**Keep Berkshires Farming:**

**North Berkshire County Farm Survey Results**

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# Summary

Surveying 48 farms in Northern Berkshire County has shed light on the state of farming in the area, what is being done and what can be done to improve the viability of farms. There is a demand for local products in all sectors, beef, dairy, produce and other farm products, but there is a significant lack of infrastructure in getting some of these products to the consumer. Vegetable farms, such as CSAs are doing well in the area, but small dairy and beef farmers are struggling. One of the main problems is that there is no slaughter or processing facility in the area; trucking livestock or milk out of the county is a significant financial burden. More can be done to connect the local agricultural products to the local consumers in a more direct and efficient manner.

There are nine dairy farms in the North Berkshire area with between 50 and 500 head in the herd and generally milking 50-65% of the herd at once. In the dairy sector, the most pressing problem the farmers are facing is the current price of milk. None of the farmers surveyed are able to make a profit under the current system of production and distribution.  Raising dairy cows requires a lot of land, which is expensive, or buying large amounts of feed, which is even more expensive. The local farmers are using a number of different combinations of grown feed and purchased feed, but without better infrastructure on the distribution end, none of the methods are effective enough to make a profit.

# Methods

Berkshire Regional Planning Committee’s Keep the Berkshires Farming Initiative began by splitting up Berkshire County into four regions. This report is the work of the team focused on the Northern Berkshires. Our target area was the 8 Northern Berkshire towns: Adams, Cheshire, Clarksburg, Florida, New Ashford, North Adams, Savoy, and Williamstown. We also interviewed a couple farm in Hancock, and one farm with land both in Pownal and Williamstown.

We developed a list of farms in the area based upon land in Chapter 61 and census information. The original list of farms consisted of the imposing number of 157 distinct names. In July 2012, we set to work on contacting farms. We quickly learned to focus on commercially productive farms rather than hobby farms with a couple animals or a small flock of chickens. However, included within the total number of 46 farm s that we interviewed are a small number of farms that fall under the category of hobby farm rather than subsistence or productive farms. Williamstown was the first town we focused on, and as such we surveyed types of farms we would later learn to exclude. Thus, the number of farms in Williamstown is a little higher than it would be if we had just looked at the types of farms on which we would later focus.

In order to collect information on local farms, we found farms contact information and called to set up a farm visit. It usually took a fair bit of persistence to actually make contact with the farmer and set up a time where they would not busy. While a couple interviews took place over the phone, most consisted of a trip to the farm and a meeting with the farmer. We used a survey developed by the Glynwood Institute that we revised in order to give it a more natural flow and applicability to Berkshire County agriculture. This survey was quite detailed, and usually the interview with the farmer turned into a conversation as we covered the intricacies of land use, selling practices, labor issues, and supply purchases. At least two team members visited each farm so that one could carry the conversation and ask the questions while the other wrote detailed notes. As we talked to farmers we also learned to ask them for their knowledge of the local area, and a number of the farms we ended up interviewing were not on our original list. This allowed us to avoid farms which had ceased operating, learn which farmers actually farmed their land and which farmers had their land farmed, and remove names from the list that were redundant (i.e. two farmers, one farm). While our final number of 46 is a little less than a third of the original farm list, we talked to all the dairy farms, all the CSA’s, all the beef producers with over 50 head, and most of the small beef, pork, poultry, and crop producers.

Once we had made a significant number of visits, we began to aggregate the data and to look at commonalities. Based upon these commonalities, we developed further areas of research, in particular meat processing and dairy. We placed calls to other companies or individuals involved in these markets to further understand the issues Berkshire farms are facing and to look at some solution models that had been proposed elsewhere. Examples of companies we called include, Northeast Livestock Processing Service Company (NELPSC), Highlawn Farms, and The Farmer’s Cow.

Using both the information that we collected from farm surveys and from the further research, we wrote up both our findings and our recommendations. The recommendations we developed spanned from business opportunities to information availability to broad, systemic changes. All of these recommendations were either explicitly suggested by Berkshire County farmers or developed from many of the complaints we listened to farmers make.

Findings

## Town Profiles

While the profile of Northern Berkshire Agriculture is fairly consistent, each town does have enough of its own flavor to warrant a more intimate description. In this section, we used town acreage metrics collected by the Massachusetts Audubon Society through their project *Losing Ground*. <http://www.massaudubon.org/losingground/stats.php>

|  |  |  |
| --- | --- | --- |
| Town | Total Acres | Acres in Agriculture |
| Adams | 14694 | 1629 |
| Cheshire | 17611 | 2250 |
| Clarksburg | 8187 | 328 |
| Florida | 15743 | 406 |
| New Ashford | 8624 | 349 |
| North Adams | 13194 | 413 |
| Savoy | 23057 | 506 |
| Williamstown | 29986 | 3902 |
| **Totals** | 9783 | 131096 |

Adams

As one of the largest agricultural towns in the area, Adams still hosts 3 the 9 dairy farms left in the Northern Berkshires. The town also holds the only large orchard and one of two farms with a permanent farm stand in the 8 towns we surveyed. While it has lost a number of farms, Adams still puts on the Aggie Fair and displays the potential for a vibrant farm community.

Cheshire

Almost all of Cheshire’s farms are at least 3 generations old. It used to be almost exclusively a dairy town, and while it still has a couple of dairy farms, the town has recently lost a number of its dairy farms. Currently, there are a couple of large hay producers in the town that use much of the farm land, a few farmers who have dedicated themselves to producing high quality beef, and a large and popular farm store. Cheshire is an Agricultural Community with an Agricultural Commission and Fence View, two town boards run by farmers for farmers.

Clarksburg

A small town with only two farms, Clarksburg serves as a place for farmers to begin. Both farmers in Clarksburg lease their land, and one of them is planning on moving their whole operation to another Berkshire County town next year. Relatively affordable leasing agreements allow these farmers to produce mostly vegetable crops, but supplemented by a range of poultry and swine.

Florida

Up among the wind turbines, Florida is very much a hilltop town. Most of the town’s land is unused natural forest. While the town specializes in the production of the niche Florida Mountain turnip, the town’s farmers also produce some beef, blueberries, and Christmas trees. Florida’s farms are more subsistence than commercial.

New Ashford

Only a couple of farms still operate in New Ashford, one dairy farm, and one diversified meat, maple, and wood products farm. New Ashford is a small town that has not done much to support or promote agriculture as an alternative to development

North Adams

North Adams is primarily an urban center, and we only came across one farm with land in the town, and even he was right on the border. As a larger town, North Adams plays an important role as the consumer of many local products through its farmer’s market and many restaurants.

Savoy

Like Florida, Savoy is on the ridge designating the eastern boundary of the Berkshires. The one farm we found sold hay, but we also talked to a meat processor from the town who processes a number of animals for local consumers throughout the area. Savoy does not have that many acres of agricultural land, but its hilltop soil still manages to grow quality hay.

