

COMMONWEALTH DAIRY

Brattleboro, VT



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Dairy farms have always been a major part of Vermont's culture and economy, but current economic conditions have made it difficult for dairy farmers to make a living. In the past ten years, the number of dairy farms in the state have decreased by nearly two-thirds.

Concurrent with the loss of dairy farms has been a loss of in-state dairy processors, leaving the remaining farms with limited arenas to sell their milk. The Commonwealth Dairy project, a 32,500 square foot

·yogurt processing facility in Brattleboro, Vermont, will, at capacity, utilize 30 million pounds of milk and produce 50 million pounds (including sugars, starches and fruits) of yogurt annually. This additional production capacity will increase demand for Vermont milk in general and its underutilized skim component in particular; and will bring higher net prices to Vermont farmers given lower transportation costs and premiums for rBST-free milk, herd health, and good farm and production practices.

In addition to the benefits to Vermont farmers, the plant will directly create 70 construction jobs and 50 new permanent jobs and over \$90 million in direct, indirect, and induced sales. The project will also create \$778,000 in local and state revenue annually, according to an IMPLAN study created by Planning Decisions.

This project also has several additional benefits for the local community, including a return of net profits to the supplying dairy farmers and scholarships and internships for students studying to be a part of the dairy industry.

Qualifying Features

- Part of Brattleboro Tax Stabilization Program
- Non-metropolitan Tract
- Recipient of Vermont Employment Growth Incentive (VEGI) Grant

CCML allocated \$10 Million in NMTC capacity to finance the project which closed April 28, 2010. The Massachusetts Housing Investment Corporation (MHIC) served as co-allocattee with an additional \$18.4 Million of allocation. U.S. Bancorp CDC provided equity for this deal, while Wainwright Bank provided the senior debt, with additional debt provided by the Vermont Economic Development Authority and Commonwealth Holdings LLC .

Key Benefits

- Increases demand for Vermont Milk by 30 millions lbs/year
- Returns 5% of net operating income to dairy farmers that supply milk to the Project
- Guarantees that 40% of milk purchased comes from Low-Income Communities
- Funds a scholarship of \$10,000/year at the University of Vermont for a student studying dairy science
- Funds internships for college students seeking experience in the dairy industry
- Creates 50-new permanent jobs at plant, and preserves local dairy jobs.

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