

GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR GEORGIA MILK PRODUCERS, INC.

DIXIE DAIRY REPORT: JULY MILK PRODUCTION UP SLIGHTLY

July milk production, according to USDA, was up 0.4%, compared to last July. For the year-to-date, production is up 1.1%. Average milk per cow in July was only 10 lbs. more than a year ago, an increase below the historical average. The national dairy herd, in July, was estimated at 9.396 million head, which is 8,000 head less than last month. Of the 23 reporting states, milk production was higher in 10 states, and flat or lower in the other 13 states. In the top two dairy states July production was 2.5% lower in California and up 1.2% in Wisconsin. New Mexico saw its first decline in many months, down 0.8%. However, Texas continues to grow, with production up 7.3%. In the Northeast, New York was up 0.6%, and Pennsylvania was down 0.7%.

In the Southeast, production continues to decline in Florida and Virginia, down 5.9% and 5.0%, respectively. July is the eighth consecutive month production has declined in Florida. Much of Florida's decline is due to less milk per cow. July per cow production was 45 lbs. lower than last July.

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. 4-14, 2018. Please contact Mekenzie Panhans at (800) 343-4693 if someone from your farm would like to spend a day handing out milk to fairgoers and sharing your dairy story!



B & B Dairy, Buckhead

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GMP and ADA of GA Hold Fall District Meetings Across State

Thank you Georgia dairy farm families and industry affiliates for attending the 2018 Georgia Milk Producers and ADA of Georgia annual fall district meetings. We had great producer turnout in Montezuma, Buckhead, Williamson and Dalton.

Each fall, our organization holds district meetings across the state to report on yearly activities and bring producers up-to-date on issues affecting their businesses. Plus, it's a great opportunity to visit with fellow dairy farmers!

Over the last year, Georgia Milk Producers has worked to improve our producer education programs through our Georgia Dairy Managers Series and Georgia Dairy Conference. We also funded a feasibility study to analyze possible manufacturing opportunities for the dairy industry in Georgia.

Georgia Milk continually serves as the dairy producer advocate among groups enforcing and enacting environmental regulations and writing state legislation. We also promote the importance of our industry to consumers and its economic impact of close to \$1 Billion in Georgia each year. Thank you for the opportunity to serve as your voice and to fight for the success of the industry in Georgia and the Southeast. **Hope to see you all at the 2019 GA Dairy Conference this January 21-23 in Savannah, GA!**



District 7 Meeting, Montezuma



The Dairy Alliance is hosting two listening sessions next month for Georgia dairy farm families to ask questions and learn more about their checkoff programs. The meetings will be held on October 11 at the Georgia National Fair in Perry (Beef and Dairy Arena) and October 25 at the Farmview Market in Madison. Each meeting will begin at 6:30 and dinner will be served. Please RSVP to Mekenzie Panhans by email at mhargaden@thedairyalliance.com or by phone at 404.210.4504

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Georgia Grown Baby Barn Coming to 2018 Georgia National Fair

From Georgia Department of Agriculture

The Georgia Grown Baby Barn, a live birthing center and nursery for farm animals, will open its doors for the first time at the upcoming 2018 Georgia National Fair in Perry Oct. 4-14. The Georgia Department of Agriculture - in collaboration with the Georgia National Fair Board, the Georgia Veterinary Medical Association and Georgia's animal industry partners- are excited to introduce this one-of-a-kind agricultural education exhibit to promote familiarity with Georgia's animal agriculture industry by showcasing live births of cattle.

"The Georgia National Fair has a rich tradition of serving as an educational cornerstone for Georgia's agriculture industry," Georgia Agriculture Commissioner Gary W. Black said. "The Georgia Grown Baby Barn will further enhance that effort by offering a unique experience for all fair attendees. We want to help people make a connection with agriculture and have them leave the fair with a stronger appreciation for the work of Georgia's farmers and farm families."



The 10,800-square-foot facility was built as an annex to the existing Georgia Grown Building at the Georgia National Fairgrounds and Agricenter. After visiting similar attractions at other state fairgrounds and experiencing the overwhelming positive reactions, the fair board voted to bring a similar attraction to Perry.

"The people in Minnesota were enthralled," said Jack Spruill, director of marketing for the Georgia Department of Agriculture.

"There were families who stood attentively for up to four hours to see a cow have a calf."