Williamstown

In terms of both overall acreage and agricultural acreage, Williamstown is the largest town in the Northern Berkshires. With decent riverbed soil and rolling hills for pasture, the town boasts the largest number and the greatest diversity of farms. The town also has a number of younger farms that rely on the external capital of their owners to keep them afloat. A number of small Williamstown farmers display interest in non-conventional agricultural practices, but there is also the largest dairy farm in the area.

Basic Farm/Farmer InformationFarmed land and farming families have been a mainstay of Berkshire County for at least two centuries.  About half our survey subjects were part of farming families who had farmed for over 3 generations.  It was most commonly the current farmers’ grandparents who had brought the farm into the family in the first half of the 20th century. The land these families bought had already been farmed for years. Over the fifty years there has been a general trend of decreasing farm land in the Berkshires (<http://www.massaudubon.org/losingground/>). Pasture and grass land has grown up, forests are reclaiming the fields and farmland has been converted to development.

Farm Families
Almost 20% (10) of the farming families we surveyed had farmed in the Berkshires for 3 generations. Another 18% (8) had been in the area for over 100 years.  Every farmer we talked to grew up with some sort of link with agriculture whether it was growing up on a farm or growing up around farming.

## Average Age of Farms per Town



Farm Land

Based on the 46 farms surveyed, we estimate that over 11,000 acres in Northern Berkshire County are farmed.

Farmers are some of the biggest land owners in our region, and as such are subject to fairly extensive taxation.  There are currently two ways in which farmers can reduce their tax bills.  The most common way is by putting land under Title IX Chapter 61 Massachusetts's taxation laws. This reduces the taxation in most towns, although some town taxes are so low that farmers prefer to keep it out of this program.  A further issue is that by enlisting in Chapter 61, a farmer grants the town the right of first refusal if he sells his land publicly. As Chapter 61A, Section 14 states, “For a period of 120 days after the day following the latest date of deposit in the United States mail of any notice which complies with this section, the city or town shall have, in the case of intended sale, a first refusal option to meet a bona fide offer to purchase the land.” A farmer can remove his land from Chapter 61 and wait the appropriate period of time (in this case, one full year after the removal of the land from the Chapter) to sell his land as he pleases. While some farmers have expressed that the town has the right of first refusal when the land is passed within the family, this is a misunderstanding. Chapter 61A, Section 14, sets apart the cases where land passes between different hands within the same family:

Specific use of land for a residence for the owner, the owner’s spouse or a parent, grandparent, child, grandchild, or brother or sister of the owner, or surviving husband or wife of any deceased such relative, or for living quarters for any persons actively employed full-time in the agricultural or horticultural use of such land, shall not be a conversion for the purposes of this section, and a certificate of the board of assessors, recorded with the registry of deeds, shall conclusively establish that particular use.

While some farmers have misunderstood the law, the fact that Chapter 61 gives the town the right of first refusal in the specific case of public sale, has, in Berkshire County, deterred some farmers from putting the land in that tax abatement program.

Even when farms are properly enlisted under Chapter 61, it is still difficult for some of the farmers to meet their taxes. The combination of a large land base with very little liquid capital makes property taxes a perennial problem.

The second way in with farmers can reduce taxes is by enlisting their land in Agriculture Preservation Restriction Program (APR).  APR entails the selling of the development rights of the land to the state.  While this program has saved many farms, it again reduces the farmers’ freedom to do what they wish with their land. “Housing lots are the one successful crop,” one farmer said.  Another said, “The land is a farmer’s insurance policy.”  Farmers value the freedom to do what they want, when they want, with land. It benefits farmers financially to have the option to sell land, although APR does try to provide a more farming-friendly alternative.

Estimates from our survey conclude that about 10% of farmers in the area farm some land that is under the APR program, while about 90% of farmers have at least some, if not all of their land under Chapter 61 or 61A.

There is a significant amount of land in this region that is being rented by farmers, or farmers have made other arrangements with friends and neighbors for the use of the land. We estimate that around 50% of the farmland in use in the region is not, in fact, owned by the farmer currently using that land. Given these circumstances, it was difficult to obtain accurate information about the total amount of land used for agriculture in the area.  However, our sample of farms is extremely varied and accurately represents the types of agriculture in the area, we conclude that our estimates are accurate enough to analyze.

Important links
<http://www.mass.gov/agr/landuse/APR/>
<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter61A>
<http://masswoods.net/landowner-programs/ch61programs>

Farmland Use
Figure 1 shows an estimated amount of farm land in the region and its use.  The four main types of land use in the area are: forest, hay, pasture, and feed corn. Forest products are obviously a major part of the local land-based economy, and serve a major role in supplementing the income of at least 10% of area farmers.  One Williamstown farmer told us, “My trees are my retirement plan.”  Forest management is an industry that could be further developed, with many farmers letting their forested land simply sit or produce low quality firewood. It is difficult to quantify the amount of forest under some sort of harvesting or management plan, but it is a significant economic input for many farms. The farmland categorized as “Other” is crops such as fruit orchards, berries, sweet corn, turnips and other vegetables. It is significant that there is much more land in hay than in feed corn, especially for the dairy and beef industries. From the surveys, we found that a number of local farmers are producing grass fed beef, which is considered a higher value product than conventionally raised beef. It is important that the farmers capture the market for these products if they are putting the effort into producing them.

Farm Products
Figure X indicates the number of farms involved with the various types of farm products. The number of farms involved with raising beef cattle has been on the rise recently and is a common transition for dairy farms. Hay is also produced at many farms as it is an easy crop to continue with even after other farming operations have slowed down. There is also a trend towards niche and local products like Florida Mountain Turnips, Maple and Agri-tourism. Tapping into these markets can help to sustain farm businesses and would be advantageous for other farms to diversify in this manner.

Maple Syrup in particular is currently very lucrative in agricultural terms, and a number of farmers we talked to are developing their sugar bushes.  Seven farmers in the Northern Berkshires already sell maple syrup; with at least three others saying that they are considering entering the business.  It is a unique crop that currently fetches a fairly high premium.  As one farmer said, “maple is one bright star in agriculture.” However, farmers who produce maple syrup should be wary of climate change and invasive insects possibly altering the future of maple in the area. (http://www.care2.com/greenliving/video-whats-bugging-our-maple-syrup.html)

Farm Animals

Figure X shows the current distribution of livestock in the farms of the region. I don’t really know how to interpret this.

\*\*\*\*Can we get this information from 20 years ago? It would be interesting to estimate and see how much beef has gone up compared to dairy.

Farm PracticesFarm practices in the Northern Berkshires are limited by the type of farming in the area.  While the four vegetable farms in the area are practicing a variety of farming techniques, for example, integrated pest management (IPM), winter cover crops, and season extension with the help of greenhouses, most farmer do not primarily produce vegetable crops.  Beef, dairy, and hay farms rely on healthy, productive grass.  Most farms keep their fields productive with the application of chemical fertilizer.  With the growing price of fertilizer, and the growing premium for organic products, we found some farmers who were turning towards fertility based only on manure or other organic products.

