

# GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR GEORGIA MILK PRODUCERS, INC.

## HILLCREST DAIRY HOLDS RIBBON CUTTING CEREMONY

Hillcrest Farms in Dearing recently held a ribbon-cutting ceremony to celebrate their launch as an agritourism farm. Commissioner Gary Black and local officials were present for the event. Hillcrest Farms is home to Georgia's first robotic milking machine. Tour groups can visit the robotic observation room, which also includes many educational displays. Then visitors will tour all aspects of the farm by wagon. For more information, visit their Facebook page online at <https://www.facebook.com/hillcrestdairycom>.



Photo credit: Andy Harrison, Georgia Department of Agriculture

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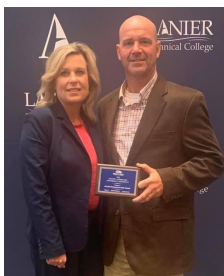
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## GEORGIA DAIRY FARM RECEIVES CHAMBER AWARD

Glo-Crest Dairy and Mountain Fresh Creamery, owned by Scott and Jennifer Glover, recently received the Environmental Responsibility Recognition award from the Greater Hall Chamber of Commerce.

According to Nikki Chandler, VP of Existing Industry with the Chamber, Glo-Crest Dairy produces all-natural dairy products with no added hormones or rBST. On top of this, they have several recycling processes and have energy-efficient operations.

***Congratulations to the Glover Family on this recent honor!***



## Georgia Milk Producers to Host Dairy Conference in January

Dairy farm families and industry leaders of the Southeast dairy community will gather Jan. 18-20 for the 2021 Georgia Dairy Conference at the Riverfront Marriott in Savannah.

This three-day conference provides attendees the chance to listen to nationally known educators and engage with the nation's leading industry suppliers at the tradeshow.

With 81 dairies and over 120,000 cows represented at the 2020 GDC, the 2021 event will build on the success of previous years. The agenda features speakers who will present on topics ranging from milk quality management, genetics, dairy risk management programs, and retail marketing.

Veterinarians and animal nutritionists attending the 2021 Georgia Dairy Conference can earn continuing education credit hours. Registration and certificate of proof can be found at the registration table.

A tradeshow featuring industry sponsors and exhibitors is held in conjunction with the Conference and provides representatives with the opportunity to spark conversations with dairy producers. Last year, the GDC featured more than 80 exhibitor booths.

Our GDC staff is working hard to ensure that safety protocols are in place to minimize the spread of germs during our event. Due to the outbreak of COVID-19, we are navigating the decisions for the event day-by-day and we take the safety, health, and well-being of dairy farmers and attendees seriously. We will continue to stay abreast of the situation and have safety protocols in place for the event. To learn more about our efforts visit our website at <https://www.gadairyconference.com/covid-19-measures-at-gmp>.

Updates and announcements about the 2021 Georgia Dairy Conference will be posted on our website at [www.gadairyconference.com](http://www.gadairyconference.com). Sponsorships and exhibit space are available and early reservations are recommended for prime options. For more information visit our website at [www.gadairyconference.com](http://www.gadairyconference.com).



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## USDA Reminds Dairy Producers of Dec. 11 Deadline for 2021 Safety-Net Enrollment



The U.S. Department of Agriculture reminds dairy producers that the deadline to enroll in Dairy Margin Coverage (DMC) for calendar year 2021 is Friday, Dec. 11, 2020. USDA's Farm Service Agency (FSA) opened DMC signup in October to help producers manage economic risk brought on by milk price and feed cost disparities.

"2020 has been a challenging year for agricultural producers, and we don't know yet what the next year will bring," FSA Administrator Richard Fordyce. "Dairy producers should definitely consider coverage for 2021 as even the slightest drop in the margin can trigger payments."

The DMC program, created by the 2018 Farm Bill, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

### Complete 2021 Enrollment/Evaluate Coverage Options

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms, and pay the \$100 administrative fee unless the dairy operation qualifies for a limited resource, beginning, socially disadvantaged, or military veteran farmers and ranchers waiver.

Producers interested in DMC have the option to select a \$4.00 catastrophic level of coverage with no premium fee or they can choose to buy-up coverage where the premium is based on margin triggers between \$4.50 and \$9.50 on 5 to 95 percent of established production history.

To determine the appropriate level of DMC coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The decision tool is designed to demonstrate the historical performance of DMC and assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

For more information, visit [farmers.gov DMC webpage](https://farmers.gov/DMC), or contact your local USDA Service Center. To locate your local FSA office, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

## Georgia Department of Agriculture taking GATE renewal applications — *From GA Farm Bureau*

Annual renewal for the Georgia Agriculture Tax Exemption (GATE) program is now open. Eligible farmers can renew their GATE card for 2021 online by visiting [www.forms.agr.georgia.gov/GATE/](https://www.forms.agr.georgia.gov/GATE/). GATE cardholders who are to renew in 2021 will automatically be placed on the new three-year renewal program and will receive their renewal invoice in 2024. All current cards will expire on Dec. 31, 2020. Cardholders currently on two and three-year renewals will receive their 2021 cards with the new expiration date of Dec. 31, 2021, and do not need to renew or apply for the 2021 year.



