

JUNE 2021

# GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR  
GEORGIA MILK PRODUCERS, INC.

## USDA Announces Additional Aid to Ag Producers and Businesses in Pandemic Assistance for Producers Initiative

*From USDA*

On June 15, 2021, Agriculture Secretary Tom Vilsack announced additional aid to agricultural producers and businesses as part of the USDA Pandemic Assistance for Producers initiative. Earlier this year, Secretary Vilsack announced plans to use available pandemic assistance funds to address a number of gaps and disparities in previous rounds of aid. As part of the Pandemic Assistance initiative announced in March, USDA pledged to continue Coronavirus Food Assistance Program (CFAP) payments and to provide aid to producers and businesses left behind.

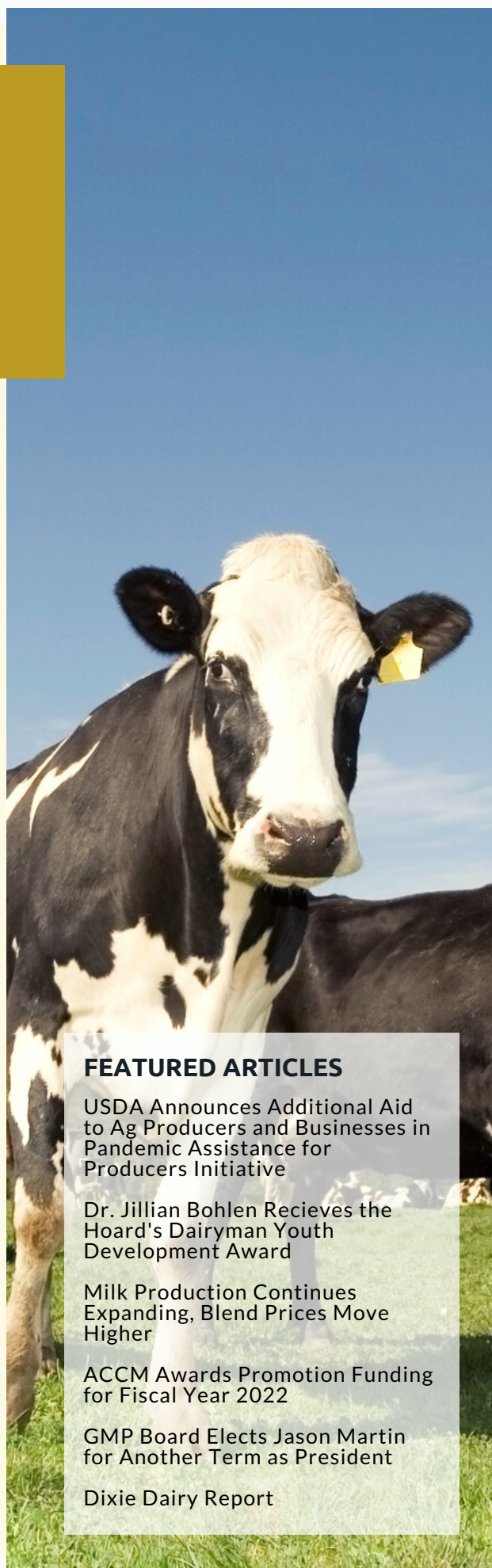


Implementation of the assistance announced will continue within 60 days to include support to timber harvesters, biofuels, dairy farmers and processors, livestock farmers, contract growers of poultry assistance for organic cost-share, and grants for PPE.

