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March 2019

# GEORGIAMILKREVIEW

## NYC MAYOR IMPLEMENTS MEATLESS MONDAYS FOR SCHOOLS



New York City Mayor, Bill de Blasio, and school administrators recently announced that all New York City public schools will have "Meatless Mondays" beginning in the 2019/2020 school year. The program was piloted in 15 Brooklyn schools last year in collaboration with Adams, who has championed plant-based diets. Through evaluation of participation metrics and student feedback, it was decided to officially launch the program citywide. In a news report from Feedstuffs, the Mayor stated that "Cutting back on meat a little will improve New Yorkers' health and reduce greenhouse gas emissions," said de Blasio. "We're expanding Meatless Mondays to all public schools to keep our lunch and planet green for generations to come."



Georgia dairy farmers are invited to attend Friday's general session of the 2019 GA Food Animal Conference on March 29. The sessions will focus on stress management, finding the value of the VCPR, lost opportunities in cattle production, and veterinary stewardship. For registration and additional information go online to: https:// www.gvma.net/georgia-foodanimal-conference/. The conference will be held at Callaway Gardens in Pine Mountain. Georgia.



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# **GA Milk Urges Producers to Vote YES for GA ACC for Milk Referendum**



Every three years, the Georgia Agricultural Commodity Commission for Milk (ACCM) must hold a producer referendum as required by the Commodities Promotion Act. Recently, the Georgia Department of Agriculture sent out ballots to reaffirm the 15-cent check-off for another three years. If ACCM is not reaffirmed by Georgia dairymen, the 15 cents will still be taken out of your milk check and sent directly to national dairy promotion check-off.

ACCM engages in numerous projects promoting milk and educating the consumer on the importance and nutritional value of dairy products in their diet. Currently ACCM funds The Dairy Alliance, a statewide retail milk marketing campaign in all Georgia Kroger stores (launches March 1) and soon a retail milk promotion program with a major convenience store chain in Atlanta. In addition, ACCM funds the Mobile Dairy Classroom, the Georgia Farm Bureau "Farm Monitor", the Milk On My Mind Campaign, the Georgia National Fair Dairy Exhibit and product promotion (milk) during key state events.

By having ACCM, Georgia dairy producers are able to keep 10 cents of the 15-cent check-off at the state level. **Please remember, if the ACCM Referendum DOES NOT pass:** 

- The 15 cents/cwt. will still be collected and sent to the national check-off
- All money collected will go to the National Program (currently 10 cents stays at the state level and 5 cents goes to the national level).
- There will be no state control of a dairy promotion program. Funding for ACCM projects, including the Mobile Dairy Classroom, will be eliminated.



#### **GEORGIA MILK PRODUCERS BOARD OF DIRECTORS**

**Everett Williams, Madison** President - 706-818-0311 e@wdairy.net

**Adam Graft, Americus** Vice President - 229-942-0508 jgraft@bellsouth.net

Marvin Yoder, Montezuma Treasurer - 478-472-4533 marvinpyoder@gmail.com

**Matt Johnson, Climax** Secretary - 229-220-1577 mattjohnson195@att.net

Steven Addis, Rocky Face 706-463-2303 stevenaddis01@gmail.com

Dave Clark, Madison 706-342-2923 clarmoo@aol.com

Ed Coble, Waynesboro 706-554-3672 ltcoble@gmail.com

**Chad Davis, Eatonton** 706-318-0243 cwdavis22@gmail.com

**Scott Glover, Clermont** 770-539-4906 gcdairy@gmail.com

**Charlie Lane, Monticello** 706-468-6037 charlielane@bellsouth.net

Jason Martin, Bowersville 678-233-8321 martindairy@gmail.com

Kenneth Murphy, Luthersville 770-927-9210 Udderspecialist@aol.com

**Calvin Moody, Valdosta** 229-263-2369 moodybcd@aol.com

Jeff Smith, Comer 706-783-5018 milkman17@windstream.net

James Yoder, East Dublin 478-304-2857 jtyoderclan@gmail.com

Troy Yoder, Montezuma 478-244-2172 tramildaholsteins@gmail.com

### Kroger commits to Georgia Dairy Farmers as part of Milk Makes Amazing campaign



The Georgia Department of Agriculture's Georgia Grown program is partnering with over 168 Kroger stores across the state as part of the "Milk Makes Amazing" promotion.

Driven by Milk on My Mind, a dairy awareness program initiated by the Agriculture Commodity Commission for Milk, the partnership with Krog-

er aims to educate consumers about the benefits and versatility of milk and dairy foods.

"Part of the Georgia Grown mission is to support our local farmers by introducing our communities to some of the amazing products made right here in the state," said Georgia Agriculture Commissioner Gary Black. "We're proud to promote some of Georgia's most authentic products at Kroger stores across the state."