Most of the larger beef and dairy farms are quite suspicious of the organic concept.  “Do you want to know the difference between a conventional farm and an organic farm?” one farmer asked us. The answer: “Organic farmers farm at night.”  However we surveyed one large hay producer who uses only manure to fertilize the 400 acres of hay fields he grows.  We also met one dairy farm that could not transition to organic because of the discrepancy in price between conventional grain ($400 a ton) and organic grain ($700 a ton).  But, he said, “If there were a program to help us do the 3 year transition to organic, we would do it. We cannot afford to do it on our own.” His fields were only treated with manure and they did not feed their cows corn, a crop that requires fertilizer and pesticides.  While his cows are less productive, his decision comes with a positive trade-off-- “I feed my cows only grain and hay, no corn.  Milk production is slightly less but the cows are healthier, I rarely need the vet. Corn hurts their guts.”  With the highly volatile costs of conventional fertilizer it seems likely that alternative methods will become more popular.  One method already being used is high intensity grazing.  We surveyed one farmer who was already using this technique and others who had toyed with it.  The benefits are quite real.  If done carefully and precisely, such grazing improves the quality of the grass while at the same time allowing the farmer to increase the number of head on the same amount of land.  A significant number of farmers named the availability of land as a serious concern, so such innovative techniques as high intensity grazing could be more broadly implemented and encouraged. What both conventional and grass fed farmers agree on is the fact that raising beef animals requires careful management and supervision.

Other Farm TrendsFarms are, in general, becoming more publicly oriented. For example, agritourism is growing. But agri-tourism, is only one facet of a growing number of publicly oriented farms. Farms across the board are becoming more publicly facing, as is demonstrated by the recent development of two petting zoos, two new CSA’s, and numerous ‘pick your own’ berry patches.  There is trend towards farms that want to be “more than a place to buy stuff” as one Williamstown farmer put it.  Whether it be reestablishing a link on a philosophical level between people and place or attracting families to come pick out their pumpkins in the pumpkin patch, more non-farmers are setting foot on farms.

Some farms are earning extra income by diversifying their farms with wind turbines, solar arrays, cell towers and even mobile homes. One farmer said, “I’d be out of business if I wasn’t renting out land for 10 mobile homes and a cell tower…my cell tower lets me keep farming.” Although some farmers are against this form of non-farm product diversification, it is a good way to help farmers earn enough to stay on their land.

Methods of Sale and Distribution

This section summarizes the methods of sale for the various farm sectors we studied.

### Dairy

|  |  |  |
| --- | --- | --- |
| Type of Sale | Number of Farms | Estimated amount of milk annually\* |
| AgriMark | 6 | 9000 tons(660 cows) |
| Dairylea, DFA | 2 | 1600 tons(115 cows) |
| Local Sale of milk and dairy products | 1 | 350 tons(25 cows) |

\*Estimated by # milking cows x average 75 lbs/cow/day x 365
In dairy, the overall trend is for the milk to be sold in liquid form to large dairy cooperatives such as AgriMark, which supplies the milk for Cabot Creamery Cooperative and other companies. Of the nine dairy farms surveyed, only one farm was making value added dairy products like cheese and selling their products localy.

### Beef

|  |  |
| --- | --- |
| Type of Sale | Number of Farms |
| Word of mouth, Internet | 1 |
| Friends and Family | 6 |
| Farmer’s Market | 1 |
| Direct sales to restaurants and caterers | 5 |
| Direct sales to schools and institutions | 1 |
| Sells to a CSA | 2 |
| Direct sales from farm | 4 |
| Wholesale, retail stores | 5 |
| Auction | 4 |
| Sale to a feedlot or finisher | 2 |

21 Total Beef Farms
Of the 21 total beef farms we classified 14 as small beef farms (if they have fewer than 20 head of cattle or they do not do any commercial retail). Most of these farms are only slaughtering a few cows a year and only selling to friends, family or the occasional sale of a whole animal. For the seven large farms:

* One sells to a specialty food market in Boston and to restaurants and wholesalers
* Two only sell beef live through auction
* One supplies the beef for another local farms stand
* One sells to local customers, restaurants in Boston and Hardwick beef producer
* One sells to a feedlot for finishing
* One sells to retail stores, wholesale, and restaurants and caterers

Beef sales are much more irregular than dairy sales. Many of the small beef farmers with only a few head of cattle distribute their meat exclusively to friends and family. These farmers do not pay the extra costs for the meat to be transported and butchered in USDA approved facilities. Instead, they butcher the meat themselves or use local, uncertified butchers. The larger beef operations sell to farmers’ markets, restaurants and caterers, and other wholesalers. The majority of these farms take their meat to Eaglebridge Custom Meats and Slaughterhouse in Eaglebridge, NY. While many of these farmers would like to sell all of their product locally, many are forced to sell their products in the Boston area where there is a larger market. There is also a small percentage of local farmers who prefer to sell their animals live, either to finishers or at auction to avoid the costs associated with transporting and slaughtering the animals in an area without a local slaughterhouse.

General

The other products such as eggs, poultry, fruits and vegetables produced on the farms surveyed are sold in a variety of manners. There are a number of farm stores, farmers markets and local retail stores where farmers sell their produce. Several of the farms sell their produce at other farms, either in their farm stores or as part of their CSAs. Pick-your-own is also a popular method of sale in this area for crops such as berries, pumpkins and Christmas trees. A few farms sell their products to restaurants and caterers in the area. A few others mentioned online sales and e-mail networks as a way of distributing their products.

## Financial Sustainability of Northern Berkshire Farms

|  |  |
| --- | --- |
| No | 18 |
| Yes | 21 |
| Maybe/Unsure | 5 |

When asked if the farms were financially stable, we received a range of responses. About half of the farms claimed financial sustainability, but of theses farms most had off-farm jobs or businesses or spouses with an off-farm job that provided benefits. Some rely on income from cell towers or other non-agricultural farm products. Several farmers claimed to only just break even each year or to have a profit margin that was very small. Financial sustainability is a vague term; most farms could not exist if one or more family member did not have an off-farm job.

Of the farms that claimed they were not financially stable, several were retired farms that were slowing down their farming. Many were facing the threat of inheritance tax as a real barrier to financial sustainability for the next generation.  Nearly all of the new farmers on startup farms were not financially sustainable yet, but the outlook of the farmers is positive.
There was also a significant amount of uncertainty regarding finances of the farms surveyed. There is a trend among some farmers to not uphold careful financial records. This is a skill that could be worked on through a program for farmers. The farmers with the most financial success are those with a working knowledge of bookkeeping, marketing and the retail side of the business. There is also a strong correlation between farms with financial success and utilization programs such as the Agricultural Preservation Restriction (APR) or grants from other organizations. While there mixed feelings about these types of grants and programs, some farmers who had been skeptical at first had been able to really benefit from them.

## Next Generation

Is there going to be a next generation at your farm in Northern Berkshire County?

|  |  |
| --- | --- |
| Yes | 7 |
| No | 17 |
| Maybe | 15 |

When talking about the next generation of farming, farmers had very polar reactions. Some looked forlorn as they talked about their children, who had loved growing up on the farm, but were now grown and working in Boston as accountants. Others brazenly announced their children would have to be “crazy” to continue the farm. But, there was always a pained expression on a farmers face at the thought of giving up the farming or having the land developed. Inheritance taxes and insurance are not the only demons faced by the next generation in farming. There will need to be large, systemic changes if these farms are to continue.