Spectators in the Baby Barn will have the opportunity to see 11 dairy calves born, one birth for each day of the fair. Newborn piglets will also be on display. Certified veterinarians will be available throughout the duration of the fair to provide care for the animals.

The dates of each birth have been estimated with a high degree of certainty thanks to fertility science, but since the exact timing cannot be guaranteed, fairgoers are encouraged to download the new Georgia National Fair app to receive notifications regarding upcoming births. The smartphone application will be used to alert fairgoers that the birth is imminent and encourage visitors to make their way to the Georgia Grown Building if they wish to be present at the time of birth and suggest names for the newborns. The Georgia National Fair app is available on the App Store and Google Play.

Dairy Revenue Protection Insurance Available October 9th

USDA announced the creation of a new crop insurance style plan for dairy farmers called the Dairy Revenue Protection Insurance Plan. It will be available for sale starting on October 9, 2018 through qualified crop insurance agents. This is a plan producers can purchase to insure against unexpected declines in milk prices. It follows the crop insurance model and qualifies for government subsidies of the premiums. For more information about the plan, watch a video online produced by the American Farm Bureau Federation at <https://youtu.be/cpkJ3jw3h6E>



Application Deadline to Renew Medium and Large State Land Application Permits Is Approaching

From Melony Wilson, UGA Animal Waste Management Specialist

All confined animal feeding operations (CAFOs) in Georgia with 300 animal units (200 dairy milking cows) or greater are required by state law to obtain a permit.

Most of the CAFOs in the state have either a medium or large state land application system (LAS) permit. Georgia Environmental Protection Division (EPD) review and update these permits every 5 years. The new permits are due to be released in April of 2019. All current permit holders must submit a notice of intent (NOI) form to Georgia Department of Agriculture (GDA) in order to obtain coverage under the new permit. Failure to submit a NOI will result in loss of permit coverage. According to the new permits, owners/operators must apply for the new permits 180 days before the release of the new permit. Therefore, the deadline to submit the NOI to GDA is October 2, 2018. All permit holders received a letter from EPD explaining the requirement to submit a NOI. The letter also contained a copy of the NOI form with directions on how to complete the form. If you did not receive the letter or misplaced the form, it can be found on the AWARE website at www.aware.uga.edu. **Don't forget to send in the form by October 2, 2018.**

In addition to sending in a NOI for the new permit, a new nutrient management plan (NMP) may also need to be submitted to GDA. If the NMP was approved before March 15, 2011, then a new NMP must be submitted to GDA along with your NOI. However, if the plan was approved after that date then it is still valid. All NMPs must be written by a certified nutrient management specialist. Many county extension agents with CAFOs in their counties are certified to write these plans so simply contact the local extension office. It is important to know that a NMP can be fairly complicated and takes a significant amount of time to complete. So the sooner the process can be started the better. Also, soil tests and manure test are required to complete a NMP so these samples should be submitted and results obtained before the process is started. For questions contact Melony Wilson at mlwilson@uga.edu.

Registration is Open at FSA Offices for Market Facilitation Program Payments

From USDA Farm Service Agency



The sign-up period for MFP is now open and runs through January 15, 2019, with information and instructions provided at www.farmers.gov/mfp. The MFP provides payments to cotton, corn, dairy, hog, sorghum, soybean, and wheat producers who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. The MFP is established under the statutory authority of the Commodity Credit Corporation CCC Charter Act and is under the administration of USDA's FSA. Eligible producers should apply after harvest is complete, as payments will only be issued once production is reported.

A payment will be issued on 50 percent of the producer's total production, multiplied by the MFP rate for a specific commodity. A second payment period, if warranted, will be determined by the USDA. MFP payments are limited to a combined \$125,000 for corn, cotton, sorghum, soybeans, and wheat capped per person or legal entity. MFP payments are also limited to a combined \$125,000 for dairy and hog producers. Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

For more information or to locate and contact local FSA offices, interested producers can visit www.farmers.gov.



Take advantage of special room rates for the 2019 Georgia Dairy Conference by making your reservations before Sunday, December 30, 2018! The Savannah Riverfront Marriott is offering room rates for those attending the Georgia Dairy Conference from Saturday, January 19, until Thursday, January 24, at \$130.00/room for single and double occupancy rooms. There will be a \$7 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 online at: <http://www.gadairyconference.com/accomodations>. **GEORGIA DAIRY PRODUCERS:** Georgia Milk Producers will 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!

