



## ATTEND YOUR DISTRICT MEETING TO ENTER \$500 GRAND DOOR PRIZE DRAWING

Georgia Milk Producers will present a Grand Prize of \$500 at the conclusion of all meetings to one lucky Georgia dairy farm family attending their district meeting. Additional door prizes and promotional items will be provided by SUDIA and the American Dairy Association of Georgia at each district meeting. Producers will also elect Georgia ADA directors in odd numbered districts.



## THIS ISSUE

- Fall District Meetings
- GA ACCM's New Hire
- Milk on My Mind Campaign
- Milk Production Update
- GA ACCM Appointments
- Dairy-RP
- Dixie Dairy Report

## VOLUNTEERS NEEDED FOR GA NATIONAL FAIR DAIRY EXHIBIT



Volunteers are needed to help promote Georgia's dairy industry at the Dairy Exhibit at the Georgia National Fair in Perry. The fair will run Oct. 5-15, 2017. Please contact Rebecca Egsieker (800) 343-4693 if you or someone from your farm would like to spend a day handing out milk to fairgoers and sharing your dairy story!

## Fall District Meetings Begin September 11th

School is in, farmers are busy harvesting crops and fall is just around the corner. With cooler weather hopefully on our heels (man it's humid!), Georgia Milk Producers and the American Dairy Association of Georgia will kick off the first of nine annual fall district meetings on Monday, Sept. 11, 2017.

During the meetings, these organizations will hold elections; report on industry issues and promotional efforts; and announce upcoming events. Dinner or lunch will be served at each meeting depending on the time the meeting is set to begin. To preregister for your district meeting, please contact SUDIA at 1-800-343-4693. The meetings will be held:

Sept. 11	Monday	The Plaza Restaurant, Thomasville at Noon (217 S Broad St, Thomasville)
Sept. 11	Monday	Oasis Coffee House, Montezuma at 7 PM (314 Spaulding Rd, Montezuma)
Sept. 12	Tuesday	Barnstormers Grill, Williamson at 7 PM (349 Jonathans Roost Road, Williamson)
Sept. 14	Thursday	Cindy's Cafe on Cotton, Millen at Noon (535 Cotton Ave, Millen)
Sept. 14	Thursday	Burke County Extension Office, Waynesboro at 7 PM (715 West 6th St., Waynesboro)
Sept. 15	Friday	McGill/Woodruff Ag Bldg., Washington at Noon (1 36 N by Pass Washington)
Sept. 18	Monday	Bonner's Restaurant, Buckhead at 7 PM (1500 Bonner Ln, Buckhead)
Sept. 19	Tuesday	Glo-Crest Dairy, Clermont at Noon (5909 Bowen Bridge Road, Clermont)
Sept. 19	Tuesday	Western Sizzlin', Dalton at 7 PM (501 Legion Dr., Dalton)

**GEORGIA MILK PRODUCERS  
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**Troy Yoder, Montezuma**  
478-244-2172

## **GA ACCM Hires Benkoski as Assistant MDC Instructor**

The Georgia Agricultural Commodity Commission for Milk is pleased to announce that Katelin Benkoski will join our Mobile Dairy Classroom Program as Assistant Instructor this month.

Georgia's Mobile Dairy Classroom is a dynamic, fun and educational program funded by Georgia's dairy farm families. Our instructors visit schools, agricultural events, camps and fairs with a 30-foot Mobile Dairy Classroom. The classroom features a fully operational milking parlor and contains a live cow used for milking and feeding demonstrations.

Benkoski, from Madison, Georgia, grew up on a small dairy farm and is currently pursuing a Master's Degree of Agribusiness at the University of Georgia. While growing up, Benkoski was very active in her local 4-H and FFA chapters. Her love of agriculture led her to complete a double major in Animal Science and Agribusiness at the University of Georgia. She also participated in various extracurricular activities including Block and Bridle, UGA Cattleman's Association, Alpha Gamma Delta and the Athens Youth Symphony.

"We are excited to welcome Katelin to our organization. Her background and interest in agriculture and the dairy industry will be an asset to our program," stated Tim Camp, ACCM Chairman and Georgia dairy farmer.

Benkoski will join our MDC Coordinator, Nicole Karstedt, at several events this fall for training. Georgia's Mobile Dairy Classroom visits close to 150 schools and educates more than 200,000 consumers at fairs and events each year.

To book the Mobile Dairy Classroom visit [www.milkcow.org](http://www.milkcow.org) or by email at [accmclassroom@gmail.com](mailto:accmclassroom@gmail.com)



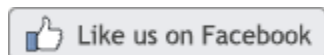
## **GA ACCM Begins Exciting Initiative in Rome to show Georgians why milk is always on our minds!**

GA ACC for Milk, the state promotional dairy checkoff organization, has teamed up with Moxie Marketing and Media in Atlanta to launch a special three month campaign in Northwest Georgia. The objective of the campaign titled

*Milk on My Mind*, is to heavily promote fluid milk among young adults, Hispanics and moms through print, radio and social media outlets. Promotion events will take place at the Rome Publix Supermarket, Morelos Supermarket, Shorter University and Berry College.