In March, USDA announced \$6 billion in available funds through Pandemic Assistance to support a number of new programs or to modify existing efforts. The following programming is planned for implementation within 60 days, which will continue to be focused on filling gaps in previous rounds of assistance and helping beginning, small and medium-sized, and socially disadvantaged producers that need support most:

- \$200 million: Small, family-owned timber harvesting and hauling businesses
- \$700 million: Biofuels producers
- Support for dairy farmers and processors:
  - \$400 million: The new Dairy Donation Program to address food insecurity and mitigate food waste and loss
  - Additional pandemic payments targeted to dairy farmers that have demonstrated losses that have not been covered by previous pandemic assistance.
  - Approximately \$580 million: Supplemental Dairy Margin Coverage for small and medium farms.
- Assistance for poultry and livestock producers left out of previous rounds of pandemic assistance:
  - Contract growers of poultry
  - Livestock and poultry producers forced to euthanize animals during the pandemic (March 1, 2020, through December 26, 2020)

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## USDA Announces Additional Aid to Ag Producers and Businesses in Pandemic Assistance for Producers Initiative

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- \$700 million: Pandemic Response and Safety Grants for PPE and other protective measures to help specialty crop growers, meat packers and processors, seafood industry workers, among others
- Up to \$20 million: Additional organic cost share assistance, including for producers who are transitioning to organic

According to *Progressive Dairy*, the COVID-19 relief bill included language directing the USDA to allow smaller dairy producers to update their milk production history baselines and receive a supplemental DMC payment on a portion of any increased milk production, up to the Tier I cap of 5 million pounds of milk per year. Through April, DMC indemnity payments had been distributed every month of 2021, totaling \$446.1 million as of June 7. It is anticipated supplemental payments to eligible producers will be retroactive to January 2021 and run through the end of 2023. The May 2021 DMC margin and potential indemnity payments will be announced on June 30.

As part of the Pandemic Assistance initiative announced in March, the USDA also provided advance notice of minimum provisions to be included in a Dairy Donation Program (DDP). The plan requires participating dairy cooperatives and processors to have donation and distribution plans describing the process to be used for the donation, processing, transportation, temporary storage, and distribution of eligible dairy products. Specific regulations regarding the program, however, have not been published.

Also, in April, the USDA opened the sign-up period for Coronavirus Food Assistance Program (CFAP) payments to dairy producers who missed earlier sign-up periods and payments.

Contact your local Farm Service Agency for further information or visit their website at [www.farmers.gov](http://www.farmers.gov). Our organization will send out additional information as it is released.

## Dr. Jillian Bohlen Receives the Hoard's Dairyman Youth Development Award From American Dairy Science Association



Congratulations to Dr. Jillian Bohlen, UGA Dairy Science Associate Professor, on receiving the 2021 Hoard's Dairyman Youth Development Award. Bohlen was recognized during the virtual ADSA Annual Meeting last month.

The Hoard's Dairy Youth Development Award was created to recognize a candidate who has had significant involvement in dairy-related youth activities in either a professional or volunteer capacity for a minimum of 10 years. The recipient shall be highly regarded in the dairy industry for his or her role in personal development of dairy youth and for enhancing knowledge of and interest in the dairy industry.

Dr. Bohlen truly believes in providing opportunities to young people. She facilitates 10 different events for more than 375 dairy youth each year. She coordinates the state's 4-H Dairy Quiz Bowl, 4-H Dairy Judging competitions, and the Commercial Dairy Heifer project and shows. She serves as advisor to the University of Georgia Dairy Science Club, ADSA Student Affiliate Division (SAD) delegation, and is a Dairy Challenge coach. Her service to youth goes beyond state borders with many collegiate dairy competitions.

*Congratulations to Dr. Bohlen on this well deserved award!! Thank you for all that you do to build future industry leaders!!*



## GMP Board of Directors

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## U.S. Milk Production Moves Higher

### USDA

According to the U.S. Department of Agriculture (USDA) May Milk Production report, U.S. milk production reached 19.9 billion pounds, up 878 million pounds or 4.6% from May 2020. The number of milk cows on farms in the United States was 9.51 million head, 145,000 head more than May 2020, and 5,000 head more than April 2021.

May milk production per cow was reported at 2,088 pounds, an increase of 61 pounds (3%) from the prior year. U.S. milk production year to date for 2021 reached 96 billion pounds, up 2.1 billion pounds or 3% from the same time frame in 2020.

