

GEORGIA MILK REVIEW

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USDA Announces Second Round of PMVAP Payments & New Program for Organic Dairies

WASHINGTON, January 23, 2023 – The U.S. Department of Agriculture (USDA) today announced the details of additional assistance for dairy producers, including a second round of payments through the Pandemic Market Volatility Assistance Program (PMVAP) and a new Organic Dairy Marketing Assistance Program (ODMAP). The update to PMVAP and the new ODMAP will enable USDA to better support small- and medium-sized dairy operations who weathered the pandemic and now face other challenges.

“The Biden-Harris administration continues to fulfill its commitments to fill gaps in pandemic assistance for producers. USDA is announcing a second set of payments of nearly \$100 million to close-out the \$350 million commitment under PMVAP through partnerships with dairy handlers and cooperatives to deliver the payments,” said USDA Under Secretary for Marketing and Regulatory Programs Jenny Lester Moffitt. “USDA is also announcing new assistance targeted to small to medium size organic dairy farmers to help with anticipated marketing costs as they face a variety of challenges from weather to supply-chain challenges.”

Pandemic Market Volatility Assistance Program

PMVAP assists producers who received a lower value due to market abnormalities caused by the pandemic and ensuing Federal policies. As a result of the production cap increase, USDA’s Agricultural Marketing Service (AMS) will make PMVAP payments to eligible dairy farmers for fluid milk sales between 5 million and 9 million pounds from July through December 2020. This level of production was not eligible for payment under the first round of the PMVAP. Payment rates will be identical to the first round of payments, 80 percent of the revenue difference per month, on fluid milk sales from 5 million to 9 million pounds from July through December 2020. USDA will again distribute monies through agreements with independent handlers and cooperatives, with reimbursement to handlers for allowed administrative costs. USDA will contact handlers with eligible producers to notify them of the opportunity to participate.

As part of the first round, PMVAP paid eligible dairy farmers on up to 5 million pounds of fluid milk sales from July through December 2020. The first round of payments distributed over \$250 million in payments to over 25,000 eligible dairy farmers. These dairy farmers received the full allowable reimbursement on fluid milk sales up to 5 million pounds.

More information about the PMVAP production cap increase is available at www.ams.usda.gov/pmvap.

Organic Dairy Marketing Assistance Program

The new ODMAP, to be administered by USDA’s Farm Service Agency (FSA), is intended to help smaller organic dairy farms that have faced a unique set of challenges and higher costs over the past several years that have been compounded by the ongoing pandemic and drought conditions across the country. Many small organic dairy operations are now struggling to stay in business and FSA plans to provide payments to cover a portion of their estimated marketing costs for 2023. Final spending will depend on enrollment and each producers projected production, but ODMAP has been allocated up to \$100 million.

The assistance provided by ODMAP will be provided through unused Commodity Credit Corporation funds remaining from earlier pandemic assistance programs. The assistance will help eligible organic dairy producers with up to 75 percent of their future projected marketing costs in 2023, based on national estimates of marketing costs. This assistance will be provided through a streamlined application process based on a national per hundredweight payment. The payments will be capped at the first five million pounds of anticipated production, in alignment with preexisting dairy programs that target assistance to those smaller dairies that are most vulnerable to marketing challenges. This program is still in development.

Details about the Organic Dairy Marketing Assistance Program will be available and updated at www.farmers.gov as more details are released in a Notice of Funds Availability later this year.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris administration, USDA is transforming America’s food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy, and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

NOTE TO GA PRODUCERS:

If you have changed handlers since either December 2020 or since the first round of PMVAP payments were made, contact USDA at pmvap@usda.gov to learn how you can participate in this second round of payments. All producers who produced more than 5 million lbs. in fluid milk sales between July and December 2020 are eligible regardless of whether you are still with the same milk handler.

It's January (for just a little while longer) which means it is time for the obligatory article about new year's resolutions. Forbes Health conducted a poll of 1,005 and asked them about their priorities for the new year. Interestingly, 29% of respondents said they felt pressured to set a new year's resolution. It should come as no surprise that the overwhelming majority of resolutions centered on improving one's health. 45% of respondents cited improving mental health as top priority whereas only 39% and 37% said improving fitness and weight loss, respectively.