# Detailed Findings and Recommendations

## Dairy

The biggest problem in the dairy business, currently, is the price of milk. Eight out of the nine farms surveyed are in contracts with large dairy cooperatives that buy the milk in liquid form and then sell it in combined batches to big brand producers such as Hood® and Cabot™. The advantage to selling to these big companies is that the farmers have a consistent buyer who will buy all of the available milk. Although this offers the farmers security, these cooperatives do not pay a price that reflects the cost of production. This summer farms got $14.25 per hundredweight (100 lb unit of milk), an amount which costs around $20 to produce. Many of the farmers remarked that milk prices are lower than they were in the 1950’s (when many of these farms were doing a good business). Another problem with the contracts with the cooperatives is that they require exclusive sale of the milk. Local farmers might be able to get a higher premium for sale of some of their milk for the local production of value added products, but because there is not enough market for all of the milk they produce, they are forced to sell their entire supply to the cooperatives. Despite the fact that the farmers are not making a profit on their milk, the large dairy cooperatives buying the milk seem to be doing fine. One farmer said, “Someone’s getting rich off milk and yogurt – the goal of milk dealers is to drive the price of milk down.”

Another problem that farmers are facing is the trucking fees required to transport the liquid milk out of Berkshire County, to the processing plants. Many farmers used to bottle their own milk on site, but this has been completely phased out given the fact that it is too much work to keep up with current food processing standards. The rise of the supermarket has put the local milkman out of business. Also, the steady stream of milk coming out of large dairy farms in California and the Midwest is keeping the market saturated, resulting in fluid milk prices that do not reflect the higher production costs in the northeast.

Another financial dilemma for local dairy farmers involves the desire to maintain natural farming techniques. Many of the farmers believe in using primarily grass as feed and avoid using hormones or antibiotics unless the cow is sick. These practices are more expensive then feeding on corn silage and adding hormones to improve milk production, but they are better for the animals and produce a better quality product. The farmers should be earning a premium price for their milk, but the large dairy cooperatives do not take these factors into account and the product is mixed with all types of milk. Many of the local farmers are close to USDA Organic certification but are unable to become certified for several reasons. The most common reason we found was that in order to become certified organic, the cows cannot be given any antibiotics. Most of the local farmers believe in giving their animals antibiotics if they are sick (though they will not sell the milk of a cow while she is being treated with antibiotics). Many farmers cannot afford organic feed, which costs nearly twice as much. Some of these farmers only require feed from an outside source during the winter, but to become certified organic, an animal must be on organic feed one year before the product can be marketed as such. This is often too expensive for the farmers who do not receive the premium profit for that first year. One farmer said, ““If there were a program to help us do the 3 year transition to organic, we would do it; we cannot afford to do it on our own.”

Dairy farmers are also suffering from many problems that recur in nearly every type of farm surveyed. This includes equipment that is too expensive and must be shipped from far away. There is little supply for any farm services, vets, equipment, parts, feed, etc. in Northern Berkshire County. There is also a deficit in trained labor, especially seasonal or part time. Aside from family, it is very difficult for farmers to find skilled, reliable laborers in the area.

Many farmers do not have insurance and must rely on a spouse who has an off farm job for insurance. Dairy farmers are especially vulnerable to this. All but one of the dairy farms are family operations that do not hire help or cannot afford to. Some farmers work alone and if they get sick or hurt it could mean they have to sell their animals.

Lastly, farmland availability is a problem for many dairy farmers (and non-dairy farmers alike). Dairying is very land intensive if the cows are going to be fed from on-site hay and silage. Many farmers depend on rented land and good weather in order to provide enough feed for their animals. An extra bill for feed during the winter can use up a farmer’s entire profit margin, if they had one to begin with. There is always a need for more land for the dairy farmers, but the farmers cannot compete against the state to buy new land. Also, despite many farmers being in 61 or 61A Farm Land Protection Tool, property tax and inheritance tax are still difficult to pay given the sheer amount of land that some of these farms operate on.

Given the decline in the number of dairy farms in the past 30 years, and the financial instability of the farms remaining, without drastic measures to improve the profitability of dairy farming, the nine remaining farms are not likely to stay in operation.

### Recommendations

Many of the farmers interviewed had ideas for ways of improving the viability of dairying in the area and many expressed interest in ideas that were pitched to them. These recommendations aim to address the problem of milk being produced in Berkshire County being sold outside of the region and milk consumed in Berkshire County coming from New York or the Midwest

* Implement a cooperative local bottling facility or value added dairy plant to lower transportation costs – a local with a Berkshire brand name would capitalize on the growing trend for Agro-tourism and local food.
* Investigate the feasibility of local a cooperative dairy organization between multiple dairy farms to market a local brand dairy product.
* Invest in a cooperative refrigerator truck to help local farmers with transportation costs.
* Look into the possibility of robotic milking machines on local farms and grants to help install them.
* Larger systemic changes toward more equitable milk pricing on a statewide level (See notes on Maine’s Dairy program in Appendix) to help bridge the gap between dairy farms and the large dairy supply companies like Agrimark.
* Develop a program at a local school such as McCann for agriculture that would pair students with existing farms or brings classes out to visit local farms and become more aware of local agriculture.
* Encourage farmers to clean up their farm operations – make them more eligible for government grants, promote Agro-tourism.
* Explore options such as grass-fed dairy for low-cost, low-input farming.
* Suggest reduced inheritance tax for working farmland
* Investigate the profit gap between the local farms and the dairy cooperative s that by the milk and are making money.

Next Steps

* Feasibility study of processing plant: will dairy farmers earn more for their milk? Is there demand for the product? Will stores carry it? How can they earn more for their milk?

## Livestock

Historically, widespread farming in the Berkshires began in sheep production.  Many of the mountains were covered in grass, not trees, for adequate pasture, and while the price of wool was high, local farms did quite well.  In the mid 1900’s, farms transitioned over to dairy, with the Berkshires sustaining many, many, small dairy farms—Cheshire and Williamstown each had over 20.  These farms were not large but did well due to the presence of local milk processors and the profitability of peddling routes in Berkshire towns.  Over the last 30 years or so, the number of dairy farms has dropped precipitously, with farms participating in the dairy buyout, simply going bankrupt, or selling the herds when milk production became unprofitable.  Many of these former dairy farmers started to experiment with keeping a small herd of beef cattle as way to keep farming and as a remedy for missing their cows.  Pasture and hay fields were readily available once the dairy cows left, and fields are, in fact, what the Berkshires are do best. A Williamstown farmer explained to us, “The Northeast is good for growing grass—hay, pasture—nothing else. The reason we all do beef and dairy is that’s what this land allows.” Also, a little extra income from the less demanding beef production appealed to former dairy farmers.

