

## DAIRY SERVES UP SMILES AT 2019 SUNBELT AG EXPO



The Dairy Pavilion at the 2019 Sunbelt Ag Expo was busy serving delicious milk and yogurt, donated by Dale McClellan and M & B Products, and ice cream sandwiches sponsored by the GA ACC for Milk this month in Moultrie.

A hand-milking competition was held among representatives from the University of Georgia, University of Florida, Abraham Baldwin Agricultural College and Auburn University. Special thanks to Dr. Jillian Bohlen for representing our state well and placing 2nd in the contest (*Florida won - BOO!!*)

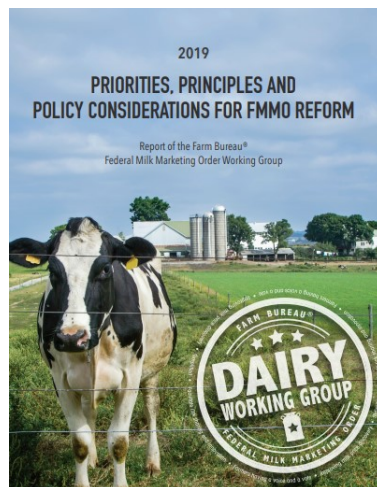
Georgia's Mobile Dairy Classroom also educated the public each day on where milk comes from, how it is processed, the healthy benefits of consuming dairy products and dairy farmers' management of natural resources.

Many thanks to Chip Blalock, Wendell Brown, Becca Turner, Steve Blackburn and Expo staff for making this a great event each year!

**Online Registration is now  
open for the 2020  
GA Dairy Conference at  
[www.gadairyconference.com](http://www.gadairyconference.com)**



**Sunbelt Ag Expo Milking Contest**



## Farm Bureau Releases FMMO Reform Recommendations

*From Growing Georgia and Milksheds Blog*

The American Farm Bureau Federation released a proposal this month for the future of U.S. milk-pricing provisions and marketing-order reform. The recommendations aim to bring more democracy and a more equitable program for all dairy farmers. Although federal milk marketing orders have been a pillar of the dairy industry for more than 80 years, the program has not undergone substantial change in nearly two decades.

The Farm Bureau Federal Milk Marketing Order Working Group recommendations are contained in the report "Priorities, Principles and Policy Considerations for FMMO Reform."

Key recommendations would:

- Give every dairy farmer a voice by eliminating the ability of coops to vote on behalf of member-producers on changes to federal milk marketing orders (bloc voting);
- Improve risk sharing across the supply chain in the product pricing formulas by adjusting the "make allowance" (a fixed deduction or credit for processing milk into finished dairy products) to be variable on a commodity-by-commodity basis;
- Collect more robust pricing information by significantly expanding the Agriculture Department's mandatory price reporting survey; and
- Simplify milk pricing rules in the Southeast by aligning the qualifying criteria for pooling and eliminating transportation subsidies.

Farm Bureau leaders will convene in January to consider and vote on these priorities and policy recommendations. Based on the outcome, Farm Bureau staff will work with stakeholders in the dairy industry and policymakers to advance the recommendations.

The working group consisted of Farm Bureau grassroots leaders and other contributors from the Farm Bureau family. In January 2019, AFBF's voting delegates recommended the formation of a dairy task force to review methods to restructure and modernize the current Federal Milk Marketing Order system. **(Continued on next page)**

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## Farm Bureau Releases FMMO Reform Recommendations— *continued*



The Southeast area was represented by dairy farmers Steve Harrison (TN), Everett Williams (GA) and Joe Paul Mattingly (KY), along with Brandon Cobble (TN), who served as one of a few Farm Bureau staff representatives to the working group.

To download report and to learn additional information, visit the Milksheds Blog at :<https://milkshedsblog.com/>

## CVM Breaks Ground On New Farm Animal Veterinary Medical Center On The Tifton Campus - *From the University of Georgia*

The UGA College of Veterinary Medicine broke ground on a new facility in Tifton last month. The UGA Tifton Farm Animal Veterinary Medical Center will improve the CVM's ability to serve Georgia's animal agricultural industries and will strengthen the South Georgia region overall.

