since 1975 an estimated 2900 farms were forced to close. Of the approximate 1100 that remain, many are on the verge of a similar fate.

In response the Douglas Administration has been seeking to make low interest rate loans available to farmers as a means to stem the tide of closings (already 100 over the last year). However, DFV, which represents over 300 farms, insists that such measures will do little or nothing to reverse the tide of collapse.

“[Governor Douglas] offers programs of low interest loans which [farmers] don’t need. They won’t take them because they can’t afford any more loans. They are already maxed out,” asserts DFV organizer Peter Sterling.

Instead, DFV is rapidly moving forward with its plan to open a farmer owned processing plant and to bottle a Vermont brand of milk. DFV intends this brand to be both affordable and

⁴ This article was first published in Catamount Tavern News in 2006.

widely available throughout New England. And by cutting out the current co-ops/processors, DFV expects farmers to be paid between \$17-\$19 a hundred weight over a two year contract.

Currently famers are compelled to work under the thumb of the so called co-ops, which are supposed to negotiate the price received from processors further down the line. Such processing plants are often located out-of-state and do not separate Vermont's milk from that of the rest during pasteurization and bottling.

The idea of a farmer owned milk plant was first floated by the organization in 2003. In 2004 DFV came to the Vermont General Assembly asking for \$500,000 towards the purchasing of such a plant in Springfield, VT. Under pressure from the Governor the bill died in the VT House. This time DFV claims to have backing from sufficient private investors and expects to be in operation, somewhere in the Northeast Kingdom, by winter.

"The leading candidate for the location of the processing plant is in the Northeast Kingdom of Vermont... because that is where most Vermont dairy farmers still exist. We want to be close to the dairy farmers for many reasons, not least of which is that it lowers the shipping costs," says Sterling.

As for the startup capital, "it will cost anywhere from two to three million dollars to get the processing plant going with the packaging, the add marketing, and all that. We are raising it from private investors who believe that this is a good investment for Vermont's economy and rural communities," continues Sterling.

DFV projects that the plant will initially include slightly less than twenty farmers but will seek to expand as fast as possible. DFV spokesmen contend that opening such a farmer owned processing plant will also have the ripple effect of driving up wholesale prices across the region.

"We want to draw as much Vermont milk as we can through this plant. For every farmer we get to bring their milk through this plant we will make the farm economy that much stronger... the goal is to change the system by giving farmers not only control over their milk but giving an independent, truly farmer owned outlet for Vermont milk," states Sterling.

Part IV. Down on The Farm: Interview With Vermont Farm Organizer Peter Sterling⁵

Montpelier Vermont, August 1, 2006 – In 2002 a group of Vermont dairy farmers approached organizers Anthony Pollina and Peter Sterling and asked them to help form a democratic organization that could effectively fight for farmers' rights. What grew out of this is the Dairy Farmers of Vermont (DFV). Today this grassroots organization consists of over 300 farms representing a staggering eight hundred and fifty million pounds of annual raw milk, or one third of the total produced in the state. They expect to open a farmer owned milk processing plant sometime shortly after the year's first significant snow fall. What follows is an interview with DFV organizer Peter Sterling about the organization, their future plans, as well as the general state of agriculture in Vermont and beyond.

David Van Deusen: Peter, what is the situation with Vermont's dairy farms?

Peter Sterling: Under Clinton and the Bush administration there has been enormous consolidation in the processing industry. Where [Vermont] farmers, twenty years ago had 15-20 places

⁵ This interview was first printed in Catamount Tavern News and the Valley Reporter in 2006. Today [2017] Peter Sterling serves as Chief of Staff to the Vermont Senate Pro Tem, Tim Ashe-Vermont Progressive Party.

they could sell their milk, now they basically have two...Agrimark and Dairy Farmers of America, [the latter of which] gobbled up the St. Albans Coop.

Because farmers don't have enough places to sell their milk these two big corporations, which control 85% of the fluid milk in New England, can dictate the price. And they often dictate horrible measures. Farmers have to pay the transportation cost. When gas prices go up, they tag farmers with a surcharge for hauling milk. They charge farmers a fee for those 'Got Milk?' ads. Dairy farmers pay for those with a surcharge that is taken out of their milk check. It has basically created a slave system for farmers.

For example, farmers, when they get their milk check every week, have no idea for how much it's going to be for. Imagine anybody else being asked to go to work and run a business and not having any idea how much their product is going to sell for. You would never ask a teacher or a politician to do that. They know what their pay stub is. But farmers are slaves to this system, when the milk prices plummet there is nothing they can do. These big milk guys, if they had their way...they would have just one big farm with 10,000 cows. Because for them it is inefficient to make all these stops.