Follow the new GA ACCM *Milk on My Mind* campaign online to stay up-to-date on several exciting contests and events promoting milk in Northwest Georgia from September until December. A kickoff event for the campaign will be located at Bridgepoint Plaza Park in Rome on Saturday, September 16 from 9:00 a.m. – 2:00 p.m.

To get young adults involved in the area, GA ACCM will sponsor a video contest with a cash "cow" award to students at Shorter University, Berry College, Georgia Northwestern Technical College and Georgia Highlands College. There will also be a scavenger hunt around town, where students can hunt for "Rome-ing" squeezable stress cows.



# Milk production up 1.4% for the first half of 2017

Written by Calvin Covington, Dixie Dairy Report

Milk production for the first quarter of 2017, compared to the same period a year earlier, was up 1.1%. During the second quarter, milk production was 1.8% more than last year. Cow numbers continue to increase. At the end of July, USDA estimates the nation's dairy herd at 9.404 million head. This is 78,000 more head than a year ago. The increase in milk per cow is slowing with the average cow in June only producing 13 more lbs. of milk compared to last June. Thirty (30) states increased milk production during the first half of the year led by Texas (+15.0%) and New Mexico (+9.3%). Milk production declined in the three of the nation's largest milk producing states, California (-2.1%), Idaho (-0.2%), and Washington (-3.3%). Note all three of these states are west of the Rockies. Production was only up 0.1% in the number two milk producing state, Wisconsin. Michigan (+3.6%) and New York (+2.5%) continue to produce more milk.

Southeast production down slightly. For the first six months of 2017, milk production in the ten (10) southeastern states is estimated at 5.0 billion lbs. This is 0.6% lower than the first six months of 2016. Only one southeastern state showed a production increase, Georgia (+1.5%). Production was down slightly in Florida and Virginia, 0.1% in each state.

## Appointments to Serve on the GA Agriculture Commodity Commissions



Several Georgia farmers were recently appointed to serve on Georgia's Agricultural Commodity Commissions Boards. The ex-officio committee for the commissions met August 1 and appointed farmers to serve on commodity commissions for apples, blueberries, corn, cotton, equine, milk, peaches, pecans, soybeans, tobacco and vegetables. For the Georgia ACC for Milk, the committee appointed Tim Camp, Eatonton; Judd Chambers, Gray and Pete Gelber, Montezuma to serve for the next three years.

The Georgia Agriculture Commodity Commissions are created by acts of the Georgia Legislature and collect assessments from the growers of the commodities under the authority of farmer approved market orders. These funds are used to support research, education and promotion projects for the commodities. Appointed members of the commissions serve terms of three years and can be reappointed for additional terms.

## AFBF Develops New Dairy Revenue Protection Insurance Program – Written by Dr. John Newton

The American Farm Bureau Federation (AFBF) and American Farm Bureau Insurance Services (AFBIS) are working collaboratively with other partners to develop a new insurance product for dairy farmers. The proposal is for a Dairy-Revenue Protection (Dairy-RP) policy. Similar to crop revenue protection policies, Dairy-RP would protect against unexpected declines in milk prices, unexpected declines in milk production, or both. This policy would be in addition to margin-based insurance offerings currently available to dairy farmers.

The concept is simple: the insurance policy would protect dairy farmers against quarterly revenue losses caused by declines in the Class III or Class IV milk price, or unexpected declines in milk production. The flexibility provided by Dairy-RP (i.e. the ability for farmers to use both Class III and Class IV milk prices) allows as much as 98 percent of the milk price risk to be removed.

For each quarterly policy, the expected revenue would be the product of the weighted average Chicago Mercantile Exchange (CME) futures prices multiplied by the amount of milk the farmer elects to cover during the insurance period. The dairy farmer would then select the amount of revenue coverage he or she wishes to insure for the quarter, in a range of 60-90 percent.

The actual revenue would be based on USDA-announced milk prices and USDA-National Agricultural Statistics Service (NASS) state-level milk production data. If the actual revenue during the quarter is less than the amount of insurance protection, the dairy farmer is paid an indemnity based on the difference.

Under Dairy-RP a farmer has only four decisions to make: 1) The milk price "mix" between Class III and Class IV, 2) the amount of milk production to cover, 3) the level of coverage (from 60 to 90 percent of the revenue guarantee) and 4) which quarterly contracts he/she wishes to purchase Dairy-RP insurance policies would be sold quarterly by USDA-approved insurance providers and could be purchased voluntarily for an individual quarter, or a strip of quarters, up to 15 months out. To learn more about Dairy-RP go online to: <https://www.fb.org/analysis/what-is-dairy-revenue-protection>.