Dixie Dairy Report – September 2018

Calvin Covington

Commodity prices. August Dairy Product Sales Report prices for all four commodities were higher than July, but still below a year earlier. See table below. These higher commodity prices resulted in an August Class III price of \$14.95/cwt. and a September Class I Mover of \$14.85 which are \$0.85/cwt. and \$0.70/cwt. higher than the previous month, respectively. Due to lower milk production increases, and optimism regarding trade issues, CME cheese and dry product prices improved in August with cheese showing the largest movement. During the month of August, barrels gained almost \$0.25/lb. and blocks almost \$0.20/lb. We project a September Class III price and an October Class I Mover over \$16.00/cwt. which would be the highest prices so far this year. It appears butter is at a “comfort” price level, due to its trading in a narrow range over the past couple of months. Market reports indicate butter sales are steady to weak, and inventory levels are adequate.

DAIRY PRODUCTS SALES REPORT PRICES

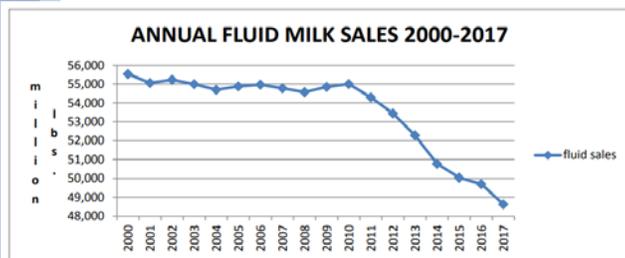
Product	August 2017	July 2018	August 2018
		(\$/lb.)	
Butter	\$2.6578	\$2.2596	\$2.3192
Cheese (block & barrel)	\$1.6664	\$1.4868	\$1.5544
Nonfat Dry Milk Powder	\$0.8733	\$0.7824	\$0.8111
Dry Whey	\$0.4345	\$0.3372	\$0.3681

Domestic demand is weak and exports are strong. For the first half of 2018 domestic demand (total solids basis) is 0.15% below the same period in 2017. On the other hand exports are at a record high, and are almost 20% higher than last year. For the first half of the year, exports represent 16.5% of total solids demand. Over 91% of exports are skim solids, the primary reason for the steady increase in nonfat dry milk powder and dry whey prices, since the beginning of the year.

DAIRY DEMAND (Total Solids) First 6 months 2016-2018

Year	Domestic	Export
	(million lbs.)	
2016	11,946.6	1,749.5
2017	11,900.0	1,958.7
2018	11,882.7	2,350.2
Change 2017 vs. 2018	-0.15%	19.99%

Fluid milk sales. Recently, USDA’s Economic Research Service released its annual report on fluid milk sales. As shown below, 2017 was the seventh consecutive year of declining fluid sales. Sales in 2017 were 2.16% lower than 2016. From 1985 to 2010, annual fluid sales were relatively constant between 54 to 55 billion lbs. However, since 2010, sales have continued to decline.



On the positive side, whole milk sales have increased the past three years. In fact whole milk sales in 2017 were the highest since 2007. In 2017, whole milk was about 34% of all fluid sales and skim/reduced fat about 65%. Another bright spot is flavored milk. Flavored milk sales in 2017 were a record high at 4.71 billion lbs.

For the first half of 2018, fluid milk sales continue to follow 2017 with sales down 2.1%. In the southeastern federal orders, sales in the Florida order are down 2.1%, Southeast order down 2.5%, and the Appalachian up 2.0%. The Appalachian order increase is mainly due to reporting sales that were unregulated or in other orders, previously.

Southeastern orders blend prices. July blend prices in the Appalachian and Florida orders were \$0.35- \$0.40/cwt. lower than June. In the Southeast order, the July blend price remained the same as June due to a relatively high Class I utilization of 74%. Southeast Class III and IV usage in July was about one-half the usage a year ago. In the Florida order, Class I utilization declined to 81% due to about 4 million less lbs. of Class I sales this July compared to last July. We project August blend prices about \$0.50/cwt. lower than August. Blend prices are projected higher in September with the Florida blend exceeding \$20.00/cwt. in October.

PROJECTED BLEND PRICES-BASE ZONES – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
		(\$ /cwt.) – 3.5% butterfat	
July 2018	\$17.52	\$19.57	\$18.12
August	\$17.08	\$19.03	\$17.44
September	\$17.58	\$19.31	\$17.84
October	\$18.57	\$20.16	\$18.83
November	\$18.74	\$20.91	\$19.23