The Forbes article detailing the resolutions poll goes on to cite another poll by PLoS One from 2020 that 44% respondents were likely or very likely to make a resolution for the new year. While nearly half of us set bold goals for the new year, that same poll found that only 11% of resolution setters keep those resolutions for at least six months (let alone make it the whole year). So, if we're so bad at keeping our resolutions, why do we set them? Well, that PLoS poll says that only 12% of a similar group of respondents in Sweden claimed to make new year's resolutions. A separate poll from the same year found that 18% of Americans set more than one goal for the new year. It seems we Americans are just ambitious and optimistic people. Or maybe we are perfectionists who never stop trying to make ourselves and our surroundings better.

As we finish the first month of 2023, I am filled with a sense of cautious optimism. For starters, the 2023 Georgia Dairy Conference was a huge success. We had 535 registered attendees with 85 dairy farms from 12 states represented. We had 10 college and high school volunteers spend their three-day weekend helping fill guest bags, sort registrations, direct traffic, and listen to lectures on everything from milk markets to mastitis therapies to lameness in dairy cattle. Industry representatives from over 90 companies and organizations from across the country attended or took part in our trade show. There's energy and vibrancy in our industry.

But there is also room to improve. 2022 marked a year of record milk prices for Georgia producers. It also coincided with a year of unprecedented input costs. Diesel, feed, building materials, plastic gloves, and even paper towels all skyrocketed in price. Most market forecasts for 2023 predict margins to remain slim as demand for dairy products slows in a possible recession while feed and other major input prices fail to drop at the same rate as milk prices.

Farms are feeling the squeeze, but 2023 is going to be a year of improvements and resolutions in the dairy industry. For well over a year, the dairy industry has been discussing a national hearing on federal milk marketing order reform. National Milk Producers Federation announced this past week that they are closing in on finalizing a package of proposals to send to USDA in a request for hearing. USDA AMS announced yesterday (January 30th) that there will be a hearing for federal orders 5 (Appalachian), 6 (Florida), and 7 (Southeast) to consider three proposals to amend transportation credits in the orders. Furthermore, Congress will be debating and (hopefully) passing a new Farm Bill. The Farm Bill (which is primarily composed of nutrition programs) authorizes several consequential USDA programs for dairy producers including Dairy Margin Coverage (DMC), Dairy Revenue Protection (DRP), and conservation programs like Environmental Quality Incentives Program (EQIP). The major agricultural policy groups like American Farm Bureau and National Milk Producers Federation have suggestions for improving several of these titles. While there are a lot of circumstances outside of the farmer's control in 2023, producers will also have a chance to voice their opinions and influence plenty of policy that affects them this year. The industry can resolve to make some positive changes.

So, what are the Georgia Milk Producers, Inc.'s new year's resolutions? Well we have our list of 2023 initiatives that serve as a good benchmark, and you can view those [HERE](#) along with the entire 2022 GMP annual report. But I view those as a checklist of things to accomplish this year and not necessarily new year's resolutions. What will we resolve to do as an organization? And will we stick to those resolutions for the duration of 2023? I think we should resolve to improve the health of our industry by identifying three key areas for continued growth and improvement:

1. Seek out opportunities to encourage young people to engage with the dairy industry. We talk a lot about labor shortages threatening the immediate stability of our operations. I suggest that future leadership is just as important to the long-term stability of our industry. We should invest now in the individuals who will be leading the Georgia dairy industry in a generation or two.
2. Identify resources and create pathways for our farms to continue to compete in the 21st century ag economy. Can we as an organization create a tool kit for all of our members to use as they navigate the regulatory and economic challenges of the day? I believe we can make headway in this area if we pull together the expertise and experiences of our members.
3. We can set the conditions for success. I stole this one from a friend in the Army who says he and his fellow officers use this phrase to describe the intentional efforts they make to give their units the best chance to accomplish their mission. I believe this is something that our producers have already been doing whether it's the two major GMP legislative initiatives that were signed into law last year or participating in meetings and discussions around federal milk marketing order reform. We can have a say in our long-term health as an industry if we actively work to create favorable conditions for our producers.

