

Update on Pay Price

In the last edition of the NODPA News I wrote an article that described what the different companies were paying for organic milk in the northeast. Since the article was printed we have seen a significant change in the base price paid to the farmer.

All three of the major purchasers of organic milk have, or plan to, increase the price they pay by at least \$2.50 per cwt with a further rise predicted early in 2006. The improvement in pay price recognizes the significant increase in the costs of goods and services over the last few years, and specifically the recent dramatic increases in fuel and feed.

The current activity around the OFPA has stimulated handlers to increase their signing bonuses for farms that are transitioning. Also, they are again looking at the increase in costs for transitioning farmers in their final year, when the farmer bears all the cost of organic production without the benefit of an organic price. Organic Valley is working with Stonyfield to assist its members with more economic and efficient ways to purchase feed.