Since that time there has been a significant rise in interest in all local meat, beef, pork, lamb and poultry.  From the production side of the equation, farmers see a massive opportunity with the growth of local demand. One Williamstown farmer told us, “I never have enough chickens; it’s easy to sell them all.”  However, in our conversations with farmers and residents, we found that it is tremendously difficult to move the product from the farm to the consumer.  Slaughterhouses and meat cutting facilities are not widespread in Massachusetts.  In fact, there are only two USDA certified facilities in Massachusetts, the closest being the Adams Farm in Athol, more than 2 hours from any Berkshire location.  Most Berkshire farmers raising livestock go to Eagle Bridge Custom Meat and Smokehouse, a USDA certified slaughter house in Eagle Bridge NY that processes over 2000 animals a year.  While every farmer has been happy with the work done by Eagle Bridge, many have mentioned the cost of fuel for transportation, the wish to stay instate, and the difficulty in booking slots for slaughtering their animals as serious problems facing their operation.

Many local beef farmers have told us that it is impossible to make a profit off beef. They say, “Even doing things 100% right there’s no money in beef.  We can’t compete with the supermarkets that set the price as cheap as possible.” Grain, hay, the necessary veterinary attention, transportation, and slaughter and processing costs add up to produce very little profit margin.  Grain is currently around $400 a ton, slaughter at Eagle Bridge costs $90 per head of cattle, $45 per head of swine, and $35 per head of lamb, with an additional $0.80 per pound of hanging weight to process and cut the meat.  Veterinary costs depend on the farm as does the location of the farm.  Dairy farmers used to able to sell veal calves for a decent profit as a supplement to the milk check, but can now barely break even on those sales. One farming couple told us, “We sold 6 veals at auction and get a check for 00.00 because of the transportation costs for the cows.” Most farmers cut at least a portion of their own hay, but in drought years like 2012 some will have to spend some more money on hay. One positive change is that beef prices are on the rise, and many farmers are deciding to begin or expand their herd. We talked to restaurants and consumers over the last year as well, and one of their primary interests was locally produced meat, not only beef but pork, poultry, and lamb.  Of the 40 restaurants interviewed in the Northern Berkshires along, 29 said that they were interested in buying more produce locally.  Similarly, of the 300 local residents interviewed last fall, the vast majority stated that they wished they had access to more local meat (See Local Food Survey Report: Appendix D).

Currently, there are over 700 beef animals in the Northern Berkshires.  This number is a low estimate because we have not interviewed all beef producers, and there are a number of small or retired farmers who have a half dozen that we have heard about in passing but are not large enough for us to go interview.  With the addition of cull cows from the over 1500 dairy cows in the area, it is likely that the number of beef animals in the Northern Berkshires currently is near 1000 head.  Furthermore, there are over 150 pigs and over 1500 meat turkeys and chickens raised on Northern Berkshire farms.

These numbers are likely to grow.  We met many farmers who have recently expanded their beef herd or are seriously considering moving in that direction.   Beef from more southern and western regions of the USA will be much more expensive than usual towards the end of the coming year due to the drought and rising grain prices.  Even so, farmers in the Northeast struggle to compete in the global economy. A retired dairy farmer told us, “I can’t think of anyone who’s made it growing beef. We can’t keep our cows out all year. We can’t compete with the south.” But with changing weather patterns and less consistent production from other areas, local meat, which usually must be sold at a much higher cost than meat from large feedlots, may be more comparable, and it certainly will be better quality and healthier.  Thus, the appeal of livestock to farmers is understandable and logical, and the demand is certainly there.

One further finding was many contradicting beliefs about grass raised and finished animals. We met farmers who said, “In my opinion, grass-fed beef is a farce.” Others put is more colorfully, “You can’t just put cows in the pasture and expect to get good beef.  Consumers don’t like grass fed beef.  Grain fed is much better and more tender.  If a lady bites into her meat and it stretches like a violin string, she’s not going to come back.” Perhaps the most balanced view came was expressed by a beef farmers in Florida, “Our meat is leaner, chewier, healthier, but it ain’t the prime rib with the fat falling off it.” With a growing consumer consciousness about health, particularly in regard to meat intake, grass fed beef is becoming more of a selling point than a liability. If more farmers converted to grass fed beef, particularly if they use innovative techniques like high intensity grazing, the grain bills would be lower and their meat could likely be sold at a lower price with a greater profit margin.

### Processing

Much of the impulse behind the growing demand for local meat is based upon a growing interest in how and where meat is produced.  In order for local farmers to get their meat to local customers, however, they often have to bring the animal out of state and out of sight before returning to market their product locally.  This is the weak link in the chain.

A number of responses have organically grown to fill this need.  At least a couple of locals slaughter animals on the farm itself, and then process the meat for the farmer, the farmer’s family, and anyone who had purchased a live animal.  As long as the animal is purchased before slaughter, this system is legal.  We talked to one such meat processor who has expressed interest in opening a USDA approved butcher shop in Savoy.  He is experiencing a massive demand from both farmers and consumers for his products, but has had trouble accessing information on what it takes to become USDA certified.  Both farmers and consumers have been very happy with his work, and it is likely his business will continue to grow.

Eagle Bridge, the most popular slaughterhouse in the vicinity, is almost continually booked.  Farmers have to set up slaughter dates a year in advance.  It is incredibly difficult to set up emergency slaughter times for an unexpected cull cow.  In fact, many such animals go to the auction in Cambridge, NY.  It is difficult for farmers to book a time, organize the transportation of the animal, the pickup of the meat, and the distribution of the product all while running and maintaining their own farm.

### Recommendations

It is clear that there is the need for some sort of slaughtering or processing infrastructure.  Farmers want to be able to concentrate on “growing the animal.”  We had a conversation with the Northeast Livestock Processing Service Company (NELPSC), a company incorporated in 2005 in the Hudson Valley.  NELPSC fulfills for its region the gap we see in the Berkshires.  Five farmers received grant money from the Mohawk Hudson Rural Conservation and Development (RC & D) to conduct a feasibility study and develop a business model for some sort of processing facilitator.  Support for the startup of this company also came from funding from Rensselaer County Economic Development Office, the New York State Senate Majority Leader’s Office, and no-interest loans from the board members.  Since 2008, NELPSC has been a self-supported for-profit company, but a for-profit company with proclaimed altruistic aims and sentiments.

NELPSC has a two pronged approach to helping Hudson Valley Livestock producers: Processing facilitation, and marketing.  Processing facilitation is completed on a case by case basis, and the farmer is charged a small fee per animal processed.  The processing coordinator looks at a farmer’s needs and tries to set them up with an appropriate processor.  For example, if the farmer wants to sell to restaurants, NELPSC will set them up with a USDA approved slaughter house.  Further options for the farmer include having the NELPSC staff help with designating cutting instructions or  oversee the processing itself to allay any fears that  processors are cutting dishonestly (i.e. taking some of the best animals for themselves).  Farmer processing independence is this branches ultimate goal, NELPSC only wants to be there as long as they are needed.

