



USDA PROJECTS SLIGHTLY HIGHER FARM MILK PRICES IN 2018

In its June forecast, USDA projects a 2017 all-milk price between \$17.80 - \$18.20/cwt. The June forecast for 2018 is an all-milk price between \$18.10/cwt. and \$19.10/cwt. Using the midpoints averages; this is an increase of \$0.60/cwt.

(Source: Calvin Covington, Dixie Dairy Report, July 2017)



Grand Opening for West Georgia Creamery, Bowdon

THIS ISSUE

West Georgia Creamery
Opens in Bowdon

Bills Introduced for
Immigration Reform

Fluid Milk Sales

GA Youth Attend SE
Dairy Youth Retreat

Dixie Dairy Report

USDA DISCOVERS CASE OF 'ATYPICAL' BSE IN ALABAMA



The USDA Animal and Plant Health Inspection Service announced on July 18th that an 11-year-old cow in Alabama tested positive for 'Atypical' Bovine Spongiform Encephalopathy, or mad cow disease. The animal was not slaughtered for the human food supply, and did not present a risk to human health, according to USDA.

This finding marks the fifth time that BSE has been detected in the United States — and the first time since 2012. The last three cases also have been atypical, which is different from "classical BSE" that cattle typically contract by eating feed contaminated with protein derived from rendered infected cattle. The FDA has prohibited those ingredients from being in cattle feed since 1997.



Two West Georgia Dairy Families Fulfill Dream with Creamery

After several years of planning and construction, two West Georgia dairy families fulfilled a lifelong dream this month when they opened doors to their own creamery. Arnold Murphy and his sons, Kenneth and Winfred of Meriwether County, along with Billy Bartlett and his children DeWayne and Denise of Carroll County, created a partnership and built the first business of its kind in Bowdon, Georgia. The creamery, West Georgia Creamery, will produce plain whole milk, chocolate milk, and buttermilk. In the future, the families hope to add to their product line with butter and coffee creamer.

The Murphy and Bartlett families have been close friends for over 20 years. The idea to build the creamery was first imagined back in 2010.

"We just have a passion for milk and we felt like milk is not being sold the way it comes out of the cow," said co-owner Kenneth Murphy. "The reviews for our products have been very positive and it's our intention to start supplying local stores next."



The Bartlett Family

The Bartlett Family has a strong history in farming that dates back to 1943, when Gerald and Inez Cavender purchased several hundred acres to grow cotton, corn and wheat. As their family grew, so did the farm with the addition of chicken houses in 1961 and 1965. In 1977, Gerald retired and sold their farm to his daughter, Barbara, and son-in-law, Billy Bartlett.

Billy and Barbara farmed for many years with their children DeWayne and Denise. In 1994, the family added a dairy parlor to their farm. The Bartlett farm is now a father and son venture with over 500 acres, 230 cows and heifers (120 milking cows) and 5 generations of hard working family members. *(Continued on next page)*

GEORGIA MILK PRODUCERS BOARD OF DIRECTORS

Everett Williams, Madison
President
706-818-0311

Adam Graft, Americus
Vice President
229-942-0508

Marvin Yoder, Montezuma
Treasurer
478-472-4533

Matt Johnson, Climax
Secretary
229-220-1577

Harry Allison, Clermont
770-519-3647

Dave Clark, Madison
706-342-2923

Ed Coble, Waynesboro
706-554-3672

Chad Davis, Eatonton
706-318-0243

Scott Glover, Clermont
770-539-4906

**Kenneth Murphy
Luthersville**
770-927-9210

Calvin Moody, Valdosta
229-263-2369

Daniel Payne, Rome
706-897-9905

Jeff Smith, Comer
706-783-5018

Earnest Turk, Eatonton
706-485-5971

James Yoder, East Dublin
912-367-9160

Troy Yoder, Montezuma
478-244-2172

(Continued from previous page)

The Murphy Family

The Murphy Family has been farming since the late 1800s, when Jack and Nettie Lou Murphy started growing cotton. In fact, part of the farm today has never been owned by anyone other than the Murphys, who purchased it initially through the Georgia Land Lotteries system.

Throughout the years, the family has farmed cotton, soybeans, corn, and other crops. In 1989, James "Arnold" and Juanita Murphy with their sons, Kenneth and Winfred, began dairy farming. In 1996, Arnold retired from teaching and expanded the farm to 660 acres.

The dairy herd now includes 125 Holsteins and Jersey cows. Earlier this year, the family experienced a tough loss when the matriarch of the family, Juanita, passed away unexpectedly. She was an integral part of family farm, keeping the books, managing the family and milking the cows whenever needed.

The Murphy family is very active in the dairy and agricultural industry. Kenneth, serves on the Board of Directors for Georgia Milk Producers, the Georgia Beef Commission, and the Georgia Beef Board. He also serves as the President of the Meriwether County Farm Bureau.

In a community big on agriculture, the dairy industry in West Georgia has suffered greatly over the last 30 years with many small farms going out of business. The creamery offers a new opportunity for these families to support their passion for cows, milk and the dairy industry. To learn more about West Georgia Creamery, [visit their Facebook page "West Georgia Creamery, LLC"](#).



Bills Introduced to Address Need for Immigrant Workforce



Lawmakers have recently introduced two bills to address Agriculture's pressing need for a stable, legal immigrant workforce. The first bill is actually the Homeland Security Spending Bill, which includes an amendment to help dairy producers and other farmers who need year-round labor. The amendment, offered by Rep. Dan Newhouse (R-Wash.), would expand the range of businesses that can apply for the H-2A visa program for temporary or seasonal agricultural workers, as well as nullify that stipulation that the work be short term. If passed, dairy farmers would be able to utilize the H-2A visa program already in place; which in the past was restricted to supplying only the temporary and seasonal labor needs of employers.