## Blend Prices Move Higher

### From Calvin Covington, June 2021 Dixie Dairy Report

May blend prices in the three Southeastern orders are projected over a \$1.00/cwt. higher than April. Blend prices are projected to move higher in June as well, with the Florida and Southeast orders increasing another \$1.00/cwt. If national milk production increases continue at current levels, June may be the peak blend price for the year. Through April, pounds of producer milk in the Appalachian and Southeast orders are almost unchanged from the previous year. More milk,

located outside the orders' marketing area, is being pooled on these two orders. In the Florida order, producer milk is down almost 6%, however, Class I sales are down more which prevents an increase in Class I utilization.

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS			
Month	Appalachian	Florida	Southeast
	(\$/cwt. at 3.5% butterfat – base zone)		
March 2021	\$17.94	\$20.11	\$17.92
April	\$18.43	\$20.21	\$18.46
May	\$19.53	\$21.41	\$19.81
June	\$20.31	\$22.63	\$20.87
July	\$20.07	\$21.99	\$20.31
August	\$20.15	\$21.96	\$20.15

\*Projections in bold

## ACCM Awards Promotion Funding for Fiscal Year 2022



On June 17, The Georgia Agriculture Commodity Commission Board of Directors voted to support funding proposals for the Fiscal Year 2022. The directors selected the following:

- Approximately \$1.2 million to The Dairy Alliance
- \$150,000 for a sports celebrity endorsement program through The Dairy Alliance
- \$12,000 for the GA National Fair Dairy Exhibit
- \$12,000 for GA Grown "Fork In The Road" Dairy Video

In addition, ACCM will continue to provide funds to support the Georgia Mobile Dairy Classroom program, the Georgia Dairy Conference, Farm Monitor, and milk/ice cream products at various festivals and events throughout the year.

A 2021 Annual Report will be mailed to Georgia dairy producers in July to provide a detailed funding report on all ACCM projects funded from July 1, 2020, until June 30, 2021. If any producers have questions regarding this decision or would like to share comments or ideas on state dairy checkoff programs, please feel free to contact ACCM Chairman, Paul Johnson, by email at [pjohnson@usa.com](mailto:pjohnson@usa.com) or phone at (229) 220-3170.

## GMP Board Elects Jason Martin for Another Term as President



Georgia Milk Producers Inc.'s (GMP) Board of Directors has elected Jason Martin of Bowersville to the position of President. This will be his second term in this capacity.

Martin has served as a District Director on the Board for the Georgia Milk Producers for five years.

"Since joining the Board, I have learned that there is a great deal of passion and concern for the future of the dairy business," said Martin. "The men and women who work daily to produce milk in Georgia are some of the best around."

The complete slate of elected Board officers includes:

- Jason Martin of Bowersville, President
- Matt Johnson of Climax, Vice President
- Adam Graft of Americus, Secretary
- Chad Davis of Eatonton, Treasurer

In addition, Tal Talton of Bonaire was appointed by the Board to fill a statewide district director vacancy. For the remainder of 2021, the GMP Board of Directors will hold a Board Conference Call on September 2, and an in-person meeting on November 4. All meetings are open to Georgia dairy producers. For more information, please contact Farrah Newberry at 706-207-0168.

## Calendar of Events:

- Aug: 16-20: GDYF Promotion Week
- Sept. 2: GMP Board of Directors Conference Call
- Sept. 13-24: GMP Fall District Meetings
- Oct. 7-17: Georgia National Fair, Perry
- Oct. 19-21: Sunbelt Ag Expo, Moultrie



# DIXIE DAIRY REPORT

CALVIN COVINGTON  
JUNE 2021

**Strong first quarter for dairy demand.** Dairy product commercial disappearance, for the first quarter of 2021 (total solids basis), was 4.1% higher than the first quarter of last year. Exports led higher demand, up 12.2%, while domestic demand was up a respectable 2.7%. Exports represented 16.3% of total disappearance during the first quarter compared to 15.4% during the first quarter of 2020. Challenges at west coast ports, most likely, kept exports from being even stronger. Butter and whey products were the leading exporters. The U.S.'s lower butter price, relative to the world price, helped push butter exports over 120 % higher compared to the first quarter of last year. Dry whey and whey protein concentrate exports were over 30% and 20% higher, respectively. Rebuilding the Asian swine herd is utilizing much whey for feed. The majority of the nation's skim milk powder continues to be exported, with over 60% exported during the first quarter, which was about 1.8% higher than last year.