The 9,000-square-foot facility will feature space for the clinicians in Tifton to perform both routine and specialized food animal medical procedures in a controlled and safe environment thanks to the availability of a large hydraulic tilt chute and enclosed treatment room. In addition, this facility will help bring access to advanced reproductive technologies such as in-vitro fertilization procedures to smaller producers who may not have had access to these technologies in the past. The College expects that they will be able to offer additional services once the facility is completed in early 2020. These services will likely include lameness treatments using the new tilt chute to address feet and leg problems in cattle, especially for bulls.

"The goal of this new facility is to strengthen our support of farmers and producers in this area and increase our students' exposure to the unique needs of South Georgia," said Lisa K. Nolan, dean of the College of Veterinary Medicine. "It fits perfectly into the College's long-range plans to better serve all parts of Georgia and to encourage our graduates to practice in rural areas. It will allow us to more efficiently deliver veterinary services to livestock owners and, with its proximity to our Tifton Diagnostic Lab, will strengthen the relationship between the clinical and diagnostic sides of veterinary medicine."

The groundbreaking ceremony featured remarks from state representative Penny Houston (R-Dist. 170) as well as College personnel. Former state senators John Crosby (R-Dist. 13) and John Bulloch (R-Dist. 11), both of whom were instrumental in helping secure the funding for the project, were in attendance as well as Representative Clay Pirkle (R-Dist. 155), representatives from the College's advisory board, and constituent groups such as the Georgia Veterinary Medical Association, Georgia Department of Agriculture, Georgia Milk Producers, and Georgia Cattlemen's Association. Construction on the facility will begin immediately with an expected completion in spring 2020.





## ONLINE PRODUCER & GUEST REGISTRATION IS OPEN

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



## Make Your Reservation for GDC by Dec. 30

### *Take advantage of special room rates for the 2020 Georgia Dairy Conference before Monday, Dec. 30!*

The Savannah Riverfront Marriott is offering room rates for those attending the 2020 Georgia Dairy Conference from Wednesday, January 15, until Thursday, January 23, at \$132.00/room for single and double occupancy rooms. There will be a \$8 parking fee per day for our group at the hotel.

Individuals are requested to call the hotel at 912-233-7722 or 800-285-0398 for reservations or follow a link our conference website at <http://www.gadairyconference.com/accomodations>. Please mention that you are with the “2020 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.

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 [www.gadairyconference.com](http://www.gadairyconference.com) or call our office at 706-310-0020.

**GEORGIA DAIRY PRODUCERS:** Georgia Milk Producers will de-

## Smaller Percent of SE Farms Account for Larger Percent of Total Milk Sales - *From Calvin Covington, October Dixie Dairy Report*

The 2017 Census of Agriculture, released a few months ago, shows the ten southeast states had 2,581 dairy farms with milk sales as of December 31, 2017. The data shows a smaller percent of total farms continue to account for a larger percent of total milk sales. For example, 1,143 farms (44% of all farms), herd size above 100 cows, generated 89.66% of total milk sales. 467 farms (18% of all farms), herd size above 200 cows, generated 72.38 % of milk sales.

**TEN SOUTHEAST STATES**  
**NUMBER of DAIRY FARMS and MILK SALES by HERD SIZE -2017**

Number of Milk Cows Per Farm*	Number of Farms	Percent of Total Farms	Cumulative Percent	Milk Sales (\$1million)	Percent of Total Sales	Cumulative Percent
5,000 or more	5	0.19%	0.19%	\$174.34	9.94%	9.94%
2,500 to 4,999	16	0.62%	0.81%	\$226.80	12.93%	22.86%
1,000 to 2,499	58	2.25%	3.06%	\$341.72	19.48%	42.34%
500 to 999	91	3.53%	6.59%	\$217.65	12.41%	54.75%
200 to 499	297	11.51%	18.09%	\$309.43	17.64%	72.38%
100 to 199	676	26.19%	44.29%	\$303.16	17.28%	89.66%
50 to 99	644	24.95%	69.24%	\$134.05	7.64%	97.30%
20 to 49	396	15.34%	84.58%	\$37.92	2.16%	99.47%
10 to 19	147	5.70%	90.28%	\$6.31	0.36%	99.83%
1 to 9	251	9.72%	100.00%	\$3.06	0.17%	100.00%
<b>TOTAL</b>	<b>2,581</b>			<b>\$1.75</b>		

Source: 2017 Census of Agriculture \*The same farm owner or operator may have multiple dairy sites. It is up to the operator with multiple sites on how he or she reports their information on the census form. Some dairy operators may report multiple sites as one farm, while others may fill out a separate census for each farm, thus resulting in each site being reported as a single farm.