So what you'll notice is the big politicians like [former Vermont Governor, Democrat] Howard Dean or [current governor, Republican] Jim Douglas or their AG secretaries pay lip service to farms going out of business, but they always say 'don't worry, the amount of milk Vermont is producing is not falling.' Like that's the measure of how good things are going.

Van Deusen: Could you name the different milk co-ops in the state?

Peter Sterling: For conventional [non-organic] milk there is Agrimark which makes Cabot cheese which we all know, which does not use all Vermont milk, so that is an issue. Then there is St. Albans Co-op. Then there is Dairy Farmers of America, which is the [largest] corporation in the country for milk. St. Albans Co-op, because they are gutless dogs, signed [in 2004] what they call a marketing agreement basically making them one and the same as Dairy Farmers of America...Because they knew their farmer-members would never support such a thing, they called it a 'marketing agreement.' They didn't technically let themselves be taken over, but the staff is all the same now. St. Albans Co-op is controlled by Dairy Farmers of America...which is part of Dean Foods and [other] big corporations. So you can say that Agrimark, St. Albans and Dairy Farmers of America are the three biggest co-ops, but really there is just two. It's really bad.

What the St. Alban's Co-op did was disgraceful. Their members found out on the WCAX news. That's crazy. They turn on the TV and find out that their co-op signed this agreement with this corporation that is driving farmers out of business across America. Dairy Farmers of America, for example, one of their classic moves is to buy up processing plants and then close them down. And they will close it down, not because it isn't profitable, but because it will be more profitable for them if there was less competition from processors and the farmers would then have to ship [milk] to their plants that already exist elsewhere. Bad news!

Van Deusen: How would you describe the co-ops in relation to the farmers and the processors?

Peter Sterling: They are the middlemen. They pick up the farmers' milk, they are supposed to negotiate the prices for the farmers, and they don't really do any of that. The co-ops are supposed to take all these actions to benefit farmers, and they really just take it to benefit their board of directors and their corporate bottom line. St. Albans, even though they call themselves a co-op, as well as Agrimark, technically are not.

I can give you a lot of examples of the bad things they do...[For instance] we got fourteen St. Albans farmers to write to the director [of the co-op] saying 'let us see the details, the paperwork,

let's talk about it.' No. They wouldn't even tell their own farmers about it. Yeah, it's really bad. Really disgusting...

One of the things that keeps farmers from really speaking out is the reality of dairy farming which is the milk truck has to come every day to pick up their milk. And if the co-ops were to black list a farmer or take some kind of revenge action...then the farmer would lose thousands of dollars in addition to their cows getting sick because the milk has to be picked up every day. For example, we had a farmer, his father came up to Montpelier [the capital] to testify [in front of the state legislator] about something the co-ops were doing which was bad. The co-ops, in addition to picking up the milk, also test it to make sure it is pure and clean. A couple weeks later they sent a guy down to test his father's milk, who had never ever had a problem with bacteria count or anything. The co-op guy looked at him and said 'no, your milk is not good this week. We're not picking it up - there is too much bacteria. Good-bye.' That was basically a giant 'fuck you...'. The tester even said something like 'you should have been here working on your milk instead of going to Montpelier...'

Van Deusen: Can you say which co-op it was, and who the farmer was?

Peter Sterling: No...But it's true, and that is how they got back at the farmer for speaking out.

Van Deusen: Was the farmer a DFV member?

Peter Sterling: It was a member's father...That is the kind of thing that [the co-ops] will do if they feel they are threatened.

Van Deusen: Let's back track for a moment and get back to the question of consolidation versus retail prices. To play devil's advocate for a moment, if milk is a commodity that we value and want in society, and if it's cheaper for consumers to have it consolidated in one massive farm, or a few massive farms, then what is the argument against such consolidation?