"We are excited about the unique opportunities the 'Milk Makes Amazing' campaign provides to promote our local dairy farmers and educate our communities," said Felix Turner, corporate affairs manager for Kroger's Atlanta Division. "Through this campaign, we are making it easy for Kroger customers to support Georgia farmers and purchase Georgia Grown products."

Guests shopping at Kroger locations across the state can expect to see Georgia Grown milk and dairy products showcased through in-store and digital advertising. The recipes and video walkthroughs from local chefs demonstrate easy dishes to entertain friends and family with Georgia Grown dairy products.

The videos will appear on popular social media platforms under the tagline Milk Makes Amazing. A special ceremony to kickoff the campaign will take place on Saturday at 10 a.m. at the Kroger at 10945 State Bridge Road in Alpharetta.



Milk on My Mind was developed by The Partnership on behalf of Georgia Dairy Farmers. The Milk Makes Amazing campaign is a collaboration between GA ACCM, Kroger and Georgia Grown. For more information on the campaign visit the MOMM website at N MY MIND. www.milkonmymind.com

#### Dairy Margin Coverage Program Will Soon Be Available to Help Producers **Survive Low Milk Prices**

Recognizing that the US dairy industry is in need of immediate assistance from the 2018 Farm Bill, USDA administrators are



working quickly to draft the rules and regulations for the new an improved MPP program, now titled the Dairy Margin Coverage Program. USDA is reassuring farmers that help is on the way, however registration is not expected to open until June.

The new Dairy Margin Coverage (DMC) program makes payments when the national income-overfeed-cost margin falls below a set level. Under DMC Tier I coverage, available on the first 5 million pounds of milk produced, margin guarantees are set at \$8.50, \$9 and \$9.50, depending on the coverage selected by the producer. According to American Farm Bureau, the average margin over the last decade was \$8.11, so even the lower end of coverage in this top tier of the program will provide more support when needed.

The coverage is also more affordable. The farm bill reduced premiums 30 percent for the top tier of coverage. The premium for a second, Tier II, available to those who need coverage on more than 5 million pounds of milk, was reduced 88 percent in DMC.

Producers need to communicate with their local USDA Farm Service Agency staff regularly to stay informed and to act quickly. The 2018 Farm Bill also allows producers to take advantage of other risk management tools, like the Dairy Revenue Protection Program and Livestock Gross Margin Program, along with DMC to help dairy producers better survive the risk inherent in farming and dairy production.



#### **Dairy Farm Numbers in US Continue to Decline**

USDA recently reported that licensed dairy farm numbers in the country declined by 2,731 farms, a drop of 6.8%. USDA says there are now just 37,468 licensed dairy farms in the country, down from 40,199 last year. Georgia currently has 134 licensed Grade A dairies and approximately 73,000 dairy cows.

# MDC Coordinator Honored by Oconee County Chamber of Commerce with Agribusiness Award

Congratulations to Nicole Duvall, Georgia Mobile Dairy Classroom Coordinator! She received the 2019 Larry Risse Agribusiness Award recently from the Oconee County Chamber of Commerce. Duvall has served Georgia's dairy industry for ten years, traveling thousands of miles each year across the state to tell the dairy story to students, parents, teachers and fair/event attendees. This award is well deserved! Thank you Nicole for all that you do for Georgia's dairy farm families!!





### **Enjoy a Day of Golf While Supporting GDYF on March 29**

Lane Creek Golf Club, Bishop Lunch at 11 a.m. and Tee Time is at NOON

Spring has arrived early this year and the Georgia Dairy Youth Foundation 9th Annual Golf Tournament is a great way to enjoy the warmer temperatures! Make plans to join us at the Lane Creek Golf Club in Bishop, GA, on Friday, March 29. Your support is greatly appreciated each year. With your help and from other fundraising activities, GDYF is able to support many 4-H and FFA dairy youth activities. For more information visit the GDYF website at www.gadyf.com.

#### **Milk Production Increase Slowing**

Written by Calvin Covington, Dixie Dairy Report March 2019

During the first quarter of 2018, milk production was 1.5% higher than the same quarter the previous year. By the fourth quarter of 2018, production growth had slowed and was only up 0.5%. This is the lowest quarter to quarter production increase since the 4th quarter of 2013. Total milk production in 2018 was 217.5 billion lbs. which is 0.9% greater than 2017. Average milk per cow per day in 2018 was 63.5 lbs., up 1% from 2017.