## Nominations Needed for 2020 Bobby Walker Award

Georgia Milk Producers will award the "Bobby Walker Award" to an individual or company that served as a strong advocate for Georgia's dairy industry in 2020 at the GA Dairy Conference in January. We would like Georgia dairy producers to send in nominations for this award to our office by December 23, 2020. This award is open to any individual who is involved with the dairy industry (Cooperative officials/field representatives, feed/supply companies or salesperson, veterinarian, etc.). Please call our office with your nomination at 706-310-0020 or email it to [gamilkproducers@gmail.com](mailto:gamilkproducers@gmail.com).





## ONLINE REGISTRATION IS OPEN

[www.gadairyconference.com](http://www.gadairyconference.com)



## Make Your Reservation for the 2021 GA Dairy Conference by Dec. 27

*Book your special room rates for the 2021 GDC before Monday, Dec. 27!*

Take advantage of special room rates for the 2021 Georgia Dairy Conference by making your reservations before Monday, December 27, 2020.

The Savannah Riverfront Marriott is offering room rates for those attending the Georgia Dairy Conference from Saturday, January 17, until Wednesday, January 20, at \$137.00/room for single and double occupancy rooms. There will be an \$8 parking fee per day for our group at the hotel.

Individuals are requested to call the hotel at 800-285-0398 for reservations or follow a link to our conference website at <http://www.gadairyconference.com/accommodations>. Please mention that you are with the "Georgia Dairy Conference" when making your reservation to ensure that you receive the discounted room rate. **PLEASE NOTE:** Any reservation received after the cut-off

date will be accepted on a space and rate available basis. Availability and pricing cannot be guaranteed after the cut-off date.

**GEORGIA DAIRY PRODUCERS:** Georgia Milk Producers will deduct \$100/night for two nights from each Georgia dairy farm's hotel bill at checkout. It's our way to show our appreciation for your support and to encourage you to attend your annual dairy conference! Registration for the conference is also free for Georgia farmers and their families. Please register online at <https://www.gadairyconference.com/registration> or call our office at 706-310-0020.



## DO YOUR PART

## #LETSMEETSMART

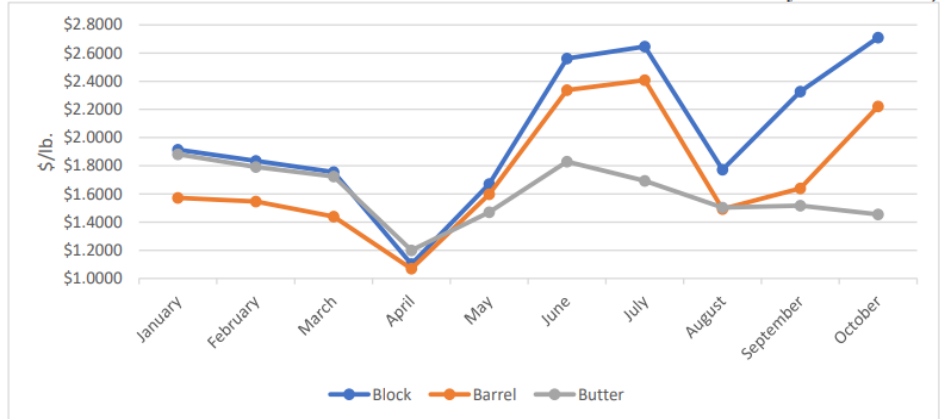


Recognize Each Others Comfort Level for Interaction with Our Social Bracelets

## Another record high for cheese prices By Calvin Covington, SE Dairy Consultant

Another record high for cheese prices. Both barrel and block cheddar cheese at the CME were record high prices for the month of October. As the graph below shows, October is the second "price run-up" this year. Record cheese prices are not supported by commercial cheese disappearance only up 1.5%, and strong monthly cheese production in recent months. USDA purchases for food donation programs is the reason for record high cheese prices. Based on trading last week at the CME, high cheese prices are coming to a close. During the first week of November, blocks declined \$0.44/lb. to close at \$2.3425/lb. Barrels closed at \$2.3175/lb., down \$0.2125/lb. for the week. Current USDA dairy donation purchases are estimated at about one-half of what they were earlier in the year. Plus, the donation program is currently due to expire at year-end. Dairy Market News reports the spot milk price in the Midwest, \$2.00 below and in some cases \$4.00/cwt. below class. These low milk prices are a bellwether for lower cheese prices. Over the past five months there were record Class III milk prices. However, unless USDA purchases are extended, food service sales rebound, and/or milk production declines; cheese prices are headed lower.

