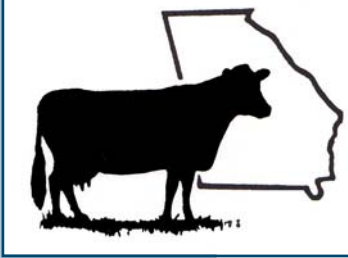


GEORGIA MILK REVIEW

Volume 9, Issue 3, June 2008



GEORGIA MILK PRODUCERS REAFFIRMED FOR THREE MORE YEARS

Georgia dairy producers have reaffirmed Georgia Milk Producers, Inc. for another three years by an 89 percent favorable vote. The Georgia Department of Agriculture announced May 28 that 272 eligible producers were mailed ballots for voting during the April 21 - May 21, 2008. One hundred twenty-one producers returned their ballots with 108 voting in favor for continuing the organization and 13 voting against it.

Georgia Milk Producers, Inc. must be reaffirmed every three years with a favorable vote of at least 2/3 percent of eligible dairy producers casting ballots. The organization is funded entirely from a producer-paid assessment of one-cent per hundredweight on all milk produced in Georgia.

In 2005, a total of 373 ballots were mailed out with 153 returned as valid ballots. Of the 153, 15 producers voted against the continuation of Georgia Milk Producers and 138 were in favor. That was a 90 percent favorable vote for Georgia Milk Producers Inc.

We would like to thank the producers who participated in the referendum and we will continue our efforts to educate and promote the Georgia dairy producers. We are honored to be able to work for the dairy producers of Georgia for the next three years. We are happy to see a good percentage of those voting in favor of our organization, but would love to see everyone voting in favor for our organization. If you have suggestions or ideas for programs or other needs from our organization, please contact us at 800-337-0555 or call your district director (their numbers are posted on page three of this newsletter).



GA MILK IS WORKING ON BILL TO ELIMINATE ENERGY SALES TAX IN 2009

During the 2007 Legislative Session, Georgia Milk Producers worked diligently with Georgia Farm Bureau and the Georgia Agribusiness Council on legislation to eliminate the sales tax on Energy and Fuel used for milk production. Unfortunately, the Speaker of the House refused any legislation regarding taxes that year in hopes that the General Assembly would pass some type of tax reform legislation. We were told that we would be faced with the same problem this past legislative session, so no action was taken.

The Georgia General Assembly did pass HB 1178 this past March that exempts all sales taxes on fuels used in swine facilities until June 30, 2010. Due to this and the high input costs our producers are currently facing, we will once again try to get the elimination of sales tax for Energy and Fuel used for milk production. You should receive a survey this month asking for the data we will need to support our efforts. Please take a few moments to fill out the survey and fax it back to our office at 706-310-0025.

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DAIRY BRIEFS

CWT Herd Retirement Commences

Cooperatives Working Together announced June 3rd that it will conduct its latest herd retirement round. Bids will be accepted through Monday, June 30, 2008.

This is fifth herd retirement round since CWT began operations in the summer of 2003. It is the first that bidding producers will have the option of including all their bred heifers, for a flat fee of \$1,050 per animal. Also, unlike past herd retirements, regional safeguard limits will not be utilized and, therefore, CWT bidders will not be competing regionally, but nationally.

Detailed information can be found at www.cwt.coop.

DAIRY CLASSIFIEDS

Need Bulls? Need Milk! Registered Holstein bulls, service-age and younger. Excellent dams with 30,000 to 50,000 lbs. of milk! Delivery available. Valspring Holsteins, Les McCracken 423-234-1701.



CONGRESS OVERRIDES PRESIDENT'S VETO AND APPROVES FARM BILL

The new bipartisan five-year Farm Bill passed with more than enough votes to override the President's veto on May 22, 2008. The final version of the Farm Bill will not only renew but also expand the basic safety net for dairy farmers, the Milk Income Loss Contract (MILC) program; it will bring record levels of funding and wider access to farmland conservation programs; it will dramatically increase support for food banks and the Food Stamp program; and it will offer more support to help farmers make the transition to the booming organic sector.

