



Thriving Dairy Farms
The Cornerstone of a Strong Dairy Value Chain
A project of the North Country Dairy Viability Initiative

Background

The vitality of rural communities in the 6-country Northern NY region depends heavily on a thriving dairy value chain.

- The region produces 2.2 billion pounds of milk annually from its 1630 dairy farms, 19 % of the states milk supply.
- Eight milk-manufacturing facilities currently operate in the region producing both national and regional brands of cheese. These plants are estimated to utilize over 5 million pounds of milk per day.
- The value chain is estimated to generate directly and indirectly at least 6000 jobs and \$800 million in economic activity in this rural region.
- In 2001, manufacturers, farmers, milk handlers, public sector agencies, and state and local government officials established the North Country Dairy Viability Initiative. The purpose was to sustain a profitable and successful dairy value chain using a system approach. This approach is novel and innovative in NYS and indeed for the Northeast Region and the nation in its grass roots approach.
- The Initiative has held forums in each county to brainstorm issues from the perspective of each component of the value chain.
- It has two studies underway. One on understanding and improving competitiveness of NNY cheese manufacturing facilities: a second on the feasibility of building a milk fractionation facilities in the region to provide a value-added product for use in manufacturing facilities both within NNY and outside the region.
- In the fall of 2004, the Dairy Viability Initiative received a grant from the United States Department of Agriculture Cooperative State Research, Education, and Extension Service and the EDA Center at Cornell University to fund this project.

Problem

Many suggestions have been made to put the focus on farms and their success as the key way to ensure the long-term strength of the regions dairy value chain.

- Milk production in the region is not growing fast enough to meet the demands of milk manufacturers.

- A cheese manufacturer that utilizes 1 million pounds of milk per day and has successfully “reinvented” its products and marketing has a concern about locating enough milk for the growing demand for its products.
- The ongoing changes in the manufacturing sector threaten the entire dairy value chain and the rural communities whose vitality is in large part dependent on the thousands of jobs and millions of \$ in economic activity it generates annually in the 6-county rural region.
- It is imperative that critical, core issues around the milk supply need to be aggressively addressed immediately to prevent irreparable damage to a core component of the region’s economic and social fabric, its rich natural resource base including its attractive working landscape which is important to its lucrative tourism industry.

Action Steps

Identify challenges and barriers related to dairy farm success and the milk supply.

- Which are the most important - separate into short term, medium term and long term.
- Which cannot be controlled/influenced at the farm level by farmers and/or components of the value chain
- For which challenges and barriers will actions on the part of farmers and farm businesses have the largest and quickest impact?
- In which should the time and money associated with this project be invested?
- County teams develop action plans.
- Consolidation of census data, surveys, market reports, North Country Dairy Viability meetings data, and trends for use in programming efforts.
- Information in regards to the profitability of dairy farm businesses and the maintenance/growth of the milk supply in NNY, will be analyzed and gaps filled in.

Expected Outcomes

- Identify impediments to, and opportunities for, growth of the milk supply in Northern New York and for meeting the seasonal demands and quality standards of milk markets both within and outside the region.
- Identify interventions and actions that will result in farmers taking action to increase production of milk and to address other milk supply issues in Northern New York
- Educational and technical assistance programs that will assist farmers in their efforts to increase production of milk in Northern New York.
- Success (monetary and otherwise) for families who depend on dairy farms for their livelihoods.
- Milk supply that is sufficient to meet the demands of all markets NNY can possibly access and supply both within and outside the region (fluid milk, manufacturing, new products, niche markets etc.)



champions of the northern new york’s dairy industry

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