NELPSC’s second branch, marketing, focuses on fulfilling orders larger than any farmer could fulfill themselves.  Local schools and large institutions now can purchase bulk from NELPSC and the company will compile the order out of animals from a number of different farmers.  Furthermore, the company avoids competition with its farmers, so it will only enter markets in which its member farmers do not have the capabilities to take part.  This aspect of business keeps NELPSC afloat and allows it to really function as a service company.

The feasibility study commissioned by the Mohawk Hudson RC & D found adequate processing facilities in the area but inadequate organizations.  Since the creation of NELPSC, a number of other processing facilities have been created, as have the number of livestock farmers.  Furthermore, farmers are growing the herds because they know the infrastructure to support the processing exists.  In other words, everyone, processor and farmer, have benefited from the coordinating efforts of NELPSC.

The Berkshires need to conduct a similar feasibility study, to see if the problem of low volume can be overcome. Such a study would emphasize the necessity of USDA certification to tap into the whole spectrum of local markets.  It would also come up with a recommendation of some kind of processing facilitation based upon some combination of these four main models: aggregate/co-op, butcher shop, distributor, and slaughterhouse.

Based upon the findings of the study, the local steering committee sponsoring the project could develop the business for the benefit of local farms.  Such a process is daunting, but in the current state of things, it looks a promising and much needed venture.

In our interviews of local farmers, many mentioned the need for help with marketing.  Many expressed in similar terms what one Williamstown farmer put quite well: “Marketing is the key to making money on meat—but I don’t have time for that. I don’t even have a website. It would be great if a distributor would get into local meat and take a cut—that would be great for me. I would gladly pay.”  Farmers also recognize the growing demand from local customers.  One of the largest beef farmers in the area told us, “A local slaughterhouse would help. People in the Berkshires care where their meat comes from.” He added, “We need a local food system here like we used to have. I used to sell meat to the supermarkets in town.” Both farmers and local consumers recognize that we are at a time when going back is going forward; reestablishing a food economy that we irresponsibly lost is a crucial step for our county to maintain itself.  Changes must happen carefully and quickly, and it is imperative that our county acts soon to save its farmers. Farmers are onboard; we just need to facilitate the development of a sustainable infrastructure. The county has to listen to the farmers who are saying, in the words of one Florida farmer, “Farms are dying fast. I hope you all can do something to save them.”

### Next Steps

* Feasibility Study
	+ The area needs to conduct a feasibility study for a local meat processing facility or company
	+ This study can likely be funded by USDA grants and needs to have the support of local farmers
	+ This study should focus on the area’s processing facilities’ capacities, volume of Berkshire meat production, and organizational needs
* Tentative Recommendations for Processing
	+ Processing Facilitation
		- From the results of our surveys, it is clear that there is the need for some sort of processing facilitation
		- One model, developed by farmers in New York’s Hudson Valley does processing facilitation as well as larger scale marketing.  This model has potential in Berkshire County and may serve well as the primary step for the area. <http://nelpsc.com/>
		- This model does not build any new structures but works with the existing businesses to better organize the processing schedules
		- It also taps into larger markets in which the normal family farm cannot participate (Schools, hospitals).
	+ Processing Businesses
		- The State should put out an RFP for some sort of meat processing facility in the Berkshires
		- Slaughterhouse
			* It seems there may be the demand for a small processing facility in the area.
			* The main problem is the initial costs, both for the equipment and the fulfilment of USDA regulation.  Whether by grants or private investments, the start up costs would have to be met
			* Potential for Mobile Slaughter Unit (MSU), whether for poultry or livestock.
		- Butcher Shop
			* In the place of a slaughterhouse, a cutting facility may work well in the area
			* Startup costs would be lower; in fact there are local people who do custom work who already have the equipment necessary.
			* The animals would be killed at the existing facilities and then transported back to the Berkshires to be cut and fulfill the demand for local meat.
			* This shop could have a storefront but could also put together larger orders for consumers who need greater volume.
* Production Side business opportunities
	+ Not enough local poultry production for the demand, more people should be encouraged to produce poultry. Poultry is particularly easily processed by an MSU

Vegetables

Findings

We surveyed five commercially productive farms who focused solely or primarily on vegetables.  However, these five farms do not signify the only vegetable production in the area.  There are a number of small growers who sell their product through farmers markets and off the farm who we were unable to interview.  Pumpkin growers tap into agritourism, Florida farmers produce their famed Florida Mountain Turnips, and CSA’s provide over 300 families with a variety of vegetables throughout the growing season. Vegetable farms are also fairly new, with two of the bigger farms coming into existence within the last three years.

CSAs are probably the most stable agricultural model in the Northern Berkshires.  One of the CSA farmers recognized the possibility for even more such farms in the area: “The Northern Berkshires could use at least a couple more CSAs.”  There is the potential for more vegetable production, particularly on prime agricultural land.  However, one of the major obstacles to increased production is the fact that much of the prime agricultural land in the Northern Berkshires has already been developed, and because of the county’s rocky, clay based soil,  there was not that much to begin with.

A further obstacle is the fact that many of the older farms and farming families see vegetable production as a hobby, not as a legitimate agricultural endeavour.  Most of the dairy or vegetable farmers have a large garden for personal use, but they do not consider large scale vegetable production as an opportunity for profit.  They also do not have as much expertise in growing practices as they do in raising animals.  Even farmers that have transitioned to more vegetable production to not consider themselves “farming.”

Seasonality is another difficulty, because vegetables sales are primarily a summer income. Some of the associated issues can be mitigated by the use of season extension technologies such as greenhouses, or by the use of root cellars, freezer storage, and pickle options.   CSA’s are able to overcome these difficulties by receiving all their funding up front.  Other models for vegetable farms that have potential to work are based upon diversification.  By supplementing income with other season crops such as maple syrup, farms can bring in enough income to sustain themselves.

Some models that work in the area include diversified farm stands and CSAs

Recommendations

* More CSA-style agreement farming
	+ Having the consumer buy into the inherent risk of farming makes farmers less subject to the whims of nature
	+ Institutions, schools, restaurants could all participate in this type of agreement, whereby the farmer knows he has a market and the institution or restaurant knows it has a source.  More of these agreements would encourage increased vegetable production.
	+ Example of RSA (Restaurant Supported Agriculture)
	+ <http://www.slowfoodusa.org/index.php/slow_food/blog_post/restaurant_supported_agriculture/>
* Information and technical assistance for new farming techniques
	+ Local farmers are already using greenhouses for great effect, and many of these greenhouses have been funded by grants. Spreading this information could be helpful
* Vegetable processing
	+ A farmer owned co-op with processing facilities
		- This would allow farmers to process and prepare value added products from their vegetables at a USDA approved location
		- There is an example of this, maybe in Greenfield???
	+ Small business for buying local food and storing for off season (example in Troy)
* Connections between farmers
	+ Sharing expertise and resources (some of this already happens)
	+ Possibly a number of small farmers could supply a large area in cooperation, rather than competition
* Feasibility studies
	+ Many of these recommendations rely on enough supply or enough demand.  It may be advisable to conduct a feasibility study to look at the possibility of increased vegetable production and processing.