What are your 2023 resolutions? And what will you do to stick with them past the first month or two?

Happy New Year,



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Southeast Federal Milk Marketing Order Hearing Announced

USDA Market Administrator for Federal Orders 5, 6, & 7 announced that the USDA will hold public hearing to consider proposals for the Appalachian, Southeast, and Florida federal milk marketing orders beginning Tuesday, February 28, 2023. The hearing will be held at the Franklin Marriott Cool Springs Hotel in Franklin, TN.

USDA will hear testimony and receive evidence regarding 12 proposals relating to amending inter-market transportation credits in the Appalachian and Southeast orders, establishing intra-market transportation credits, and establishing assembly performance credits in the 3 southeastern orders.

In addition to the DCMA proposals to alter the current Transportation Credit Balancing Fund (TCBF) for the 3 southeastern orders and create a Distributing Plant Delivery Credit Fund (DPDCF) for all producer milk that services a fluid plant in federal orders 5, 6, and 7, Prairie Farms and Michael Sumners (producer) have submitted proposals. Prairie Farms' proposals are similar to that of DCMA's with a few variations. The Sumners proposal would limit the diversion of milk to nonpool plants from pool distributing plants from receiving transportation credits in orders 5, 6, & 7.

Interested parties can review all three proposals [HERE](#).

USDA Seeks Comment on RFID Ear Tag Rule

USDA Animal and Plant Health Inspection Service (APHIS) released its proposed rule on RFID tags for interstate movement of cattle and bison. This marks the latest in a multiyear effort by the agency to establish a uniform policy for animal traceability and livestock disease control. According to USDA's proposal, the rule and the agency's animal disease traceability framework "was established to improve the ability to trace animals back from slaughter and forward from premises where the animals are officially identified, in addition to tracing animals' interstate movements."

Under the proposed rule, only radio frequency identification tags that are both visually and electronically readable will be considered official animal identification by USDA. The rule did not set a standardized frequency for official tags. Veterinarians, state and tribal governments, or others distributing official ID tags must keep records of disbursement. USDA will allow veterinarians and states to access the APHIS tag management database at no cost.

As written, the new rule would apply to all dairy cattle and only some portions of the national beef herd that cross state lines. The biggest change for dairy producers will be the redefinition of dairy cattle and inclusion of both sexually intact and spayed/neutered dairy cattle in the rule. USDA argues that dairy management practices make it necessary to include all dairy cattle regardless of breed, and therefore propose changing the definition of dairy cattle in its rules and regulations to include all cattle born of a dairy cow (including beef-on-dairy crosses). Furthermore, USDA has moved to include all dairy cattle crossing state lines regardless of age or whether the animal will enter the dairy production cycle or not.

Many producer groups are still reviewing the USDA policy before weighing in on specifics. National Cattlemen's Beef Association (NCBA) President-Elect Todd Wilkinson said, "As USDA has worked toward a nationally significant animal disease traceability program, NCBA has remained engaged in the conversation with industry stakeholders and USDA to ensure the interests of cattle producers are represented and protected. It is critical that any program ultimately adopted by USDA allows for maximum flexibility and privacy. At the same time, USDA must also minimize the costs for producers and any business disruptions to the industry.

"Foot-and-mouth disease outbreaks across the globe continue to result in disruptions to commerce and depopulated livestock, the need for bold action is immediate and evident. However, NCBA is committed to working with USDA to ensure workable solutions are identified and ultimately implemented. Cattle producers can be confident that any finished product will protect our national livestock herd. We will ensure it provides maximum producer privacy and flexibility with minimal costs, exactly what our stakeholders have told us they expect from USDA."

USDA estimates that only 11% of cattle and bison in the United States would fall under this proposed rule as most animals do not cross state lines or are exempted under the proposed rule (for example; cattle and bison under 18 months of age are exempted) but also concedes that the inclusion of all dairy cattle could increase the total number of animals covered by the rule over time. The new rule would take effect six months (180 days) after publication of the final rule in the Federal Register.