Peter Sterling: There is a few. First of all, the price to the consumer, when these consolidations happen, doesn't necessarily go down...Really what happens is that there is more profit for the processors. Number two, farming has an enormous impact on our landscape. If done well it can have not such a big impact, and it actually can be quite beneficial. If done poorly, meaning very concentrated with 1000 cows on the land, that is very bad for the environment, and really it's also horrible for rural communities in Vermont. When a farm goes out of business, it's not just the farm that goes out of business, it's the guy who hauls his milk, it's the guy who sold him feed, it's the guy who sold him tractor parts. The whole community suffers. So what you're talking about is the [potential] savings of a couple of cents on a gallon of milk for the consumer [verses] the collapse of a rural economy-you know, Barton, Enosburg Falls, Newport, Troy. I'd like Vermonters to ask themselves, would they be willing to pay another quarter for a gallon of milk knowing that not only would the environment be protected through more sustainable practices, but on another level these rural economies would be sustained. I think any Vermonter would part with a quarter per gallon of milk [to sustain family farms].

[In addition] the kind of farming that these guys are demanding is changing the landscape of Vermont, and not for the better. When you have a farm that has 900 cows on it, that's absurd for the Vermont landscape. It's not something the Vermont landscape can sustain. Wells will go dry...You cannot put big farms on little pieces of land in Vermont.

Van Deusen: How much is milk going for right now per hundred weight?

Peter Sterling: Every farmer has a different [agreement], but generally its \$11 - \$12...If you adjusted that for inflation, that's what they were making in 1970. You can't [sustainably] farm for something like that.

Van Deusen: How many farms have we lost in the last generation, and more specifically in the last couple years?

Peter Sterling: Well the [State] Ag Department really clamps down on that kind of info... [Even so] in 1980 there were [close to 4000] dairy farms, easy. But now there is less than 1200. It's going fast. What happens is there is a minimum number of farms you need in an area to make it viable. The guy who hauls the milk, a trucker, he's not going to drive up to Newport to pick up from one farm. It's not worth his time. So if there is only two farms in Newport he ain't going up there and [therefore] that farm is done. So you need a minimum number of farms and we're getting awfully close in some areas.

But what is really happening, what you can say is the general theme, is that older guys, [say] a guy who's fifty and on the verge of getting out of farming, [is] not going to take out a loan to stay in business, [he's] going to cash out now. Why take on another \$60,000 of debt if you know the milk prices aren't going up?

Van Deusen: Are there any areas of Vermont that you can specifically name that are getting close to being unable to sustain dairy farming?

Peter Sterling: Off the top of my head, it's getting awfully tight down in Bennington County. There are not a lot of farms left down there...That is exactly what has happened down in Rhode Island. [In Rhode Island] there [are] only four dairy farms left. They can't make money because nobody wants to drive their trucks down to pick up their milk. I'm saying you could see that in the near future in Vermont, and that is something a lot of people worry about.

Van Deusen: Of the 1100 dairy farms currently operating in Vermont, how many cows does the average farm have?

Peter Sterling: The state doesn't release this stuff. They are very cagey. Even though the law requires them to do so, they don't. [Even so, we know] there are only 25 large farm operations, which...is someone with more than 500 milking cows. For Vermont that is very large. [On the other end of the spectrum] you don't have that many conventional farms that are able to make it with under 100 cows anymore...The average size is getting bigger. In 1950 you were considered a very big farm if you had 50 milking cows, now you can't make it with under 100 because farmers are being pushed to produce more, to put Bovine Growth Hormone (BGH) in their cows, to make more milk to make more money, which doesn't work. The more [milk] they make, the more the price falls...Organic is completely different...

Van Deusen: Are you seeing Dairy Farmers of Vermont farms also closing down because of the low milk prices?

Peter Sterling: We have seen a couple. What a bunch of farmers have done, because they saw this coming...[is] they went organic. The key with organic and why it's so attractive to these guys, is because they get a guaranteed contract. Organic milk is so in demand that the organic companies will give you a two year contract at \$24 a hundred weight...They will [also] help with \$30,000 for the transition. If you're a conventional farmer your milk prices fluctuate every week or two, but these guys will lock in for two years. That is the way to run a business. For two years you know how much you are getting...

Because there are [many] farmers in Vermont who don't use BGH it's not too hard [for them] to make the transition. They had to wait awhile and do some paper work and bullshit like that, but it wasn't like a radical change in their operation. So [many] who want to stay are trying to make it as organic farms... There is a huge demand for Vermont organic milk, way more than is currently available from Vermont farmers, that's for sure.

Van Deusen: Do you have organic farms that are part of DFV?

Peter Sterling: Yes and no. Yes in that they joined us to do collective bargaining, but the processing plant that we are opening will not be organic. We are going to do BGH free. But we have farmers who started with Dairy Farmers of Vermont then left to go organic.

Van Deusen: In 2004 the price of raw milk peaked at \$18 a hundred weight. What effect did the farmers see from that?