U.S. MILK PRODUCTION by REGION – 2018 versus 2017						
Region	<u>2017</u>	<u>2018</u>	<u>Change</u>	% of Total		
	(millio	(million lbs.)		(%)		
Midwest	68,371	68,358	0.0	31.4		
California	39,798	40,436	1.6	18.6		
Northwest	31,221	32,340	3.6	14.9		
Northeast	31,417	31,018	-1.3	14.3		
Southwest	26,083	26,950	3.3	12.4		
Plains	9,143	9,381	2.6	4.3		
Southeast	9,391	8,954	-4.7	4.1		
Alaska + Hawaii	41.8	37.9	<b>-</b> 9.3	0.02		
Total	215,466	217,475	0.9			

As shown above, the Northwest, Southwest, Plains, and California regions increased milk production in 2018 while production declined or remained the same in the rest of the country. The Northwest showed the largest increase at 3.6% followed by the South-

SOUTHEAST STATES MILK PRODUCTION RANKED by STATE 2010-2018

Percent of 2017 2018 vs. 2017 Total (million lbs.) (%) (%) Florida 2,127 2,496 2,379 -4.7 26.6 1.395 1.840 1.766 -4.0 19.7 Georgia 1,719 1,736 Virginia 1,634 -5.9 18.2 Kentucky 1.157 1.041 1.009 -3.111.3 -1.6 North Carolina 862 952 937 10.5 850 693 634 7.1 Tennessee -8.5 South Carolina 247 241 Louisiana 235 152 -5.0 1.7 Mississippi 137 129 1.4 -18.0 0.8 Alabama TOTAL 9,013 9,391 8,954 -4.7

west at 3.3%. The Midwest continues to be the largest milk producing region with over 31% of U.S. production.

2018 Southeast milk production was 4.7% lower than 2017. As shown below every Southeast state produced less milk in 2018 compared to 2017. However, three states, Florida, Georgia, and North Carolina; produced more milk in 2018 compared to 2010. From 2000 to 2010, Southeast states' annual production declined from 14 to 9 billion lbs. of milk. Production increased to 9.7 billion lbs. in 2015, but has declined each year since to only 8.95 billion lbs. in 2018 which is a record low.

## **Dixie Dairy Report – March 2019**

#### **Calvin Covington**

Cow numbers declining. USDA estimates the national dairy herd, as of January 1, 2019, at 9.353 million head. This is 79,000 head less than a year ago. (Note: The Southeast states, alone, were responsible for 34,000 head of the decline Cow numbers dropped 8,000 head in both Florida and Virginia.). This is the first time since 2013 cow numbers were lower than the previous year. The number of dairy replacement heifers is estimated 67,000 head lower than a year ago. Higher slaughter numbers support declining cow numbers. 165,000 more dairy cows were slaughtered in 2018 compared to 2017. Almost 40% of the 165,000 head were slaughtered during the last quarter of 2018. Declining number of cows and dairy replacements are a positive sign toward higher farm milk prices.

Packaged fluid milk sales. USDA estimates fluid milk sales of 47.075 billion lbs. in 2018. This is about 2% lower than sales of 48.060 billion lbs. in 2017. Good news, whole milk sales were up 2.2%. In the three southeastern federal orders, 2018 fluid sales were 10.229 billon lbs. down 1.8%

#### SOUTHEASTERN FEDERAL ORDERS PACKAGED FLUID MILK SALES 2010-2018

<u>State</u>	<u>2010</u>	2017 (million lbs.)	<u>2018</u>	2018 vs. 2017 (%)
Appalachian	3,642	3,213	3,217	0.1
Florida	2,950	2,756	2,702	-2.0
Southeast	5,032	4,443	4,310	-3.0
Total	11,624	10,412	10,229	-1.8

from the previous year, as shown below. Sales increase in the Appalachian order is primarily due to the addition of milk not previously regulated under this order. In 2013, fluid sales in the southeast orders fell below 11 billion lbs. If the current rate of decline continues, sales will fall below 10 billion lbs. in 2020 and below 9 billion lbs. in 2027.

Please note the above sales number includes milk packaged outside of the respective order, but sold within the order. For example, 19.26% of packaged fluid milk sold in the Florida order in 2018, was packaged outside of the Florida order. Back in 2015, the percent of outside milk was about 12%. One of the reasons for the outside increase is growing sales of milks such as organic, lactose free, A2, ultrafiltrated, grass fed, and in different containers, that are not processed by Florida based plants.

Blend prices. We are gradually increasing our blend price forecasts for 2019 due to slower milk production growth, and improving cheese prices. February blend prices are projected slightly higher than January, and about \$1.50/cwt. higher than last February. Prices are projected to increase further in March.

PROJECTED BLEND PRICES-BASE ZONES - SOUTHEASTERN FEDERAL ORDERS

Month Month	<u>Appalachian</u>	<u>Florida</u>	<b>Southeast</b>		
	(\$ /cwt. 3.5% butterfat)				
January 2019 (actual)	\$17.82	\$19.78	\$18.27		
February	\$17.96	\$20.06	\$18.35		
March	\$18.42	\$20.58	\$18.63		
April	\$18.32	\$20.43	\$18.59		
May	\$18.56	\$20.65	\$18.78		

Then a slight decline is projected in April, before heading back up in May.