



COUNTY OF HUMBOLDT

For the meeting of: 10/6/2020

File #: 20-1116

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:
Grant Agreement with Western Organic Family Farms, COOP

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve the grant agreement with “Western Organic Family Farms, COOP” for expenditures related to the recipients submittal of an U.S. Department of Agriculture’s Value Added Producer Grant, performing an A2/A2 Organic Milk Feasibility Study, as well as the sales, marketing and distribution of its A2/A2 brand; and
2. Approve the attached Standard Terms and Conditions detailing the insurance and indemnification requirements associated with this grant agreement.

SOURCE OF FUNDING:
1120 Economic Development

DISCUSSION:
On March 26, 2020 your Board approved a supplemental budget for Economic Development fiscal year 2019-20 budget to provide matching funds for a United States Department of Agriculture (USDA) Value Added Producer Grant (VAPG) to assist the county’s dairy industry with strategic planning and small business training and technical services. Attached is the Grant Agreement and acknowledgment of the county’s Standard Terms and Conditions allowing for the matching dollars to be provided to Western Organic Family Farms, COOP.

According to data reported by the National Farmers Union (NFU), the average dairy farm has shown a positive net income only once in the last decade, in 2014. In 2018, the average value of production exceeded the total cost of producing each hundredweight of milk in only one state, California, and nationwide, dairy farmers lost an average of \$3.21 per hundredweight of milk produced.

National market conditions for milk-based products, milk derivatives and processes, combined with localized events (such as the closure of Loleta Cheese and recently announced plans for Organic Valley to downsize or leave the market entirely) have resulted in a negative impact to Humboldt County’s

dairy industry.

Western Organic Family Farms, a dairy co-operative comprising local dairy producers from the Eel River Valley area, will use a portion of the previous supplemental budget approved by your Board in the amount of \$66,000 to aid in performing an organic milk feasibility study in preparation for its USDA VAPG grant submission and for expenditures related to sales, marketing and distribution of its A2/A2 brand. A2 milk is a variety of cows' milk that mostly lacks a form of Beta-casein proteins called A1, and instead has mostly the A2 protein form.

FINANCIAL IMPACT:

The grant agreement before your Board will provide \$30,000 to Western Organic Family Farms to perform an organic milk feasibility study in preparation for the USDA VAPG grant submission. Your Board previously approved a \$66,000.00 transfer of funds from the Economic Development Set-Aside for this purpose. The allocation of the remaining \$36,000 will come back before your Board as grant agreements are finalized. There will be no impacts on the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board Discretion

ATTACHMENTS:

Copy of signed grant agreement with Western Organic Family Farms, COOP.
Standard Terms and Conditions

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A
Meeting of: 03/26/2020
File No.: 20-327