Peter Sterling: It wasn't long enough to get these guys out of debt. That's the problem. They all go into such massive debt when the milk prices drop that they can't get [even]. That is why the state's program to give these guys loans is such fucking bullshit. These guys can't use any more loans. They're loaned out their fucking asshole. [Really] it's about getting more money for their milk. [And] if you're a corporate guy, like Douglas, the only thing you don't want to do is give [farmers] more money for their product. That would mean you're lowering your buddy's profit.

Van Deusen: Can you talk some about the history of the Dairy Farmers of Vermont organization?

Peter Sterling: We started in the winter of 2002, when the milk prices dropped to one of the most historic lows of all time...It went down to \$12 a hundred weight, which was the actual price they got back in 1984 (which is what they are getting again now)...In response to that, farmers called Anthony [Pollina]. [*Note: Pollina is a long time Vermont organizer and supporter of farmer & worker rights. He received 25% of the vote in Vermont's 2002 Lieutenant Governor's race as the Progressive Party candidate.]

Van Deusen: When DFV first started, from what I understand, the goal was to sign up one third of all the raw milk produced in the state, which you did, and then to try to negotiate prices with the co-ops and processors on behalf of the 300 plus represented farms. This was, of course, an attempt at collective bargaining. What was the idea behind that, and why did it fail?

Peter Sterling: The thought behind that was that even though co-ops, in theory, are made up of farmer-members and farmer-members sit on the board, in reality the boards really don't represent farmer interests. Co-ops stopped doing the farmer advocacy for farmers that they should be. So instead of pushing the processors to give the farmers more money for their milk, [the co-ops] got into bed with [the processors]. So farmers kind of felt like the co-ops weren't their voice anymore, and they wanted a voice to help them get more money for their milk. That is why we thought collective bargaining, a model which works for unions, would be very effective. We thought if we had enough milk behind us the co-ops would have to say 'ok, we have to talk to you otherwise we're going to have a serious problem.' [This is the case] because no matter what [the co-ops] say, they really do want these guys' milk.

The problem we ran into [that the co-ops] at the end of the day did not really believe farmers were going to walk away from their co-ops. [The farmers] did not have enough places to send their milk. That really hit us hard...Even in face to face talks [the co-ops] had no intention of helping farmers in even something as minor as removing the one dollar a hundred weight surcharge for farmers to have their own milk shipped away to these guys to make all the money. When we realized that there was no legitimate alternative for farmers to pursue for their product, we realized we had to create that. And we thought that creating some sort of Vermont brand for their product would give the farmers the alternative they needed...an alternative place to send their milk. That has taken a lot of our effort of late.

Van Deusen: I understand DFV got very close to opening a farmer owned processing plant in Springfield, Vermont, a few years ago. Didn't the legislature shit the bed on that one?

Peter Sterling: No, the Governor did. We needed half a million dollars to help the farmers' purchase the plant and the equipment. The Governor did not think that was a good investment. The [Democrat controlled] Senate passed it, and [Douglas] used his man in the House [which back then was controlled by a Republican plurality] to block it, and the Governor refused to support it, and that is what killed it...Jim Douglas was saying from the beginning that he would never sign a bill that would give farmers that money. So it was hard to get momentum for it.

Van Deusen: So the Governor killed it. What was his, along with Agriculture Secretary Steve Kerr's reasoning?

Peter Sterling: Well, Steve Kerr is just a lackey for the corporate guys. Douglas's reasoning was that the state should not be giving money to individual businesses because it might harm other businesses that compete with it. [It's all] such fucking bullshit. That is the biggest lie I ever heard in my whole life. I mean the State of Vermont gives money to businesses every single day. So he just needed a pretext to protect the profits of his corporate buddies. The real reason is St. Albans Co-op and Agrimark Co-op didn't want to see another [more equitable] place go get [farmers'] milk because it would make them have to raise their prices.

Van Deusen: Recently Governor Douglas sponsored a 'Farmer Summit' aimed at solving, what some have termed, the current crisis in Vermont Agriculture. Did DFV have a presence at the event?

Peter Sterling: Anthony [Pollina] went to it... [But] the Farmer Summit, again, is just Jim Douglas trying to grab a newspaper headline saying he cares about farmers. When it really comes down to it he doesn't do anything to help farmers. He offers programs of low interest loans which they don't need. They won't take them because they can't afford any more loans. They are already maxed out. It was really just a way for him to look good in public. He won't do anything to really help farmers like make sure the state buys Vermont milk and basic stuff like that. [The summit] was just a lot of politicians flagellating themselves.

