

APRIL 2021

# GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR  
GEORGIA MILK PRODUCERS, INC.

## GA General Assembly Adjourns 2021 Legislative Session

The 2021 Legislative Session ended March 31, wrapping up a challenging, socially distanced 40-day session. This is the first year of a biennium. Bills that did not pass will be eligible for next year's session.

The State budget passed and included many positives for the Agricultural industry. Legislators marked \$39.6 million to establish a Rural Innovation Fund to assist rural communities in developing targeted solutions for economic, medical, technological, or infrastructure challenges within their regions. Legislators also marked \$10 million to establish a broadband infrastructure grant program; \$2.7 million for the UGA Cooperative Extension Service operations; and \$2.85 million for \$2,851,620 for Agricultural Experiment Station operations.

Other bills passed that impact Agriculture in Georgia include:

- **SB 247 – Agricultural Commodity Commissions Update:** This bill modernizes procedures for Commodity Commissions to conduct business.
- **HB 498 – Ad Valorem Exemption of Ag Equipment & Products:** This legislation modernizes the definition of a “farm entity” to reflect the way many farms are currently structured. A farm entity, made up of two people who individually qualify, is now eligible for an ad valorem tax exemption on agriculture equipment and products. This change requires amending the state's constitution. If signed, it will require a statewide referendum in November.
- **HB 693 – Right of Way for Farm Equipment:** This bill gives the right-of-way to farm equipment when following protocol on the roadway.
- **Raw Milk Sales Proposed – ONGOING:** The House Agriculture & Consumer Affairs Committee held a hearing with testimony given on the topic of raw milk sales in Georgia. Chairman Robert Dickey formed a subcommittee to study the issue over the course of the next year.

Many thanks to Georgia Agribusiness Council, Georgia Cattlemen's Association, and Georgia Farm Bureau for representing dairy producers under the gold dome this year during the 2021 legislative session.

(Source: Georgia Farm Bureau 2021 Sine Die Report)

## FEATURED ARTICLES

Godfrey Feed Golf Team Wins the 11th Annual GDYF Golf Tournament

SCOTUS Dismisses Florida vs. Georgia Water Case

Georgia Cattlemen Host Steak Biscuit Breakfast at the Capitol

Over 2,500 dairy farms left dairying last year

GMP Dragline Fundamentals Workshop Set for May 20

GA Dairy Producers Invited to ACCM Proposal Presentation Meeting on May 12

Dixie Dairy Report



## Godfrey Feed Team Wins GDYF Golf Tournament

Eighty-eight golfers took advantage of a warm spring day for golf on March 16 at the 11th Annual Georgia Dairy Youth Foundation Golf Tournament in Bishop. Many thanks to our sponsors and golfers who supported the event.

After registering and receiving goody bags with donations from industry allies, golfers ate lunch sponsored by Chick-fil-a on Epps Bridge in Athens. During the tournament, golfers also enjoyed ice cream and milk provided by Mountain Fresh Creamery.

The 2021 Tournament was held in memory of H. B. "Bud" Wiley, Jr. (1944-2012) who was an avid dairy farmer and pivotal in organizing the first two golf tournaments for GDYF. We were honored to have Bud's Nephew and family with us at the tournament this year. Tayler King, wife TJ, and daughter Lila Grace are pictured below with our 2021 GDYF Junior Board.

Thank you to the GDYF Golf Committee and Kellay Watson for their work in planning and executing this successful event. We also appreciate those that volunteered, including the GDYF Junior Board members!



## SCOTUS Dismisses Florida vs. Georgia Water Case



The Supreme Court recently released a unanimous 9-0 decision in favor of Georgia in the Water War against Florida. The justices ruled that Florida failed to show any real evidence that Georgia overused its natural resources, much less caused

the irreparable harm to the Apalachicola oyster fishery as the state suggested. This is wonderful news for Georgia and our agriculture industry. This battle has been lingering since first being filed in 2013 and has cost the state millions of dollars to fight.

Justice Barrett delivered the opinion of the Court and stated that "Based on our independent review of the record, we agree with the Special Master's recommendation. We therefore overrule Florida's exceptions to the Special Master's Report and dismiss the case." (From GA Agribusiness Council)

## Georgia Cattlemen Host Steak Biscuit Breakfast at the Capitol

Thank you to the Georgia Cattlemen's Association for inviting Georgia Milk Producers and Georgia's Mobile Dairy Classroom to their Steak Biscuit Breakfast at the Capitol on March 25. State legislators and their



staff enjoyed beef, milk and an up-close encounter with Maggie, the MDC jersey cow.

