

Georgia Milk Producers

GEORGIA MILK REVIEW

September 2022 | Issue 101



Georgia Farm Bureau: Referendum B to Support Merged Family Farms

From Jake Matthews, GFB News Magazine

When you head to the polls this November there will be more than just names of candidates for office on your ballot. There will also be a statewide referendum that has the potential to provide Georgia farmers some relief from today's increased input prices and the large amounts of capital they must invest in agriculture to grow our food and fiber.

House Bill 498, passed during the 2021 state legislative session and authored by Rep. Sam Watson of Moultrie, provides for Referendum B to be included on the 2022 ballot, asking Georgia voters if they support expanding the ad valorem tax exemption currently offered to family farms across the state.

These days many family farms are going into business with one another to purchase large pieces of equipment or even to share a herd of cattle. This lowers farmers' upfront costs and allows them to purchase the things they need for their daily operations. Right now, when two of these independently qualifying family farms merge to form one entity, they can no longer receive the tax exemption they previously had.

If Georgia voters pass Referendum B with a majority "Yes" vote in November, Georgia tax code would be amended to allow a farm entity made up of two people, who individually qualify for this ad valorem exemption, to remain eligible once they have merged. This would reflect the way many farms are currently structured.

Referendum B on the ballot will read as follows:

"Shall the Act be approved which expands a state-wide exemption from ad valorem taxes for agricultural equipment and certain farm products held by certain entities to include entities comprising two or more family-owned farm entities, and which adds dairy products and unfertilized eggs of poultry as qualified farm products with respect to such exemption?"

Plant-Based Drink Sales: People Aren't Drinking Them Like They Have Been

From Currey McCullough, RFD-TV

Plant-based beverage sales are down, and Alan Bjerga with the National Milk Producers Federation says he is not surprised.

"People just aren't drinking these beverages like they have been in the past, and when they are drinking more of one beverage, say oats for example, it's coming at the expense of a different kind of plant-based beverage. They're cannibalizing their own audience now. These are all the indications of a maturing market and that image of the scrappy upstart just no longer holds," said Bjerga.

According to this [chart](#), like any other new product that hits the market, the novelty wears off. It shows a sharp decline in March of 2021 for milk alternatives.

Companies like Beyond Meat have struggled recently when they announced 4 percent of their workforce would be laid off after declining profits in early August. ■

Click [here](#) to view the entire segment on RFD-TV



REGISTRATION NOW OPEN FOR 2023 GEORGIA DAIRY CONFERENCE

online at gadairyconference.com

Take advantage of special room rates for the 2023 Georgia Dairy Conference by making your reservations before Thursday, December 22, 2022! The Marriott Savannah Riverfront is offering room rates for those attending the conference at \$139.00/night for single and double occupancy rooms.

Call the hotel at 800-285-0398 for reservations (make sure to mention "2023 Georgia Dairy Conference") or visit our website www.gadairyconference.com/accomodations.

GA Dairy Producers: Georgia Milk Producers will deduct \$100/night for two nights from each Georgia Dairy farm's hotel bill at checkout. Registration for Georgia dairy producers is ALWAYS free!

FROM THE EXECUTIVE DIRECTOR'S DESK

Thank you for reading this 101st issue of the Georgia Milk Review. Autumn weather is beginning to arrive (at least temporarily) for most of Georgia. Over the past two weeks, Georgia Milk Producers and The Dairy Alliance partnered to host Fall District Meetings across the state. Thank you to the producers, families, industry partners, and guests who joined us for our district updates. Your participation and input are invaluable to our organization. Special thanks are also in order for our hosts who arranged for the meeting spaces and meals for our gatherings.

This is a very busy time in the world of Georgia agriculture as the Georgia National Fair and Sunbelt Ag Expo are fast approaching. In addition to these annual events, Georgia Milk Producers will be participating in [American Farm Bureau's Federal Milk Marketing Order Forum](#) in Kansas City on October 14-16. I am looking forward to meeting with producers and association groups from across the country as we discuss the future of the federal order system. In addition to the AFBF Forum, GMP is proud to continue its sponsorship of the [Georgia Agricultural Labor Relations Forum](#) on November 9-10 at the Georgia Agriculture Museum in Tifton. This is a very informative meeting on the latest developments in labor law. If any of our producers are interested in attending, please contact me directly.

I am also pleased to announce that our lineup of speakers is set for the 2023 Georgia Dairy Conference. If you have not already seen the conference agenda, please visit www.gadairyconference.com to view the full conference agenda. You can also register for the conference and reserve your room at the Marriott Savannah Riverfront at the Georgia Dairy Conference website. Now is also a great time to begin thinking about your nominee for the Bobby Walker "Friend of the Dairy Industry" Award. You can submit your nomination on the conference website as well.