CME BUTTER and BLOCK and BARREL CHEDDAR CHEESE PRICES January-October 2020



# Dixie Dairy Report – November 2020

Calvin Covington

**Butter, powder, and whey.** Turning to the other three dairy products that determine federal order milk prices; butter, nonfat dry milk powder (NDM) and dry whey. As the graph above shows, butter has struggled since the middle of the year. The October CME butter price was \$1.4550/lb. The price is over \$0.65/lb. lower than a year ago, and the lowest October butter price since 2009. Supply is overwhelming demand. August butter disappearance is 9.2% lower than last August while butter production is up 7.8%. Dairy farmers continue to produce more butterfat. Through the first eight months of this year compared to 2019, butterfat production is 2.3% higher. In addition, the butter inventory is about 18% higher than a year ago. Unless something out the ordinary happens, it will be some time before butter gets back over \$2.00/lb. Increased export demand is lifting NDM and dry whey prices. The October DPSR NDM price of \$1.0670/lb. was about a nickel higher than September. Dry whey was almost \$0.03/lb. higher at \$0.3480/lb. Through September NDM exports are 25% and dry whey exports are 31% higher than a year ago. Re-building of the Asian swine industry is responsible for higher dry whey exports. So far this year, dry whey exports to China and Indonesia are up 173% and 74%, respectively. Higher NDM prices will result in improved Class IV prices in 2021. And, stronger dry whey prices will help offset some of the decline in the Class III price due to lower cheese prices.

**Strong third quarter milk production.** Third quarter milk production was 2.0% higher than a year ago. More milk was due to 33,000 more cows, and milk per cow up 1.6%. Looking at the nation's largest milk producing states, third quarter production was up 2.3% in California, 0.2% in Wisconsin, 3.3% in Idaho, 2.6% in Michigan, 2.4% in Pennsylvania, and 1.1% in New York. Of the 24 milk reporting states, production was higher in 16 and lower in 8 states. Turning to the ten (10) Southeast states, third quarter production was 0.7% lower than the same period a year ago. Lower production is primarily due to 14,000 less cows. As of September 30, the Southeast States dairy cow population was estimated at 412,000 head. Looking at individual states, third quarter production was 4.1% lower in Florida and 0.2% lower in Georgia. Compared to a year earlier, Florida has 5,000 fewer cows and Georgia 1,000. Virginia's production was up 2.6% due to steady cow numbers and more milk per cow. Third quarter production was 1.4% higher in Kentucky.

**Class I Producer Milk.** In the three Southeastern federal orders, average daily Class I producer milk for the third quarter of the year was 24.2 million lbs. This is about 1 million lbs. or 20 milk tankers per day lower than last year. As shown in this chart, Class I was higher in the Appalachian order, but lower in the other two orders. Declining Class I sales is the greatest challenge facing the Southeast dairy industry.

**AVERAGE DAILY CLASS I PRODUCER MILK – 3<sup>rd</sup> Quarter (2018-2020)**

Federal Order	2018	2019	2020	Change 2020 vs. 2019
	(million lbs.)			(%)
<b>Appalachian</b>	10.4	10.3	10.5	1.1%
<b>Florida</b>	5.5	5.6	5.2	-6.3%
<b>Southeast</b>	9.8	9.3	8.5	-8.5%
<b>Total</b>	25.8	25.2	24.2	-4.1%

**Blend Prices.** There will be another price inversion (Class III price higher than blend price) in October. The October Class III price is \$21.61, propelled by record high cheese prices. As shown below, we project October blend prices in all three orders lower than the Class III price. November blend prices are projected about \$2.00/cwt. higher than October, due to the Class I market receiving some benefit from higher October cheese prices. Blend prices are projected to increase further in December. Our current projection for 2021 show blend prices (see price sheet) about \$0.30/cwt. lower than 2020. USDA's October projections show the 2021 all milk price \$0.40/cwt. lower than 2020.

**PROJECTED\* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS**

Month	Appalachian	Florida	Southeast
	(\$/cwt. at 3.5% butterfat – base zone)		
September 2020	\$19.68	\$21.85	\$19.62
<b>October</b>	<b>\$18.08</b>	<b>\$19.54</b>	<b>\$17.70</b>
<b>November</b>	<b>\$20.00</b>	<b>\$21.77</b>	<b>\$20.42</b>
<b>December</b>	<b>\$20.19</b>	<b>\$22.49</b>	<b>\$20.64</b>
<b>January 2021</b>	<b>\$18.85</b>	<b>\$21.34</b>	<b>\$19.21</b>
<b>February</b>	<b>\$18.10</b>	<b>\$20.99</b>	<b>\$18.48</b>

\*Projections in bold

*Our best to everyone for a joyful Thanksgiving.  
May we remember the words of the Psalmist,  
"Enter His Gates with Thanksgiving and His  
courts with Praise; give thanks to Him and  
Praise His name. For the Lord is good and His  
love endures forever."*

RETURN SERVICE REQUESTED

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