## GMP Board of Directors

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# Over 2,500 dairy farms left dairying last year

*From Calvin Covington Dixie Dairy Report*

USDA reports 2020 ended with 31,657 licensed dairy farms in the U.S. compared to 34,207 in 2019, a decline of 2,550 dairies. Back in 2000, there were 82,937 dairy farms. Three states accounted for about half of the drop in dairy farm numbers. Wisconsin lost 610, Minnesota 380, and Pennsylvania 300. Looking at the ten Southeast States, there were 1,650 licensed dairy farms at the end of 2020, compared to 1,785 in 2019, a loss of 135 dairy farms. The Southeast has about one-half as many dairy farmers today as it did ten years ago. If the current rate of decline continues, there will be less than 1,000 Southeast dairy farms in another 10 years or less.

SOUTHEAST STATES LICENSED DAIRY FARMS 2000-2020						
State	2000	2010	2015	2019	2020	Change 2020 vs. 2019
	(number of licensed dairy farms)					
Alabama	154	60	35	25	20	-5
Florida	231	140	130	90	85	-5
Georgia	404	270	220	140	130	-10
Kentucky	1,932	940	690	480	450	-30
Louisiana	468	150	110	85	75	-10
Mississippi	356	130	75	60	55	-5
N. Carolina	447	290	230	155	145	-10
S. Carolina	116	85	70	45	35	-10
Tennessee	999	490	350	200	180	-20
Virginia	998	705	630	505	475	-30
Total	6,105	3,260	2,540	1,785	1,650	-135

## GMP Dragline Fundamentals Workshop Set for May 20

**Thursday, May 20**

**10 a.m. - 2 p.m.**

**Reid Brothers Irrigation & Equipment**  
**908 Adderton St, Americus, GA 31719**



This workshop will cover team roles and responsibilities, along with safety considerations for manure application operators. These include how to safely operate equipment, handle the lay-flat hose, operate the dragline in the field and how to remain conscious of environmental concerns when pumping. Those attending will receive two continuing education hours for Animal Feeding Operator/Planner Certification. This meeting is open to dairymen, managers, and industry - free of charge and will be held from 10 a.m. until 2 p.m. Limited seats are available and please preregister for lunch by calling our office at 706-310-0020.

**Sponsored by Georgia Milk Producers, Inc.,  
Puck Enterprises and  
Reid Bros. Irrigation and Equipment**

## GA Dairy Producers Invited to ACCM Proposal Presentation Meeting on May 12



The Board of Directors for the GA Agricultural Commodity Commission for Milk (ACCM) will listen to proposal presentations for Georgia's dairy promotion checkoff on Wednesday, May 12, at the Macon State Farmers Market. The address for the meeting location is 2055 Eisenhower Parkway, Macon, Georgia. The program will start promptly at 9:00 am.

This meeting is open to all Georgia dairy producers. If you would like to attend, please RSVP to Farrah Newberry by noon on Tuesday, May 11 at 706-207-0168 or [gamilkproducers@gmail.com](mailto:gamilkproducers@gmail.com).

Georgia Agricultural Commodity Commission for Milk, or GA ACCM, was established in 1961 under the Georgia Commodities Promotion Act. This allows Georgia dairy producers to keep 10 cents of the 15-cent dairy promotion checkoff at the state level. By federal law, the remainder is sent to the national checkoff group, Dairy Management Inc.

ACCM awarded funds last year to Milk Forward, LLC; The Dairy Alliance; The Partnership for the Milk on My Mind campaign; the Georgia Mobile Dairy Classroom and milk/ice cream/cheese giveaways at various events (ex: Sunbelt Expo, GA National Fair, Putnam Dairy Festival). Additional funds are used for projects with the Georgia Milk Producers and Georgia Farm Bureau. This checkoff money must be used strictly for the promotion of milk and dairy products.