I hope we'll see you in Savannah on January 16 – 18!

Sincerely,



District 6 Fall District Meeting in Waynesboro

Nierman Named Market Administrator for Orders 5, 6, & 7

USDA AMS Deputy Administrator Dana H. Coale announced via news release that Jason Nierman would serve as Market Administrator for the Appalachian, Southeast, and Florida Milk Marketing Orders effective September 4.

Deputy Administrator Coale stated in the news release, "Mr. Nierman's familiarity with the Southeastern and Appalachian regions and their stakeholders will ensure consistency in the administration of these three orders and enhance efficiencies in overall operations.

Prior to his appointment, Mr. Nierman served as the Assistant Market Administrator for the Appalachian Order beginning in 2013 and for the Southeast and Florida orders since 2019. Nierman began his career with USDA AMS in 1998 as an Agricultural Economist in the Dairy Program. In 2004, he became an Agricultural in the Appalachian Order where he held that title until his promotion to Associate Market Administrator in 2008. Nierman has a Bachelor of Science in Animal Science and a Master of Science in Agriculture Economics from Purdue University. ■

Upcoming Events

- | | | | |
|--------------|---|--------------|--|
| Oct. 6-16 - | Georgia National Fair
<i>Georgia National Fairgrounds & Agricenter</i> | Oct. 18-20 - | Sunbelt Ag Expo
<i>Spence Field - Moultrie, GA</i> |
| Oct. 8-9 - | Jr. Comm. Dairy Dress-A-Cow Contest
Jr. Comm. Dairy Showmanship & Show
<i>Georgia National Fairgrounds & Agricenter</i> | Nov. 8 - | Election Day in Georgia |
| Oct. 14-16 - | American Farm Bureau FMMO Forum
<i>Marriott Kansas City Downtown</i> | Nov. 9-10 - | Georgia Agricultural Labor Relations Forum
<i>ABAC Georgia Museum of Agriculture - Tifton Georgia</i> |
| | | Dec. 4-6 - | Georgia Farm Bureau Convention
<i>Jekyll Island Convention Center</i> |
| | | Jan. 16-18 - | Georgia Dairy Conference
<i>Marriott Savannah Riverfront</i> |

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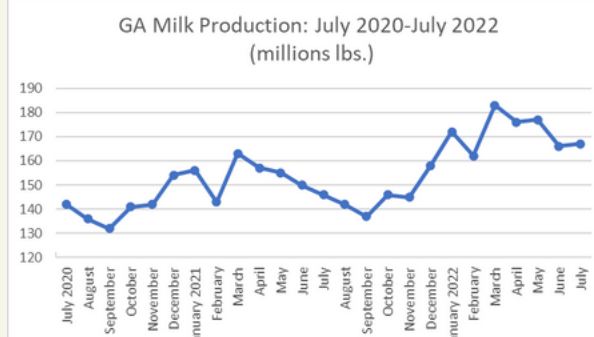
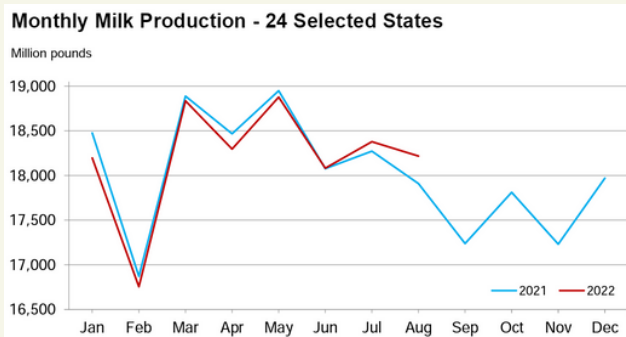
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Georgia Milk Production Continues Upward Trend

The most recent [USDA Milk Production Report](#) (released September 19, 2022) shows continued production growth in Georgia's dairy industry. Per USDA National Agricultural Statistic Service data, Georgia's July 2022 production topped out at 163 million lbs. (a year-over-year increase of 14.8%). This increase in production coincides with a 13.4% increase to the state's dairy herd (from 82,000 to 93,000 cows) and a slight increase in production per cow (up 1.1% year-over-year).



White House Announces Goal of Ending Hunger by 2030

On Wednesday, September 28, the Biden Administration held the first White House Conference on Hunger, Nutrition, and Health since 1969. President Biden opened the conference with a call to end hunger and reduce diet-related disease by the year 2030. The administration unveiled a "Five Pillars" plan to achieve its overarching goal along with a series of private-public sector partnerships with major retailers, food brands, and nonprofits.

