



# Exploring Vermont Dairy

## Value-Added and Diversification on Vermont Dairy Farms

### Lesson 3 Pre- Assignment

Instructions: For this lesson you will be looking at how some Vermont dairy farms have increased their income sources through diversification and value-added products. While diversification and value added do not fit into every farm situation for some it has meant income that has kept the farm going when milk prices fluctuate.

### Definitions:

**Diversification** – Adding a new income source unrelated to your current business – Example – A dairy farm that decides to also have a road-side vegetable stand

**Value-Added** – Taking a product that is already being produced on the farm and making it into another product that will sell at a higher price – Example – A dairy farm that decided to take some of the milk produced on the farm and make it into cheese curds to sell through farmers markets in the area.

Think about dairy farms in Vermont, what types of Value-Added products have you seen them sell, that ways have farms in your area diversified? Complete the chart below:

Farm	Main commodity	Value-Added product	Diversification product
A			
B			
C			
D			

Discuss how becoming diversified or adding value-added products may have help the financial standing of the farm. Did these changes require additional labor or the farm or were they able to use existing labor? m