## Calendar of Events:

May 12: ACCM Proposal Presentations Meeting, Macon State Farmers Market  
May 20: Dragline Fundamentals Workshop, Reid Bros. Irrigation in Americus  
May 27: GA Milk Producers Board of Directors Meeting  
Oct. 7-17: Georgia National Fair, Perry  
Oct. 19-21: Sunbelt Ag Expo, Moultrie



# DIXIE DAIRY REPORT

CALVIN COVINGTON

APRIL 2021

## Some price improvement.

Compared to the previous month, all federal order class prices showed some improvement over the previous month. The April Class I Mover is \$15.51/cwt. a \$0.31 increase from March. We project the May Mover to gain about another \$1.00/cwt. For the

manufacturing classes, March Class II and IV, propelled by higher butter prices, added over a \$1.00/cwt. resulting in prices of \$15.07 and \$14.18/cwt., respectively. Class III added \$0.40/cwt. from February for a March Class III price of \$16.15/cwt. April Class III and IV are projected to move up about another \$1.00/cwt.

FEDERAL ORDER CLASS PRICES (2021 YTD)				
Class	January	February	March	April
	(\$/cwt. 3.5% fat)			
Class I	\$15.14	\$15.54	\$15.20	\$15.51
Class II	\$14.18	\$14.00	\$15.07	
Class III	\$16.04	\$15.75	\$16.15	
Class IV	\$13.75	\$13.19	\$14.18	

Exports and improving food service sales are responsible for moving the butter price higher. January (most recent data) saw butter exports up 79%. Food service, about one-half of butter sales, are increasing as government restrictions ease. At the end of February, CME butter closed at \$1.4700/lb. At the end of March butter was at \$1.8175/lb. Cheese is also benefiting from stronger food service sales. February Italian cheese production was 2.6% higher than last February, the first month-over-month increase since last June. Generally, Italian cheese is not manufactured unless there is a sale. CME block cheddar increased from \$1.6175/lb. at the end of February to \$1.7375/lb. at the close of March. The March nonfat dry milk powder (NDM) price was basically unchanged from February. Exports strongly influence the NDM price. January exports were 10% lower than a year ago. Plus, through February NDM production is up 16.5% compared to the same period last year. Much of the surplus milk is going into powder. Dry whey exports continue running about 30% higher than a year ago which keeps lifting the price. The March dry whey price, used in federal order calculations, was \$0.5537/lb., the highest monthly price since May 2017 and almost 50% higher than a year ago. Dry whey accounted for over \$2.00/cwt. of the March Class III price.

**Milk production.** USDA revised January milk production numbers. The revised number puts January production 2.4% higher than last January instead of 1.4%. Adjusting for Leap Year, February production is up 2.0%. The nation's dairy herd stands at 81,000 more cows than a year ago. Expanding cow numbers does not bode well for future milk prices. Where is dairy cow expansion occurring? Compared to a year ago Texas is up 30,000 cows, Indiana up 17,000 cows, and both Michigan and South Dakota added 13,000 cows over the past year. Milk production in the three southeast reporting states continues to move downward. Adjusting for Leap Year, February production was 5.0% lower in Florida, down 1.2% in Georgia, and Virginia was down 3.8%. Lower production in all three states is due to less cows. Florida reports 7,000 and Georgia and Virginia each 2,000 fewer cows compared to a year ago.

**Southeastern orders Class I sales.** February saw improvement in Class I producer milk volume in the three southeastern orders combined. After being 7.9% lower in January, average daily Class I producer milk in all three orders was 1.4% higher in February compared to last February. Average daily Class I milk volume, for the three southeastern orders, increased from 24.9 in January to 25.8 million lbs. in February. The Appalachian and Southeast average daily February Class I producer volume increase was 1.1% and 5.4%, respectively, while Florida was 4.9% lower.

**Blend prices.** As shown below, we project a small increase in March blend prices. Additional blend increases are projected for the following months as well. For all of 2021, our current projections show annual blend prices averaging about \$0.25/cwt. higher than 2020. Our projected increases are not as strong as the current futures market indicates. The reasons for our lower projections are: 1) food service sales will level off as the pipeline refills, 2) inventories remain high, 3) weaker NDM exports, and 4) cow numbers continue to increase. As we have stated before, cow numbers must decline before any substantial and sustainable increase in farm milk prices.

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS			
Month	Appalachian	Florida	Southeast
	(\$/cwt. at 3.5% butterfat – base zone)		
January 2021	\$17.42	\$19.26	\$17.59
February	\$17.56	\$19.54	\$17.72
March	\$17.87	\$19.97	\$18.38
April	\$18.21	\$20.32	\$18.61
May	\$19.10	\$21.08	\$19.33
June	\$19.35	\$21.51	\$19.81

\*Projections in bold

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