Ag groups like National Milk Producers Federation have been involved in the policy development process and participated in the conference. In a statement released after the conference, NMPF CEO Jim Mulhern said, "We know from decades of working in this area that dairy products...will be vital ingredients to meeting these goals...Scientific evidence clearly indicates that milk and dairy foods are part of the solution to challenges like food and nutrition insecurity" and other challenges highlighted by the conference. In an article for Dairy Herd Management, Tyne Morgan highlights how animal agriculture groups are already working to promote animal protein as a solution to many hunger-related issues discussed during the conference. Major processors Cargill, JBS, and Tyson Foods have pledged millions of dollars in donation and grant programs to help end hunger in the U.S.

While animal agriculture groups are working to promote the health benefits of dairy and animal protein, plant-based diet advocates were also involved in the conference. Notably, New York City Mayor Eric Adams participated in a panel discussion with U.S. Health & Human Services Secretary Xavier Becerra. Adams used his time to promote NYC's pivot to plant-based meals and making several claims about the health and environmental benefits of plant-based diets. With this concerted effort by the White House to renew the nation's focus on nutrition and health, it will be important for agriculture advocates to stay involved in the policy and messaging processes. ■

Sources: [White House Press Release](#), [NMPF Statement](#), [Dairy Herd Management Article](#), [Eric Adams Transcript](#)

Dixie Dairy Report

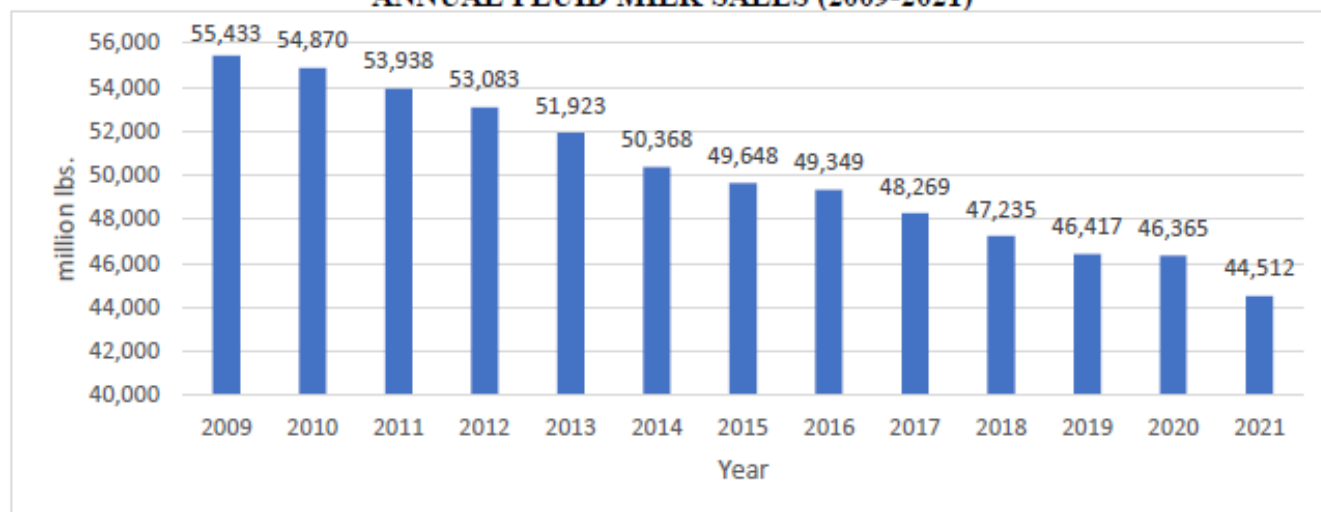
Calvin Covington

September 2022

Fluid milk sales. On August 31, USDA released its annual fluid milk sales report. 2021 fluid sales totaled 44.512 billion lbs. which is 4% lower than 2020. Since 2009, fluid milk sales declined almost 11 billion lbs. or 20%. See table below. A review of the historical data shows between 1985 and 2010, annual fluid milk sales were relatively stable, between 54-55 billion lbs. The downward spiral in fluid sales started in 2010. This is the same year federal legislation was enacted limiting fluid milk in the school lunch program to skim or unflavored 1% milk. Granted they are other reasons contributing to fluid milk's decline, but in my opinion this legislation is a primary reason.

