

VERMONT AGENCY OF AGRICULTURE, FOOD & MARKETS 2021 DANONE | HORIZON DEVELOPMENTS

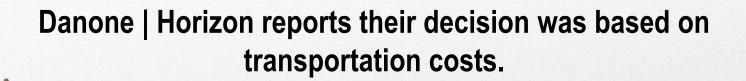
TIMELINE

September 1, 2021 Danone | Horizon notifies 89 dairy farmers in Vermont, Maine, New York and New Hampshire they no longer will buy their milk.

Contracts end August 31, 2022







Danone/Horizon does not use processing plants in New England or the Northeast.





Potential for farmers near their plants in Midwest and West to expand operations.

Gives Danone | Horizon opportunity to add dairy farms.



Task Force and Working Groups were formed to address the situation. Five Working Groups in Vermont:

1. Farmers Outreach, communication & assistance



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2. Processors Willingness to buy more milk



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3. Funding Farmer and processing funds



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4. Organic Standards Critics say current approach creates differences across the United States.



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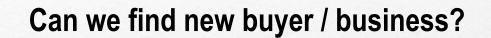
5. Regional Coordination & Activities Northeast Dairy Business Innovation Center & region's Departments/Agencies of Agriculture are engaged.





Solutions?





Can we build processing facility in Vermont or region to serve these farmers and other organic producers?



Organic Valley and Stonyfield are at the table with us.

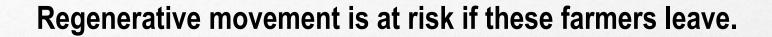
But can they buy more milk after years of controlling the supply of their members?





Transportation Moving milk is a serious concern in both organic and conventional markets.





Can we offer incentives to help cover the extra costs while these practices improve environment and climate change?





The NE-DBIC is in place but would need more funding if additional dollars are needed to meet infrastructure needs.





