Today on Across the Fence it's one of the top honors in Vermont farming. We're going to head to Addison county have 2011 dairy farm of the year. Good afternoon and thanks for joining us I'm Judy Simpson. For decades the Vermont dairy farm of the year award has the best of our dairy industry. A combination of factors go into the award from business skills and innovation two diversification and plain old hard work. In just a moment we're going to meet this year's winner but first I want to welcome Al Curler. Al is a consultant with the University of Vermont extension and is the coordinator of the dairy farm of the year award. Thanks so much for being with us.

Al.: Thanks for having me.

Judy.: How is the winner chosen?

Al.: It goes through an application process usually submitted by shears and the industry dairy field personnel or extension or anybody in agriculture field.

Judy.: Okay. You work with farmers every day specifically on farm business planning what stands out for you about this year's winner?

Al.: Thinking outside the box a little bit being innovative trying to do other things that the rest of us don't do from a standpoint of maybe looking at investors that want to know invest in agriculture.

Judy.: Without further ado let's join Keith Silva who introduces us to the winner of the 2011 Vermont dairy farm of the year.
At Kimball Brook Farm in North Ferrisburg, every day starts with a plan.

Cheryl DeVos: We have extra out there. JD DeVos: No, it’s going to go.

One thing that owners JD and Cheryl DeVos weren’t planning on is that their farm would be named the 2011 Vermont Dairy Farm of the Year.

Cheryl DeVos: “it was hard for us even to accept this and when they came and interviewed us we said that we probably shouldn’t be farmer of the year.”

JD DeVos: “We’re definitely not a perfect operation I don’t know that there is such a thing. Some days you run around here with everything coming apart and nothing’s going right and you really don’t feel like any kind of an outstanding dairy farmer, but it is a nice recognition and I’m grateful for that. It does make things feel worthwhile.

Cheryl: “I do think this is a great farm and I think that we’re not the only ones that make it run. All our employees help us, couldn’t do it without them, and we’re one of many great farms, basically, yeah.

Kimball Brook farm is a certified organic dairy farm comprised of 800 acres and a herd size of 235 animals ... making this one of the larger organic dairy farms in the state. JD grew up here, he spent some time in the trucking business before coming back to the farm. In 2005, the DeVoses transitioned from a conventional to an organic dairy operation. And now, they’re about to make another change. This time it’s not about ‘how’ they produce milk, but ‘who’ is going to sell the milk they produce.

JD: “We’re going into the milk bottling business ... we’re going to set up In Hinesburg in the old Saputo cheese factory. It’s a big undertaking. We’ve got some equipment together, we’ve got an installer lined up and we’re hoping to start have milk in a bottle we’re going to do glass and plastic by this fall. It’s difficult to rely on just putting milk on a truck and having it go away. You’re at the mercy of the buyer at that point. Now there’s all kinds of things you can do on the farm to change your inputs and your expenses, but there’s not much you can do on the other end of it and I’m not sure that it’s the easiest way to diversify the farm for sure, but it’s the way we’ve decided were going to go.

Cheryl: “For the past three and a half years we’ve put a lot of effort into a feasibility study for the milk bottling plant that we’re thinking of putting up, not thinking, [laughs] I’m been doing this so long that that I keep saying that, but we actually next week, were going to start tearing walls out and pouring floors over there so we’ve just been trying to make sure that before we went into it that that it was feasible and our business plan was really solid.
Marcotte: “I think it’s a pretty innovative idea.”

Travis Marcotte is the Executive Director of the Intervale Center in Burlington. Through the Intervale Center’s ‘Success on Farms’ program – a part of the Vermont Farm Viability Enhancement program -- Marcotte worked with the Devoses to develop a business plan that would create a value-added product from the farm’s milk.

Marcotte: “A lot of the work is in understanding how they’re going to put all the pieces together … You really got to understand what that market is what the pricing’s going to look like and then building your whole business model around that. How are you going to process? Where? How much is the new facility going to cost? Who’s going to run it? So, the DeVoses did a lot of work themselves and so from my perspective that’s the key ingredient is having the management capacity on the farm to basically take on a new business. So when I met with JD and Cheryl, I mean, it felt like if there was anyone who could succeed at this it was going to be those two as a team.

There are other smaller organic creameries and other milk distributors in Vermont, but given the ever-increasing surge in the public’s demand for local food … this may be the best time to introduce a local, organic product into the marketplace.

JD: “I’ve got plenty of people that come up and say why in the world would you want to take this on, but we’ve just had a lot of tremendous support from everybody, this end of the county into Chittenden county and Hinesburg. It’s the idea that it’s right here, that the cows are right here. It’s a place that they can come and see not only where the milk is being bottled, but they can see where the milk is coming from.

Cheryl: “There’s enough people out there that really, truly believe in this. Local working landscapes is what they’re really looking into and they can see that the dairy industry is not doing well and they thought that this was a good investment.

Keith Silva//Across the Fence: “As of 2011, there are less than one thousand dairy farms in Vermont. There’s no question that Vermont’s dairy industry is going through a transition. The DeVoses feel that this time of change is a time for new opportunities and new ideas as they look towards the future.

JD: “I think that the face of farming in Vermont is changing and it’s going to continue to change. I think it’s going to be more difficult to just milk 100 cows, put the milk on the truck, and send it away, and take what they give. Sure, dairy is still going to always going to be a large part in the state, I’m absolutely sure of that, but it may be dairy that goes in a different direction. It may be things other than dairy combined with cows. It’s just I think
everybody has to keep their eyes open and take advantage of what opportunities come along.