Guarantee Calculations		
Quarterly Average CME Milk Futures Value	Farmer's Choice % of Price	Calculated Price
Class III	\$17.00	75.00%
Class IV	\$16.25	25.00%
Price Guarantee/CWT		\$16.81250
Farmer's Choice Milk Covered/Lbs	Price Guarantee/ CWT	Total Revenue Guarantee
4,000,000	\$16.81	\$672,500
Coverage Level		90%
Producer's Revenue Guarantee		\$605,250

Actual Revenue Calculations		
Quarterly Average CME Milk Futures Value	Farmer's Choice % of Price	Calculated Price
Class III	\$14.45	75.00%
Class IV	\$13.81	25.00%
Price Guarantee/CWT		\$14.29
State-Indexed Actual Production/Lbs	Actual Price/ CWT	Actual Revenue
3,920,000	\$14.29	\$560,192

This is an example of realized prices and only applies to 1 quarter. In this example, the producer would not have to pay all 5 quarters to get just one coverage.

Indemnity Calculations	
Prod Rev Guarantee	\$605,250
Actual Prod Revenue	\$560,192
Indemnity	\$45,058

# Dixie Dairy Report – August 2017

## Calvin Covington

**August Class I Mover mixed.** On a 3.5% butterfat basis, the August Class I Mover was \$16.72/cwt. up \$0.13 from July.

However, on a 2.0% butterfat basis (approximate average butterfat content of milk used in Class I) the August Mover was \$0.25/cwt. lower than July, \$12.36/cwt. versus \$12.61/cwt. When

butter prices increase relative to cheese and nonfat dry milk powder, as they are now, this happens. The Mover on a 3.5 basis increases, but declines on a 2.0 basis. Likewise, when butterfat prices are declining, the reverse can happen.

Product	February 2017	August 2017	change
	(\$ per gallon)		
3.25%	\$1.87	\$1.86	-\$0.01
2.0%	\$1.61	\$1.55	-\$0.06
1.0%	\$1.40	\$1.30	-\$0.10
skim	\$1.22	\$1.08	-\$0.14
Difference 3.25 versus skim	\$0.65	\$0.78	\$0.13

Due to butterfat contributing more of milk's value (62% of August Class I Mover was from butterfat) this is widening the difference in raw milk costs of processed fluid milk. As shown below, the raw milk cost of a gallon of 3.25% butterfat milk is the almost same for August, as it was this past February in Orlando. While the raw milk costs of lower fat milks declined. The difference, between the raw milk cost of a gallon of 3.25% and skim, is now \$0.78 at Orlando. At most conventional retail grocers the shelf price of fluid milk is the same, regardless of butterfat content. If this trend continues, which we project will widen over the coming months, it may open the door to different retail prices based on milk's fat content.

**Dairy commodity prices.** During the past month block and barrel cheese advanced at the CME. Block cheddar began July at \$1.53/lb. and closed at \$1.73/lb. on August 3. Barrel cheese advanced from \$1.35/lb., the beginning of July, to close at \$1.54/lb. on August 3. The block to barrel spread continues to be significantly wider than the historical three to five cent spread. It will be some time before the spread returns to the historical norm. The July AMS butter price (used to calculate federal order prices) is \$2.60/lb. This is \$0.20/lb. higher than June, and almost \$0.30/lb. higher than a year ago. On the skim side, the July AMS nonfat dry milk powder price was \$0.90/lb. up a penny from June. Dry whey continues to decline, dropping four cents to \$0.45/lb.

On the international market, the Oceania butter price has climbed every month since October. June Oceania butter was \$2.63/lb. A year earlier it was only \$1.27/lb. For the past three months the Oceania skim milk powder price has inched up. The June average was \$0.95/lb., a dime more than last June. As a sign of strengthening world milk prices, Fonterra (New Zealand dairy cooperative) recently announced a price forecast of NZ\$ 6.75 per kilogram milk solids for the upcoming season. This equates to a U.S. price of about \$15.80 per cwt. The announced forecast price is about \$1.40/cwt. higher than last season.

**May fluid milk sales up slightly.** Conventional fluid milk sales for the month of May were up 0.1% compared to a year ago. Organic sales in May were up a strong 4.1%. However, for the year-to-date fluid sales are 2.6% lower than the same period last year. Whole milk sales remain the bright spot with sales 2.1% higher than last year. In the three southeastern federal orders, fluid milk sales for the first five months of the year compared to a year ago are: Florida down 0.6%, Southeast down 1.4%, and Appalachian down 2.5%.

**Higher July blend prices, then steady through the remainder of the year.** July blend prices are projected about \$1.00/cwt. higher than June. All of the increase is due to higher butterfat prices with July butterfat about \$0.30/lb. higher than June. For the remainder of the year we project blend prices to remain steady on a per cwt. 3.5% basis. However, the producer butterfat price per lb. is projected to average about \$0.50/lb. higher for the last half of the year, compared to the first half.