Van Deusen: I know DFV has also been working on getting Vermont milk into schools and other public institutions. What is the status of that campaign?

Peter Sterling: Well the legislation did not make it out of the [Democratic controlled] House. It is unfortunate... But Dexter Randle, a dairy farmer from Troy, a Progressive [Party] legislator who was also one of the founding members of the Dairy Farmers of Vermont, introduced that bill. One of the cool things about Dairy Farmers of Vermont is that we encourage farmers to become politically active [and] two of our farmers actually ran for office and won. Dexter Randle from Troy, and the other is [Democrat] Harold Gerhard who lives down in Addison County. He ran for State Senate and won. So for me, having two more farmers elected is really great.

Van Deusen: You now have two DFV members elected to Vermont's General Assembly. In addition, David Zuckerman, a member of the Progressive Party from Burlington, himself a produce farmer, has been appointed to chair the House Ag Committee. Unlike in 2003, the Democrats now represent the largest elected parties in both legislative chambers. Left of the Democrats, the Progressives [which are essentially democratic-socialists] now have six seats in the House and expect to add to that in November. In the electoral field you seem to be in a better position than two years ago. How does DFV assess the electoral situation for the next legislative session?

Peter Sterling: Anthony [Pollina] actually did most of the lobbying, but I would say we [are] seeking a solution outside the legislative arena for this. We [are] going right to funders to help us fund the processing plant because after our experience in the last legislative session in 03-04' we [don't] want to waste our time. We [want] to go right to where we knew we [will] be

most effective, and that is starting a processing plant. [Even so] Anthony is particularly active in lobbying the state institutions like... UVM to buy Vermont milk. [Still] we are also realistic in that we have to keep the focus on what we really want which is a farmer owned processing plant that will supply a Vermont brand of milk to folks.

Van Deusen: In the face of opposition from the co-ops, the processors, and the Douglas administration, the Dairy Farmers of Vermont have been trying to rebuild, and trying to establish their own processing plant without the benefit of state money. What can you say about the status of this project?

Peter Sterling: The trick with a processing plant is to find a place that has a guaranteed market... So it's really finding a market for our milk which is the challenge. So Dairy Farmers of Vermont feels it has got a good location in mind [and] we are working on the details. We feel like we really got some market secured for some Vermont brand of products that don't currently exist. Right now, the way we are going to make it in the market is by being able to say that all of our products are made with 100% Vermont milk, and none of the co-ops can say that because they blend all their milk. Like Agrimark blends their milk with New Hampshire milk, Massachusetts milk... They all blend them in big tanks, and they don't separate it which is crazy because you think that they would want to say '[made] with 100% Vermont milk' but they can't say that. So what we are going to be doing as Dairy Farmers of Vermont is be the only company that sells its milk regionally using the Vermont name. Of course, there are smaller outfits like Monument Farms, Stafford Organic...[and]Thomas's Dairy... Those are three Vermont brands, but they are tiny and they stay tiny because they just want to be family operations. Dairy Farmers of Vermont's plan is to become statewide, region wide, using the Vermont name as our selling point. That is something nobody else is doing. And we think that is going to work really soon.

Van Deusen: What do you think that is going to mean for participating Vermont farmers in regards to the price that they will receive for raw milk?

Peter Sterling: What we would do is give them a guaranteed price, a contracted price for two years that would be in the \$17-19 a hundred weight range... That would mean that farmers would no longer have to suffer the fluctuations of a market that currently gives them anywhere from \$11-\$18 a hundred weight – more towards \$11 than \$18, believe me.

That is huge for farmers because, again, there will be a contract and they will know what they will be making for two years. One of the most important things that farmers want is this security. Even if it's just \$17 they will know that they will be able to make their loans, and do all these things based on how much money they know they will get. That is a big deal to farmers. [And] just as important as helping...[the]farmers that supply the plant, it will create another place where farmers can go... with their milk... and the other co-ops [will thereby] be forced to raise their prices [paid] to Vermont farmers. So we believe that this will actually have a ripple effect on all of Vermont dairy farmers. That is really the goal; to change the system by giving farmers not only control over their milk, but giving an independent, truly farmer owned outlet for Vermont milk.

Van Deusen: Do you have an estimate as to how much startup capital DFV will need to open such a processing plant, and where will that money come from?

Peter Sterling: I think it will cost anywhere from two to three million dollars to get a processing plant going with the packaging, the ad marketing and all that. We are raising it from private investors who believe that this is a good investment for Vermont's economy and rural communities.