Comments are due to USDA APHIS by March 20, 2023. You can read the proposed rules and USDA APHIS's commentary on the rule changes [HERE](#).

4 GA Electric Coops Receive USDA Rural Development Loans

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack announced the Department is investing \$2.7 billion to help 64 electric cooperatives and utilities expand and modernize the nation's rural electric grid and increase grid security.

USDA is investing in 64 projects through the Electric Loan Program. This funding will benefit nearly 2 million rural people and businesses in 26 states.

The loans include \$613 million to help rural utilities and cooperatives install and upgrade smart grid technologies. Smart grid can be a catalyst for broadband and other telecommunications services in unserved and underserved rural areas in addition to improving grid security and reliability.

The four Georgia cooperatives included in this announcement are GreyStone Power, Carroll EMC, Excelsior EMC, and Flint EMC. The projects funded by the loans amount to \$313.2 million and will serve 17,686 consumers through 1,272 miles of line installation.

To view the full list of funded projects or read more about USDA Rural Development's programs to support rural electric coops and rural broadband expansion, click [HERE](#).

New Leadership at Georgia State Capitol

The Georgia General Assembly convened on January 9th and will stay in session until March 29th. During the 40-day legislative session, members of the State House and Senate will pass the state budget, revise the current year's budget, and take up legislation on various issues. This year's legislative session also comes with some changes in key positions for the ag industry.

Speaker of the House: Jon Burns

Rep. Jon Burns was elected Georgia's 75th Speaker of the House on January 9th. Burns was first elected to represent Effingham County and parts of Eastern GA in 2005. Burns previously served as House Majority Leader and Chairman of House Natural Resources Committee before that. As speaker he will set committee assignments and direct the House's legislative agenda for the term.

House Appropriations Chairman: Matt Hatchett

Rep. Matt Hatchett represents Laurens and Johnson County. He was first elected to the House of Representatives in 2010 after serving as a Dublin City Councilman from 1999-2009. He was a Floor Leader for Governor Nathan Deal for two terms before serving as House Majority Leader for 9 years.

Lt. Governor: Burt Jones

Jones served as a State Senator from Butts county from 2012 until his inauguration as Lt. Gov. As a senator he served as Chairman of the Insurance and Banking Committees for a period of time. Jones is an insurance broker and he also held leadership positions in his family's petroleum company.

Senate Ag Chairman: Russ Goodman

Russ Goodman was first elected to the State Senate to represent parts of South Central Georgia in 2020. Goodman is a blueberry farmer and timber landowner from Cogdell, GA. He served as a Floor Leader for Gov. Kemp's administration during his first term in office.

Senate Natural Resources Chairman: Lee Anderson

Sen. Lee Anderson was elected to represent several counties in East Georgia in 2016 after serving two terms in the House of Representatives. Anderson operates his family's farm in Columbia County.

Kentucky Dairy Partners Annual Meeting: Feb 28-March 1



The Kentucky Dairy Partners Meeting will take place at the Sloan Convention Center in Bowling Green, Kentucky on February 28 & March 1. The annual conference is a joint partnership between University of Kentucky Dairy Extension, the Kentucky Dairy Development Council, the Kentucky Department of Agriculture, and The Dairy Alliance.

In addition to the Young Dairy Producers Conference, ADA of Kentucky meeting, and trade show, the meeting will feature speakers from UK Extension, Pennsylvania Center of Dairy Excellence, Ohio State University Extension, in addition to presentations on school nutrition and agricultural policy.