Whole milk continues to increase its share of total fluid milk sales. In 2011, whole milk represented 26% of total fluid sales. Last year whole milk's share increased to 36%. During the same time period reduced fat dropped from 65% to 51% of total sales. 2021 was a good year for flavored milk sales increasing 14.5% from the previous year. Flavored milk sales exceeded skim sales in 2021. Even though buttermilk only represents about 1% of total fluid sales, buttermilk sales increased 8% in 2021. And, for the third consecutive year eggnog sales increased.

ANNUAL FLUID MILK SALES (2009-2021)



So far in 2022 fluid milk sales are declining less than 2021. Through the first six months of 2022, packaged fluid milk sales are down 2.3%, better than last year's 4.0% decline. All of 2022 sales decline is reduced fat milk, down 5.1%. Conventional whole milk sales are up 1.2% and flavored whole milk is up 2.1%. Even though the total reduced fat category is down, flavored reduced fat sales are up 11.2%. Compared to the rest of the country, fluid milk sales in the three Southeastern federal orders, especially Florida, are doing much better than the national average. As shown below, first half fluid sales are only down 0.9% in the three orders, combined, but are up 3.2% in Florida and 1.2% in the Appalachian orders.

**SOUTHEASTERN FEDERAL ORDERS
PACKAGED FLUID MILK SALES— 2022 vs 2021 (January-June)**

Order	2021	2022	Change
	(Million lbs.)		(%)
Appalachian	1,640	1,660	1.2%
Florida	1,273	1,314	3.2%
Southeast	1,928	1,823	-5.5%
Total	4,841	4,797	-0.9%

Dixie Dairy Report

Calvin Covington

September 2022

Milk production. USDA reports July milk production 0.2% higher than last July. June milk production was revised down to 0.1% instead of up 0.2%. For the year-to-date, production is 0.6% lower. In the 24 milk reporting states, production was higher or no change in 11 states and lower in the other 13 states. South Dakota and Georgia continue to lead the pack in higher production up 13.1% and 12.3%, respectively. Florida showed the largest production decline, down 11.4%. In the nation's two largest milk producing states, July production was up 2.2% in California and down 0.3% in Wisconsin. Dairy cow numbers grew by 1,000 head in July to 9.416 million head, but 67,000 head less than a year ago. USDA estimated milk per cow was 0.9% greater in July compared to a year ago.

As stated above, milk production continues to expand in Georgia and shrink in Florida. Through the first seven months of the year, Florida and Georgia production are almost identical. Florida production is 1.206 billion lbs. 10.6% lower than last year. Georgia production is 1.194 billion lbs., 11.6% more than a year ago. Year-to-date production in Virginia, the other Southeast reporting state, is 855 million lbs., down 3.0%.

Dairy product prices. Butter set another record high price in August, while other dairy product prices moved lower. The August National Dairy Products Sales Report (NDPSR) butter price was \$2.9792/lb. July butter inventory is 20.7% lower than last July and the lowest July butter inventory in several years. Market reports indicate cream availability remains tight, with much cream going to uses other than butter. Cheese declined over \$0.20/lb. in August to \$1.9761/lb. July cheese inventory was a record monthly high. Through June, American cheese disappearance is 1.8% lower than last year. Nonfat dry milk powder (NDM) fell over \$0.13/lb. to \$1.6690/lb. in August. Compared to a year ago, domestic skim milk powder disappearance is down 9.3% and exports down 18.2%. The August dry whey price was \$0.5045/lb., \$0.04 lower than July. Based on current CME activity, butter will continue its record high price in September with cheese prices trending lower.

Blend prices. The continuing wide spread between Class III and IV skim prices keeps lowering the Class I Mover compared to the previous "higher of" method. For September the Mover was \$1.69/cwt. lower compared to the previous method. As shown below, July blend prices were lower in all three orders compared to June. The smaller decline in the Southeast order was due to Class I utilization increasing from 62% in June to 70% in July. August blend prices are projected about \$0.50/cwt. lower than July. Blend prices are projected to continue declining through the remainder of the year. December blend prices in all three orders are projected about \$4.00/cwt. lower than the year's peak blend prices in June. For the coming months, butterfat will make up a higher percent of the total blend price. Producer butterfat prices will exceed \$3.40/lb. in all three orders, a record high price.

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
	(\$/cwt. at 3.5% butterfat – base zone)		
June 2022	\$28.52	\$30.60	\$28.74
July	\$28.14	\$30.29	\$28.71
August	\$27.74	\$29.74	\$28.26
September	\$26.36	\$28.47	\$26.67
October	\$25.32	\$27.20	\$25.64
November	\$25.02	\$26.92	\$25.20

*Projections in bold