Van Deusen: Where is DFV looking to open the plant?

Peter Sterling: Right now the leading candidate for the location of the processing plant is in the Northeast Kingdom of Vermont. Mostly because that is where most of Vermont dairy farmers still exist. So we want to be close to the dairy farmers for many reasons, not least of which is that that lowers the shipping cost.

Van Deusen: How will DFV take care of the shipping?

Peter Sterling: We will do what other companies do and that is hire a couple truckers. We may end up buying our own trucks or leasing them... We will do all the quality testing ourselves...and then work with some distributors who go to stores already and have them make the delivery of the Vermont milk company products part of their routes.

Van Deusen: Initially how many Vermont farms will participate?

Peter Sterling: I would say that there will be less than twenty farms initially. But still, that is a good chunk for right off the bat. Some farms may choose to send only part of their milk to us for whatever reason; some farms may choose to send all of their milk, so we won't exactly know till we're running.

Van Deusen: Is the idea to increase the number of participating farms over time?

Peter Sterling: Oh, yeah. As fast as possible. We want to draw as much Vermont milk as we can through this plant. For every farmer we get to bring their milk through this plant we will make the farm economy that much stronger. And they [the farmers] won't have to deal with [current] the slave co-op system.

Van Deusen: What is the timeline for this plant opening?

Peter Sterling: If all our ducks were to fall in a row, before the end of the year.

Van Deusen: Are you going to have the ability right off the bat to get this Vermont brand of milk onto shelves all throughout the state? Where will this milk be sold?

Peter Sterling: That is the plan. Our hope is to have it available all throughout Vermont. We don't see this as specialty co-op item. We see this as affordably priced milk... There [are also] other products we want to make that are going to be good... Even if we process milk, we could then sell that milk to a cheese maker who wants to be able to say that their cheese is made with all Vermont milk. It might have another label on it, but the farmers would still be reaping the economic benefit of selling them their milk. So fluid milk is just one of the possible products. There are many possible products. There is cheese, there is yogurt, all the possible value added products in addition to fluid milk.

Van Deusen: How are these decisions, where to open a plant, what to produce, etc., reached? How does DFV internally operate?

Peter Sterling: [DFV's] board is made up of all full time dairy farmers. Not gentlemen farmers or out of state farmers. [The board is] all fulltime dairy farmers who vote on every decision, unlike current [dairy] co-ops... [They are all] elected by the membership.

Van Deusen: Are the elected board members from different regions of Vermont?

Peter Sterling: We did strive to not only have geographic diversity, but [also] size diversity, meaning smaller farms, medium size, large, etc.

Van Deusen: I understand that back when DFV was trying to conduct collective bargaining with the co-ops, you had allies from within organized labor helping you with this. Will such good relations continue when the processing plant gets off the ground? Do you foresee the workers in that plant being unionized?

Peter Sterling: They better be. I certainly think we would encourage them to be. I don't think we should even consider opening up a processing plant that wouldn't be a union shop. I think that that is a requirement for us. To me [unions] are good for workers... why wouldn't you have one?

Van Deusen: Family farmers across New England, in different parts of the country and beyond, are facing similar problems to those in Vermont. How do you see the struggle of dairy farmers in Vermont affecting the national debate? Do you see Dairy Farmers of Vermont growing beyond our borders?

Peter Sterling: Our sincerest hope is that other farmers will see Dairy Farmers of Vermont as starting this model plant as a way to start their own plant. And that means, of course, taking back their own means of production.

Van Deusen: Is there any thought that down the road DFV could evolve into a larger farmer organization that would include other farmers outside of the dairy industry?

Peter Sterling: Well that would be amazing. But right now it takes so much energy to organize dairy farmers, you know guys that are working 70 hours a week for low pay. Once we get this processing plant going I think you could see different [projects] sprout up that would support local Agriculture, like a farmer owned (or state owned) slaughter house for people who want to slaughter their animals locally and things like that. You could see this thing blossoming into something beyond dairy farming.

Van Deusen: Do you have any final thoughts to add?

Peter Sterling: Farmers will never be able to succeed with the current system... Guys like Douglas are not doing anything. Farmers need to take action. By taking action and starting a processing plant they are insuring that there will be a place for them to sell their milk that will pay them a fair share. If you look at every newspaper article there is, all Jim Douglas's solutions, he never once mentions that farmers need to be paid more for their milk, and that [in part] is what we are about.

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