

WI Grass-Based Dairies Launch New Enterprise

by Dennis Cosgrove, University of Wisconsin

Demand for organic dairy products is increasing and because of this supplies of organic dairy products are falling short. Recent data suggest a 10-15% shortfall in the supply of organic milk. In addition, the nation's largest grocery supplier has announced plans for a significant increase in the line of organic products it offers consumers. This will likely exacerbate the supply problems. This has in part contributed to organic standards that many feel are not in the spirit of what consumers expect from organic dairy products. While organic standards only require that an animal "have access to pasture," a recent survey by Whole Foods Market, Inc. showed that nearly 70% of organic consumers expected most of a dairy cow's food would come from pasture.

The scenario described above has led to the birth of Grasspoint Farms (GPF), a Wisconsin company that will sell dairy products exclusively from grazing based farms. While Grasspoint Farms' suppliers are not certified organic, GPF feels that its products more appropriately fit the idea consumers have of an organic dairy product. As with organic production, no hormones or antibiotics are allowed (except in the case of illness) but, unlike organic farms, at least 50% of an animal's total dry matter intake must come from pasture during the grazing season. GPF farms must be certified under Humane Farm Animal Care Standards which, in addition to the hormone and antibiotic restrictions, prohibit tail docking and require that animals be in an environment that allows them to move naturally. GPF feels these practices better fit consumer expectations for dairy products from grass-fed animals.

GPF is hoping to obtain the premium milk prices associated with the organic market without the restrictions imposed by organic certification. GPF is initially shipping products (cheese, butter and fluid milk) to 350 stores, mostly on the east coast. It has set a target pay price of \$16.05/cwt. Currently seven farms are shipping milk to GPF. There are an additional 100 on a waiting list. The parent company of GPF is Organic Farm Marketing, which also owns Wisconsin Organics.

Much of the information in this article came from an article written by Joel McNair and published in Graze magazine.

