

Hidden Valley Organic Dairy



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Overview

- Background on Hidden Valley Farm
- Transition from conventional farm to organic dairy operation
- Strengths/Potential threats
- Lessons learned
- Future plans



Hidden Valley Farm

- Hidden Valley Farm
 - Perry Van Tassel, current owner
 - Parents moved farm from Utah to southern Idaho (current location) in 1975
 - 1,800-acre farm
- Historically, typical diversified operation
 - Hay, grain, corn, row crops (potatoes), & 500 acres of sugar beets
 - Also a small dairy on the farm



OUST Contamination

- In 2000, the BLM lands bordering Hidden Valley were treated with OUST chemical spray
 - OUST used to control several grasses, broadleaf weeds, certain hardwoods, and vines
 - Spray drifted and contaminated several area farms, including Hidden Valley
- Contamination made production of row crops impossible for Hidden Valley
 - Left with hay, grain, corn, and 230-cow dairy



Conversion to Organic

- In 2003, Perry made the decision to convert to organic
 - Price premiums
 - Move away from chemicals altogether
- Farm and dairy certified in 2006
 - Farm now 2,200 acres
 - Dairy has 350 head, plans to expand to 500



Business Strengths

- Diversification
 - Enough feed grown on-farm to support dairy
 - Remainder sold to local markets, customers in CO & TX
 - 70% of hay crop used on-farm
 - 85% of barley crop used on-farm
- Operation surrounded by BLM lands
 - Spray drift contamination less of a concern than if farm was next to other conventional farms



Potential Business Threats

- Water
 - Multi-year drought in West has created water shortage
 - Idaho water law: “first in time, first in right”
 - Many water rights holders using ground water—like Hidden Valley—may face curtailment of water rights, or complete loss
- Changes in organic pricing
 - Mainstream retailers have noticed organics’ strong price premiums
 - Wal-Mart, Safeway, etc. entering market
 - May weaken price points to the point where profitability of small operations is affected



Hidden Valley Philosophy

- “If you feed the soil, the soil feeds the plant, take good care of one and the job is half done.”
 - Compost & liquid fish fertilizer
 - Crop rotation
 - 5 years in hay, 1 year in barley, 1 year in corn
 - Weed control
 - Tries to anticipate production problems in advance



Sales

- Hidden Valley sells milk to nearby Horizon Organics dairy
 - Arrangements informal, no written contracts or arrangements at this point
- Organic hay sales typically made by phone to established customer base



Quality & Consistency

- On dairy side, two major issues
 - Product components (protein and butterfat)
 - Somatic cell count (SCC)
- On hay side, weeds have been the biggest roadblock in maintaining consistent quality



Risk Management

- Dairy all sold to Horizon
- Nearly all feedstuffs grown on-farm
 - 70 acres of pasture for livestock
- Strong vaccination program
 - Prevention is the key with organic production



Lessons Learned

Perry's 5 key points from conventional to organic transition:

1. Visit with someone who has gone through the process—experience is invaluable
2. Bonus to organic production is willingness of others to share information
3. Hidden Valley achieved its current status largely through trial and error—careful experimentation may be necessary



Lessons Learned, cont.

4. Lack of knowledge among neighbors concerning organic certification standards
 - Neighbors are responsible for spray drift, but organic operation is responsible for controlling contaminated product
5. Idaho's State Department of Agriculture (which oversees Idaho's organic ag. certification) has held seminars that have been helpful
 - Other state certification agencies may do the same



Future of Hidden Valley

- Sees consumers addressing frequently considering their options for alternatives to conventionally-produced foods
 - Feels next big obstacle for organics will be keeping supply up to meet demand
- Plans to grown dairy to 500 head
- Further expansion as necessary
 - Meet on-farm needs
 - Meet customers' needs



Thank you!