DAIRY Legislation

Senator Leahy (D-VT) led a bipartisan coalition in working for several months to secure renewal of and improvements to the basic safety net for dairy farmers, the Milk Income Loss Contract (MILC) program. In the end, the MILC program received one of the largest funding boosts of any commodity in the Farm Bill. In addition to the difficult achievement of extending the MILC Program for five years, Leahy and his allies succeeded in including provisions that will expand the MILC program in three important ways:

1. Feed Cost Adjuster – For the first time in nearly a decade the \$16.94 per hundredweight MILC target price will increase when feed costs increase. The new feed cost adjuster will increase the MILC target price any time the composite monthly price of feed (corn, soybeans and alfalfa hay) rises above \$7.35 per hundredweight. For the month of April, for example, the new MILC target price would be \$19.13 per hundredweight.
2. Payment Rate – In 2002 when the MILC program was established, whenever the federal minimum price for fluid milk in Boston fell below \$16.94 per hundredweight, participating dairy farmers were eligible for payments on 45 percent of the difference. In the Fiscal Year 2006 Omnibus Reconciliation Bill, the payment rate was reduced to 34 percent in order to make it possible to extend the program until the Farm Bill could be rewritten in 2008. The 2008 Farm Bill will restore the original 45 percent payment rate for the MILC program.
3. Eligibility Increase – Currently producers are eligible to receive MILC payments on 2.4 million pounds of production per year (approximately 125 cows). The 2008 Farm Bill will increase the eligibility to 2.985 million pounds per year (approximately 165 cows).
 - **Dairy Product Price Support** – The 2008 Farm Bill establishes individual product prices for cheddar cheese, butter, and nonfat dry milk.

- **Commodities** — The bill extends the current farm safety net through the 2012 crop year, retaining current base acres and establishing base acres for newly eligible crops. Target prices for crops are rebalanced and direct payments are maintained.
- **Average Crop Revenue** — A new Average Crop Revenue option is added for farmers, including fixed payment rates, recourse loans, and a state-level revenue program for covered commodities and peanuts.

Other Farm Bill Legislation of Interest

Rural Energy for America Program — Funded in the Farm Bill at \$250 million, this program (*previously called Section 9006 — the Renewable Energy Systems and Energy Efficiency Improvements Program*) offers grants and loan guarantees to agricultural producers and rural small businesses to help with purchasing renewable energy systems and to make energy efficiency improvements. The program will also fund energy audits and will provide technical assistance to farmers to help them become more energy efficient and to use renewable energy technology and resources on the farm.

Manure-to-Energy Facilities — Dairy producers are standing at the forefront demonstrating that power derived from manure is quickly evolving from an alternative-fuel experiment to a promising new industry, bolstered by high oil costs and by new laws that restrict harmful gas emissions and require the use of renewable energy. The new Farm Bill will generate new opportunities to focus on building and evaluating on-farm and community-based animal manure-to-energy facilities, such as methane digesters. This effort will help Georgia create more homegrown energy while also reducing the potentially negative impacts on water and air quality.

MACON CO. COMMISSIONERS: BITING THE HAND THAT FEEDS THEM



Last Month Macon County Commissioners voted 4 to 1 to change setbacks for poultry houses and all other animal confinement operations from 300 feet to 1,000 feet from property lines. The new zoning laws for animal production will more than likely hinder any new operations from starting up in the near future. Crist Yoder, a longtime Macon County dairy producer, says 18 of the 37 dairies currently operating in the county would not exist if these rules were in place when they were constructed.

According to an article in the town's local newspaper, The Citizen Georgian, "Commissioner Charles Allen pointed out that the new regulations would not affect 90 percent of the people in Macon County because most farmers already owned their land. "If you come in and buy 50 acres and put six houses on it, you don't have room to progress," he said. He also said he was concerned about the distance between "residents and the growers. My concern is

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MACON CO. STORY CONTINUED

the grower can utilize the adjacent property as the 1,000 feet. The grower ought to be responsible for the whole setback.””

In addition, the paper quoted Chairman Richmond Felt saying “What do you do about the people who had homes and someone comes up and builds six chicken houses? These people have been there and I don’t think it’s fair to just overlook these people who have been there.” He said he had complaints from residents in his district who felt chicken houses had adversely impacted them. “That nuisance doesn’t go away until that operation ceases or the person moves,” he said.

One commissioner did argue on behalf of agriculture saying the farmers would be adversely affected economically if setbacks or acreage requirements were higher. “It adds additional costs on,” he said. He also told his fellow commissioners that Perdue is “talking about expanding ... and may locate a feed mill and hatchery here. That’s a \$30 or \$40 million investment.” The feed mill and hatchery would mean another 150 jobs for the county, he said.

Macon County currently serves as the dairy capitol of Georgia with 37 dairy farms, over 12,000 dairy cows and a farm gate value of \$37.5 million in 2007. Georgia Milk is currently working with other agribusiness organizations to see what can be done to address the new ruling.



June is National Dairy Month!

UPCOMING EVENTS

GMP & ADA of Georgia Fall District Meetings will begin on **September 8, 2008.**

October 2-12, 2008
Georgia National Fair, Perry, Georgia. Come visit us at the dairy exhibit!!

Feb. 3-4, 2009
2009 Georgia Dairy Conference at King and Prince Beach Resort at St. Simons Island, GA.

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