Registration to in-person and virtual attendance options is open now

Legislation of Interest at Georgia State Capitol

House Bill 18, 20, & 21 (Reps. Burns, Jones, Efstoration, and Hatchett): A bill to amend state appropriations for the fiscal year ending June 30, 2023. **Status: House Appropriations Committee**

House Bill 19, 22, & 23 (Reps. Burns, Jones, Efstoration, and Hatchett): Appropriations bill for the 2024 fiscal year. **Status: House Appropriations Committee**

House Bill 33 (Reps. Camp, Mathiak, Lim, Au, and Cameron): A bill to establish the State Board of Veterinary Medicine as an independent agency attached to the Georgia Department of Agriculture for administrative purposes. The State Board of Veterinary Medicine is the licensing authority for veterinarians in Georgia and is currently administered by the Secretary of State's office. The bill would create an executive director position for the board and give them the authority to hire investigators to perform inspections on veterinary clinics. **Status: House Agriculture Committee**



UPCOMING EVENTS

National Mastitis Council Annual Meeting..... Jan. 30- Feb. 2
Atlanta Sheraton Hotel

Dairy Margin Coverage Signup Closes..... Jan. 31
Contact Local FSA Office

Georgia Agribusiness Council Breakfast..... Feb. 1
Georgia Railroad Freight Depot

National Ag Census Survey Deadline..... Feb. 6
<https://www.nass.usda.gov/AgCensus/>

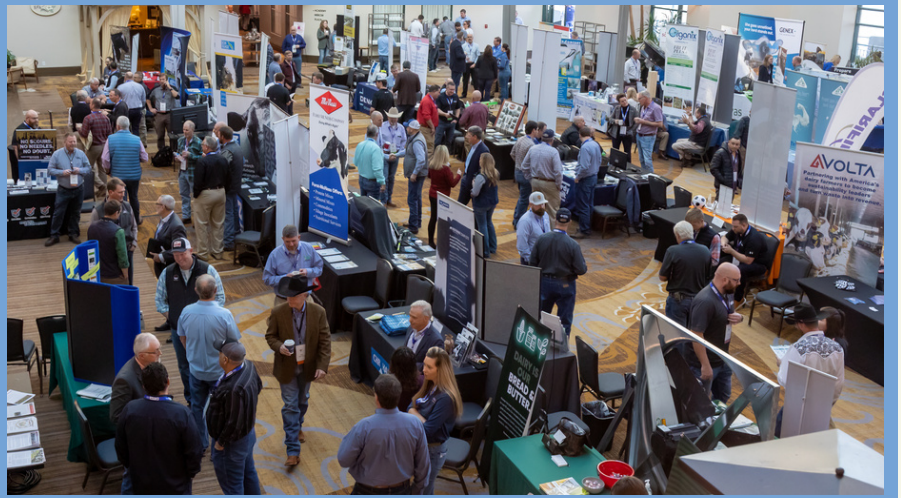
Georgia Farm Bureau Day at Capitol..... Feb. 14
Georgia State Capitol

16th Annual FFA Blue & Gold Gala..... March 3
Mercedes Benz Stadium

Steak Biscuit Day at the Capitol..... March 6
Georgia State Capitol

2023 Georgia Dairy Conference Recap

535 Attendees
85 Farms Represented
74 Trade Show Exhibitors



The 2023 Georgia Dairy Conference was a massive success! Thank you to all the farmers and industry representatives who joined us in Savannah for three great days. A special thank you to our volunteers from UGA Dairy Science Club and GDYF Junior Board and to Kellay Watson and Brinton for manning the registration table throughout the conference.

Thank you to everyone who participated in the Georgia Dairy Youth Foundation silent and live auctions. Contributions benefit youth livestock programs across our state. Congratulations are in order for Pam Brinton as she received the Larry Guthrie Award from GDYF.

We thrilled to host many special guests at the Georgia Dairy Conference including our 2023 Bobby Walker Award Winner, former Agriculture Commissioner Gary W. Black.

Our great lineup of speakers provided presentations on dairy markets, management, promotion, and sustainability. Thank you to Dr. Paul Johnson for coordinating our agenda at the 2023 Georgia Dairy Conference.



During Tuesday afternoon's general session, UGA Extension and DHI Cooperative presented the Cream of the Crop Awards to several dairies in Georgia that earned distinction for milk production and milk quality in 2022. Congratulations to all the farms that were recognized at this year's awards.

Georgia Dairy Conference



**Join us next year at GDC
2024!**

January 15-17