# Dixie Dairy Report – October 2019

Calvin Covington

**Dairy product prices.** Cheese was the big gainer in September, reaching its highest monthly average in five years. The block-barrel spread remains high, about \$0.20/lb. Demand for processed cheese, primary use for barrels, remains weak. September cheese production was over 2% higher, than a year ago, which helped move CME block cheddar back below \$2.00/lb. High cheese production means more whey. Increased cheese production along with the continuing

impact of the swine flu in Asia, is keeping a lid on whey prices. Butter was down over a dime in September. Butter inventory is up almost 5%. The recently imposed tariff on dairy products from the European Union may provide a small boost to domestic butter prices. Nonfat dry milk powder continues to gain. The CME spot powder price is over \$1.10/lb. in early October trading. Dairy Market News reports increased use of powder for cheese fortification is one of the reasons for improving powder prices. The October Class I Mover, 3.5% basis, was down a penny from September. However, on a 2% fat basis, the Mover gained \$0.18/cwt. due to stronger skim prices relative to butterfat. We project little change in the Class I Mover for November and December.

**Dairy demand.** Through July total dairy demand is up 0.4% (total solids) compared to the same period last year. The better news is domestic demand is up 3.2%, while export demand is down almost 14%, but still the third highest on record. For the year-to-date exports are 13.9% of total solids demand.

In the three Southeastern federal orders, combined, August Class I producer lbs. were 2.3% below last August. This is the lowest month over month decline since January. Most of the August decline was in the Southeast order, down 6.3%. Class I was only down 1.1% in the Appalachian order, but up 2.7% in the Florida order, helped by the share of fluid sales packaged outside of the order declining. For the year-to-date, combined Class I producer lbs. in all three order are down 4.9%.

## PROJECTED BLEND PRICES—BASE ZONES—SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
(\$ /cwt. 3.5% butterfat)			
August 2019	\$20.34	\$22.48	\$20.85
September	\$19.88	\$21.90	\$20.53
October	\$20.26	\$22.25	\$20.87
November	\$20.30	\$22.35	\$20.91
December	\$19.83	\$22.00	\$20.46

less than last August. Both Idaho and Texas continue to add cows, 15,000 and 25,000 more head than a year ago, respectively. About one-half of the decline in cow numbers, was in Pennsylvania, down 34,000 head compared to last August. In the three Southeast milk reporting states, Virginia continues to lead the nation with the largest milk production decline, down 11.4%. August production in both Georgia and Florida was flat compared to last August. Georgia added 1,000 cows in August, but Florida lost 4,000 head. August milk per cow in Florida was 90lbs. higher than last August while Georgia was down five pounds per cow. Milk prices. September blend prices are projected lower than August, primarily due to lower butterfat values. We project a slight increase in October and November, due to improving butterfat prices. For all of 2019, blend prices are projected to average about \$2.00/cwt. higher than last year.

## DAIRY PRODUCTS SALES REPORT PRICES\* and CLASS I MOVER

Product	September 2019	August 2019	September 2018	September 2017
(\$/lb.)				
Butter	\$2.2344	\$2.3659	\$2.2724	\$2.5298
Cheese (block & barrel)	\$1.9053	\$1.8276	\$1.6533	\$1.6608
Nonfat Dry Milk Powder	\$1.0519	\$1.0335	\$0.8548	\$0.8499
Dry Whey	\$0.3698	\$0.3671	\$0.4028	\$0.4167
October 2019 September 2019 October 2018 October 2017				
(\$/cwt.)				
Class I Mover (3.5% fat)	\$17.84	\$17.85	\$16.33	\$16.44
Class I Mover (2.0% fat)	\$14.18	\$14.00	\$12.64	\$12.25

\*Dairy product prices used to calculate federal order class prices

**Milk production.** August milk production was slightly higher than last August, up 0.2%. Milk production changes in the top five production states were: California + 1.5%, Wisconsin -0.5%, Idaho + 2.9%, New York +1.1%, and Texas +4.6%. The August dairy herd is 2,000 cows below July, and 71,000 cows