## General

We divided general recommendations up into three sections: information, systemic changes, and business opportunities. These three sections encompass the variety of developments that could benefit Berkshire County farmers.

### Recommendations

#### Information

* Information on government grants and other farming assistance programs and how to apply for them should be made more readily available to farmers.
* An effort should be made to simplify the necessary paperwork, or offer assistance with it.
* Provide information to encourage and facilitate wind turbines, solar arrays and cell towers on working farms as a source of extra income for farms with available land.
* Make information on USDA certification and how to meet the requirements more accessible.

####     Systemic Changes

* Education of Next Generation: Ag Program at McCann Vocational HS in Adams; Burnett land
* Canada dairy farm quota system program allows for retirement w/o selling off land.
	+ Farmers can sell off land
* State health insurance for farmers who don’t have a spouse with insurance.
* state help with slaughter house
* state help with dairy plant
* Inheritance tax destroys farmers: how can it be reduced for working farms?
* Chapter 61: make the rules clearer; explain clearly how to put land in. There is much misunderstanding about this program. Belief that they will lose land to the town if they want to sell it or pass it on for farming.
* NH removed the property tax on barns to help farmers (check this out)
* Allow organic farmers to give medicine to sick animals (?)
* Vet service: allow farmers to buy needles to inject their cows(?)
* Programs to help farmers start up dairy operation
* Program to facilitate/mitigate the costs of transitioning to an organic product
* Business planning for farms in danger of closing

#### Business Opportunities

* Leasing arrangements to help new farmers start up and to help old farmers stay living on their land and keep land in farming. (Burnett farm: set up for milking, need a farmer) (Example is Ayrhill farm, Butterfield brothers).
* Restaurant CSA
* Value-added plant

# Appendix

## Survey Tool

[insert]

## Appendix B: Models for Dairy Recommendations

**Local Bottling or Value Added Plant**

Many of the local dairy farmers were in agreement that “dairy farmers need a way to capitalize on local consumers.” (local farmer). Even if a local processing plant for fluid milk or value added products was not paying more than the market value, the farmers would still be able to save on the cost of trucking the fluid milk to Springfield. Still, there is a fear of leaving the security that comes with selling to a large cooperative like AgriMark. One farmer stated that “local processing plant a good idea, but I have a contract with AgriMark—what if I jumped ship to a local plant and that ship sunk?”

*Brattleboro, VT - Yogurt Plant* Commonwealth Dairy <http://www.commonwealthdairy.com/index.htm>

In 2011 a yogurt plant opened in Brattleboro, VT where 90% of the milk processed into yogurt comes from within the state. "Our business strategy is to add capacity to the market," Moffitt said. "So we plan on providing privately label co-pack so that would be like when you go into a store like Price Chopper and you see the Price Chopper brand, we would be looking at providing that type of product."
<http://www.wcax.com/global/story.asp?s=12163678>

This plant also has the capacity to do an all natural yogurt, taking advantage of the famous “Vermont Label”,” but that will not be the main focus. However, this all natural yogurt, marketed as Green Mountain Creamery, will be made without additives or growth hormones and 5 percent of the profits will be returned back to the Vermont farmers who supply the milk.
<http://greenmountaincreamery.com/>

It would be great if the Berkshire dairy farmers could support a multifunction plant like this one, where all of the milk is locally sourced, but there is also additional income for those farmers doing a higher value product.

*Ronny Brook Farm, Ancramdale, NY*Ronny Brook Farm is another model for marketing a local brand of milk. This operation is run by one farm and is not certified organic, but does use organic, holistic farming techniques to create a product that customers can distinguish from non-locally sourced milk. This farm uses a system of returnable glass bottles, which is ideal for marketing an old-fashioned style product and would fit in with a Berkshire label. Ronny Brook is, however, not a cooperative operation, which is something that might work better for the several small farms in the Northern Berkshire County area.

**Milk Pricing (Maine Vs. MILC)**

In general, it is difficult for dairy farms in the North East to compete with the large dairy farms in the Midwest and California, which have flooded the market with cheap milk. As one of the farmers interviewed said ““If all the farms in New England went out of business, there would be no shortage of milk.”Some states, like Maine, have introduced government programs to help local dairy farmers stay in business. The Maine Milk Commission monitors the cost of dairy farming as well as the cost of milk processing in order to ensure the price of milk in the store reflects these costs. “Retail minimum prices paid by consumers are based on the minimum processor margin and a reasonable rate of return to the retailer.” ([http://www.maine.gov/agriculture/mmc/priest.htm)](http://www.maine.gov/agriculture/mmc/priest.htm%29)

    Maine also has programs aimed at promoting dairy consumption and promoting dairy farming in state. The Maine Dairy Promotion Board is a non-profit, USDA qualified, organization aimed at promoting dairy consumption.  Their mission is “To increase demand for dairy products through the development and execution of an industry wide market-driven business plan that invests resources in a strategic manner and provides the best possible economic advantage to the dairy farmers.”

It is funded by dairy farmers collectively who pay in 15¢ per hundredweight. “That money is divided between the national and local promotional programs: ten cents stays with the local dairy promotion organization, and five cents goes to the national dairy promotion effort.” ([www.drinkmainemilk.org/about/home.html)](http://www.drinkmainemilk.org/about/home.html%29)

Currently in the U.S “USDA's Milk Income Loss Contract Program (MILC), administered by the Farm Service Agency's (FSA), compensates dairy producers when domestic milk prices fall below a specified level. The 2008 Farm Bill authorized MILC through Sept. 30, 2012. The program has no set funding level…FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below $16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment.”

FSA pays 45% of the difference between the Boston Class I milk price and $16.94 after adjusting for National Average Dairy Feed Ration Adjustment (NADFR).

<http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20110421_insup_en_milc2011.html>

**Dairy Cooperative**

There are several groups of dairy farmers known as dairy cooperatives in the North East. Hudson Valley Fresh is a non-for-profit dairy cooperative that operates in Dutchess, Columbia, and Ulster Counties in New York. Their mission is “To create a regional food system that provides a clean, fresh, wholesome product to the consumers who buy from us while providing a living wage to the farmers who make it.”
<http://www.hudsonvalleyfresh.com/>

The Farmer’s Cow is another dairy cooperative that operates in Lebanon, CT. This group of six family dairy farmers work together to market one local brand of milk and other products such as ice cream and lemonade. They are in their seventh year of business and are processing their milk with a local bottler. As a business they are “growing nicely, but all of the profit is being reinvested into the company.”(Personal conversation with Robin Chesmer of Graywall Farms 8/13/2012)
A key aspect of this business is that all of the dairy farms are able to work together. Also, it is important to note that this type of business strategy is not a short term investment. Seven years into the project the farmers from The Farmer’s Cow are still receiving market value for their milk. It takes a lot of effort, business know-how and staff to operate a dairy cooperative; retail space needs to actively be sought after and protected.

**Robotic Milker**

A robotic milker might be the future of dairy farming in America. This device  allows farmers to stay in business while adapting to a different lifestyle - one which does not require the farmer’s presence in the milking parlor 14 times a week. Initial costs from these machines is significant (between $150,000 and $175,000), but, they are ideal for small to medium sized dairy farms such as the ones in Berkshire County. One farmer who installed two robotic milkers for their herd of 180 cows in Iowa estimated it would take only 6 years to pay off the loan for the machines.