Shifting to domestic demand, butter and skim milk powder were the leaders. Food service is a major outlet for both products. Continuing re-openings of many food service establishments fueled demand. First quarter domestic butter disappearance was up 7% and skim milk powder up 15.5%. Cheese disappearance was mixed. American cheese was almost 7% higher, but disappearance of other cheese (primarily Italian) was flat. The decline in other cheese disappearance deserves a careful watch, especially after being down last year. During the past decade, the other cheese category was responsible for much of the growth in cheese demand, up almost 25%.

Strong disappearance of manufactured products has reduced dairy product inventories. At the end of January, the butter inventory was over 30% higher than a year earlier. At the end of April, the butter inventory was only 3.4% higher than last April. American cheese inventory at the end of April is slightly lower than last April. Nonfat dry milk powder inventory was down almost 10% at the end of March.

**Fluid milk sales struggling.** Unfortunately, packaged fluid milk sales failed to keep pace with increased manufactured dairy demand. As shown below, estimated daily packaged milk sales were 4.2% lower during the first quarter of this year compared to last year. It is interesting to note, organic sales are up almost 6%, while conventional sales were down almost 5%. The Southeast had the federal orders with both the largest increase and decrease in first quarter packaged fluid sales. Appalachian was up 3.2%, while Florida was down almost 11%. For the entire Southeastern areas, first quarter daily packaged fluid milk sales are 4.8% lower than last year. The Southeast decline is more concerning, considering population growth in the Southeast states.

ESTIMATED DAILY PACKAGED FLUID MILK SALES – First Quarter 2021 vs. 2020

Million lbs.			
	2020	2021	Change %
U.S.			
Conventional	124.33	118.28	-4.9%
Organic	7.73	8.18	5.9%
<b>Total U.S.</b>	<b>132.05</b>	<b>126.46</b>	<b>-4.2%</b>
Southeastern Federal Orders			
Appalachian	9.13	9.43	3.2%
Florida	8.12	7.23	-10.9%
Southeast	12.03	11.11	-7.6%
Virginia Milk Commission	2.06	2.07	0.6%
<b>Total Southeastern</b>	<b>31.35</b>	<b>29.84</b>	<b>-4.8%</b>

**Large decline in cheese prices.** Strong milk production moved cheese prices lower over the past month. Since the first of May, CME block cheddar declined almost \$0.30/lb. from \$1.8000/lb. to \$1.5050/lb. on June 4. Extra demand for barrel cheese during the summer grilling season softened the CME barrel decline. During the same period, barrel declined from \$1.8125/lb. to \$1.5925/lb. Good demand, both domestic and export, continues to support the butter price. On June 4 the CME butter price was \$1.7900/lb., almost \$0.04/lb. higher compared to the first of May. May DPSR prices for both nonfat dry milk powder and dry whey increased from April. May NDM moved up \$0.06/lb. to \$1.24/lb., the highest price in over a year. May dry whey advanced \$0.035/lb. to \$0.64/lb., its highest price since 2014. We anticipate increased milk production will slow upward movement in these two product prices. The May Class III price increased almost \$1.29/cwt. to \$18.97/cwt., while Class IV advanced \$0.74/cwt. The relatively large spread between Class III and IV will continue to result in large volumes of milk not pooled on federal orders in May. May blend prices in some parts of the Appalachian and Southeast orders will be lower than the Class III price. The decline in CME cheese prices will be reflected in a lower June Class III price (\$1.00/cwt. or more). Time will tell if lower Class III prices will soften milk production growth in markets with heavy cheese milk usage.

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