Cheryl: “I think both of us are people that we thrive on change. We don’t like things to stay the same and we’re always trying to do something new or better and ... if you don’t do something, you don’t survive.

For the DeVoses ... changing with the times and having a plan of where they want to go and what it’s going to take to get there is why this farm business ... make that businesses ... is the Vermont Dairy Farm of the Year. In North Ferrisburg, I’m Keith Silva with Across the Fence.

Judy.: Joining me now are Cheryl and JD DeVos thanks so much for being with us and congratulations on your award. The video we saw touched on several different renditions for you and your farm. Let’s start with the organic transition. How did you know that was the right thing to do?

Cheryl.: Basically I attended a workshop in Middlebury just about transitioning to organic and I came back that day and said to J.D. I think we should go organic and he basically said to me wait a minute hold back you have to go through and find numbers and prove to me that this is going to work and I did that.

Jd.: We need to find something that would keep the farm sustainable and we've looked for a lot of different options but the steady pay a price the premium pay a price. A little difficult to get into it but that was attractive to us and financially it worked and it’s become something that's turned into more than just a financial decision. We're really happy with the whole organic movement. It look like the market that was going to maintain its structure for the future and that's basically the reason we're doing it.

Judy.: So you went through the whole exercise of going through the money issues and that kind of thing but really it comes down to a certain point a leap of faith.

Jd.: It was a huge leap of faith. It really was and Cheryl DeVos lot of research and a lot of hard work pudding numbers together the and that mean that leap of faith for me a little bit shorter.

Judy.: You grew up on a farm but then you're out of business for a while in the trucking industry and came back to the farm. What made you come back?

JD.: The trucking business was away my dad diversify the farm it was a family business and it was good for me to get off the farm for a little while. I was in high school and messing with cows was something a thought I wasn't interested in at the time. It was a good thing the getaway but we have a young family and it was going to be nice to get back to the farm and it was a way for us to work together a little bit more and the farm was a challenge. It was something we could pick up and take to the next level it had idled along for a while so it was a challenge.
Judy.: That's something that was attractive to you I know?

Cheryl.: Basically got him back. He would be on the road for weaker so and it was hard. I'm running the family and he decided that he didn't want to do that and he started working on the farm buy and sell for a couple of years and then said to his dad I really want to take those over so we switched things around and he came back to the farm.

Judy.: Now you're embarking on in other major transition milk bottling. Cheryl you said in the video it's been 3 1/2 years in the making. What convinced you that this going to work because this is another big step for you?

Cheryl.: It definitely was. We got a grant through the farm viability program to research this so we did a feasibility study with the help of a consultant named rose Wilson and we then went from there the feasibility study and basically said yes we think this will work let's do a business plan. We've done a business plan and then we had the business plan done. Then you have to find the money that was the difficult part. You need a lot of equity to start a business like this. So we went to the board and said we are going to find investors for this whole project. We have people that decided that this was a worthwhile local project for AG and maple money into this project.

Jd.: There's been a lot of support.

Cheryl.: A lot of local support and there all local. They're not what I would call investors we have a system setup so they have convertible debt notes. After the five year period where we use their money they get to decide whether they're going to hold shares in our company or we're going to pay them back at that point.

Judy.: Excellent. When is the bottling plant going to come online?

JD.: That's a really good question. We should be operating this fall. We have some equipment in their live and installers lined up and we should be putting milk on the bottle this fall I'm thinking October.

Judy.: And where can people buy your milk?

Jd.: It will be available. We're going to start a fairly close to home. To Co OP's city market healthy living are interested in it. We have committed sales throughout the area for about the amount of milk we're going to move through there to begin with. It will be local stores. We don't have any grocery chains or convenience store's online yet because they like to see a product in a bottle first. We're thinking we should be able to grab the grocery store chain
or two and a will be local. As we get a core here in the area will start to span out and seen where that goes.

Judy.: How much milk will you be bottling?

Cheryl.: Two start out with we're looking at about 2500 gallons to start with and that's probably about 20 to 30% of our milk. Hopefully we're going to grow out of our milk supply and possibly take on other farms as a sales grow.

Jd.: As our sales grow we hope to not have to expand the farm and leave the farm the size that it is manageable and hopefully bring on outside organica local farms to add onto that increase our sales.

Judy.: Do you think making other products besides milk?

Jd.: We're thinking maybe to begin with we will do an ice cream mix. A creamee soft serve mix. We may do some butter and we will have half and half and cream.

Cheryl.: Yes and eventually we may go into other products. We made the overtly made you cottage cheese we're not sure but our main focus we want to be in fluid milk to start and to figure out of market and where we're going with the whole thing.

Judy.: You mentioned in the video piece about change and change is something that’s constantly happening in your industry on the farm and so forth. What do you see down the road any kind of game plan farther than the bottling or when you think?

Jd.: At some point you have to stop adding things on but no I think this is a big deal and I think we will put a lot of effort into getting this bottling plant up and running. I think in general we probably are not going to diversify the farm too awful much more but one of the reasons we're doing this bottling plant is our kids may be interested into moving part of it so I think some point the next step we'll have to be their step but our goal has always been to build a good solid base for them to work off of.

Judy.: It sounds like you've done just that and you'll have to come back in a year or so to tell us what else is new.

Jd.: We'd love to.

Judy.: That's our program for today I'm Judy Simpson we will see you again next time on across the fence.

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