One robotic milker already exists in Massachusetts, at Great Brook Farm in Carlisle, MA. The Department of Conservation and Recreation partnered with other state and federal agencies to help bring this machine and other improvements to the dairy farm.   <http://farmprogress.com/story-massachusetts-celebrates-investment-in-robotic-milking-0-53928>

USDA Energy Grants such as grants from the Rural Energy of America Program can helpt to make these machines affordable.
([http://www.agrinews.com/robot/helping/preserve/family/farm/for/next/generation/story-3394.html](http://www.agrinews.com/robot/helping/preserve/family/farm/for/next/generation/story-3394.html%29))

A local farmer was quoted saying: “’I’d never go back to milking on a cement milking floor.  There’s more to life than getting your head kicked off every day on a cement floor. I would go back into milking if we had a robotic milker.”

 (Brendan West.“Robotic Milkers: Hoeflers embrace life with hands-off dairy” Wednesday, March 14, 2012 by  Dyersville Commercial <<http://www.dyersvillecommercial.com/news/ag/robotic-milkers-hoeflers-embrace-life-with-hands-off-dairy/article_77c77aaa-6de1-11e1-a966-0019bb30f31a.html>>)

**Canada Quota System**

For the past 40 years Canadian dairy farmers have been operating under a government system of supply management which creates a monopoly on the dairy market. This system requires milk producers to by “quota” for each cow in their operation. Quota is exchanged on an open market and can sell for upwards of $20,000per cow or as much as $30,000. But, because the supply of milk is limited, the producers are guaranteed to receive an inflated price for their products. Canadians will pay more than two times what is paid in the US for a gallon of milk.

[http://www.vancouversun.com/Canada+dairy+farmers+milk+customers+just+cows/7092402/story.html](http://www.vancouversun.com/Canada%2Bdairy%2Bfarmers%2Bmilk%2Bcustomers%2Bjust%2Bcows/7092402/story.html)

<http://www2.macleans.ca/2011/08/15/the-25000-cow/>

This system works to ensure that dairy farmers are making enough money on their milk to sustain their business, especially if you are one of the farmers who received free quotas at the start of the program in 1970. For new farmers, the quota is a major startup cost and can be a barrier for entering the business. “So even with their wider operating margins, supply-managed farmers earn a comparatively meager return on equity.” This results in Canadian farmers having heavier debt loads than U.S. farmers. Though, once paid, quota can be used as collateral to borrow more, or as a means to retire at the end of a career.

To the farmers interviewed, the quota system looks ideal. One said, “We toured farms in Canada, they have it good. Their farms look nice, they are not poor, they get about $3 per gallon and the price of milk is $5. In the U.S. the farmer get’s 1.25 gallon…In Canada, every farmer has a quota for milk production.  When you retire the government buys your quota so you can retire.”

**Retiring Dairy Farmer**

Another problem being faced in North Berkshire County is that Dairy Farmers cannot retire without selling their biggest assets -- their land. They also are faced with difficulty passing on the land to children or relatives in the form of inheritance tax. Canada has developed a program called *The Retiring Farmer™* to help farmers transition to retirement. “The Retiring Farmer™ assists Saskatchewan farm families in the areas of tax planning, retirement planning, and estate distribution.” ([http://theretiringfarmer.com/)](http://theretiringfarmer.com/%29)
This program specializes in:

* Tax minimization on selling farm property, retirement income and death
* Securing and maximizing retirement income
* Tax efficient transfer of farm property to children
* Joint ownership with children
* Writing the tax man out of your Will

**Drought crisis, awareness for the future**

The current drought is expected to have a significant impact on the meat market in the upcoming year. New predictions for record low harvest will cause the price of animal feed to rise, putting increased burden on the already stressed farmers. Many farmers today have crop insurance, which will help cover some of the costs.

“Critics of the ethanol fuel standard say the use of corn for ethanol is a major factor in the tripling in the price of corn since 2005. Livestock producers, hard hit by the rise in feed prices, have called on the Obama administration to waive the requirement until the drought is over.” -nytimes article<http://www.nytimes.com/2012/08/11/business/projections-for-corn-yield-falls-to-17-year-low.html?pagewanted=all>

A local farmer noted that “government should shut down ethanol now and let the corn become feed corn,” if they want to help the farmers to survive the drought and keep food prices from rising.

**Low Input, Sustainable Dairy Farming**

Farmers like Tom Trantham Jr. of Happy Cows Creamery in South Carolina have made the switch from conventional dairy farming – using high inputs of fertilizers and feed to maximize production – to a more sustainable system. “Saving on expenses like feed and the heavy machinery needed to produce and move it, Trantham said he reduced his input costs by more than 40 percent over conventional farming. And he’s getting plenty of milk — 60-70 pounds of milk per day from each of his 88 actively milking Holsteins.” <http://www.greenvilleonline.com/article/20120624/BUSINESS/306240021/Dairy-farmer-forges-path-sustainable-practices?gcheck=1&nclick_check=1>

“Reducing dependence on these inputs can help farmers stabilize cash flows and decrease  expenses as the price of oil continues to rise.”
<http://www.agenergysolutions.org/site/?p=189>

Systems like the one at Happy Cow Farm may not be as easily implemented in the colder climate of New England, but for farmers interested in sustainability, the reward might be worth the risk. Studies are being done in the area such as this one in the Connecticut, Rhode Island, Massachusetts tri-state area: *Grass fed all year long: Strategies for expanding winter production of local, grass-fed meat.*
<http://www.nesare.org/State-Programs/Massachusetts/Grass-fed-all-year-long>

## Appendix C: Models for Beef Recommendations

* Northeast Livestock Processing Service Company
	+ Processing facilitation and marketing for farmers who don’t want to market
	+ Middleman set up. Calls itself a for-profit company with “altruistic” aims.
	+ “A company run by farmers for farmers.”
	+ <http://nelpsc.com/>
* Grassrun Farm
	+ Co-op for pasture raised beef in Midwest
	+ Recently invested in a warehouse. It seems unlikely that the Berkshires need something of this volume
	+ They do online ordering, an interesting marketing device
	+ <http://www.grassrunfarms.com/>
* Eagle Bridge Custom Meats and Smokehouse
	+ Slaughterhouse and processor
	+ <http://eaglebridgecustommeat.com/>
* Adams Farm, Athol Mass
	+ <http://adamsfarm.biz/>
* Mobile Slaughter Unit
	+ Glynwood is developing a MSU that might service the area.
	+ <http://www.glynwood.org/programs/modular-harvest-system/>
* Slaughter and Processing Options and Issues for Locally Sourced Meat
	+ USDA report showing the discrepancy between production and processing
	+ [http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/ldpm216-01.aspx](http://www.ers.usda.gov/publications/ldpm-livestock%2C-dairy%2C-and-poultry-outlook/ldpm216-01.aspx)

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