In May, Sen. Dianne Feinstein (D-Calif.) introduced another bill, the Agricultural Worker Program Act of 2017, to address the needs for both agricultural and rural communities and to provide progress toward comprehensive immigration reform. The bill, if passed, will establish an earned legalization program. Immigrants, who meet agricultural work requirements, national security clearance requirements and other obligations, would receive temporary permission to work in agriculture for three to five years. They would also gain the opportunity to earn immigration status with a path to citizenship.

In addition, the Agricultural Worker Program Act of 2017 would keep the H-2A agricultural guest worker program intact, but would minimize the need for use of the H-2A program by providing a meaningful, long-term solution for agricultural employers through the earned legalization program.

Fluid Milk Sales - *Written by Calvin Covington, Dixie Dairy Report*

April was a poor month for fluid milk sales in the three southeastern orders, with sales down in all three orders. However, fluid sales rebounded in May, with all three orders posting positive numbers. Most likely the decline in the Class I Mover from April to May impacted the sales numbers. Class I raw milk costs were lower in May, compared to April. Through May, fluid milk sales in all three orders are down 1.4%. A more important sales number to dairy farmers is Class I disposition, by fluid distributing plants located within the order. As shown in the tables below, total fluid sales in the Florida order are only down 0.6%, but Class I disposition by fluid plants in the Florida order are down 6.5%, through the first five months of the year. This explains why Florida experienced additional surplus milk this year. Fluid milk packaged outside of the Florida order, but sold in Florida, accounts for the difference.

SOUTHEASTERN FEDERAL ORDERS FLUID MILK SALES

<u>Order</u>	<u>January-May 2016</u>	<u>January-May 2017</u>	<u>% change</u>
	(million lbs.)		(%)
Appalachian	1,359	1,330	-2.2
Florida	1,178	1,171	-0.6
Southeast	1,884	1,859	-1.4
Three orders combined	4,422	4,358	-1.4

CLASS I DISPOSITION by FLUID PLANTS in the FLORIDA and SOUTHEAST ORDERS

<u>Order</u>	<u>January-May 2016</u>	<u>January-May 2017</u>	<u>% change</u>
	(million lbs.)		(%)
Florida	1,012	946	-6.5
Southeast	1,591	1,570	-1.3
Two orders combined	2,603	2,516	-3.3

Georgia Youth Attend 2017 SE Dairy Youth Retreat

Close to 30 Georgia youth and adults attended the 2017 Southeast Dairy Youth Retreat this month in Bradenton, Florida. This annual event is a tremendous opportunity for youth ages 8 to 18. During the retreat, youth participants from seven southeastern states interacted with dairy industry professionals during hands-on learning activities. They also visited a wide variety of farms in Florida, ranging from a minimal input, grazing dairy milking 5,000 cows to a large agritourism herd that processes their own milk and cheese. On the final day, the group cooled off at Adventure Island Waterpark and enjoyed a nice evening banquet.

Thank you to Florida for hosting the 2017 Southeast Dairy Youth Retreat this year. Our Georgia kids had a great experience and made many new friends and memories. Special thank you to our dairy farm families and industry sponsors that support the GA Dairy Youth Foundation. Your contributions allow GDYF to help fund registration and transportation fees for Georgia youth attending this event. To view pictures of the event, [visit the GA Dairy Youth Foundation Facebook page.](#)

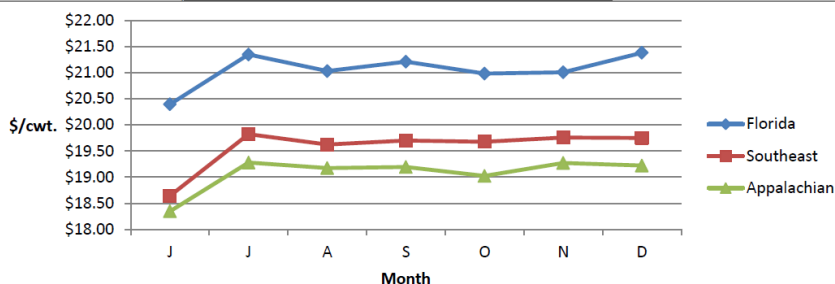


Dixie Dairy Report – July 2017

Calvin Covington

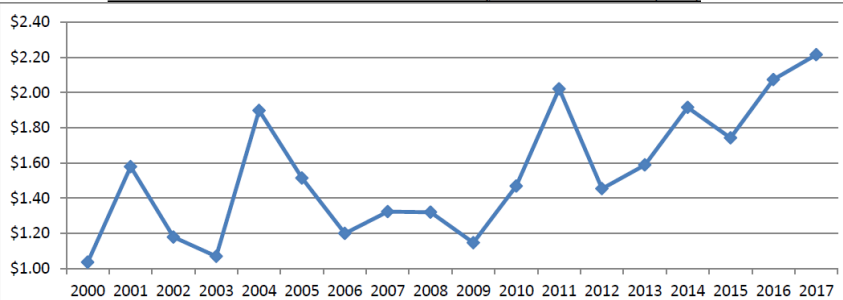
Federal order blend prices. For the three southeastern federal orders (Appalachian, Florida, and Southeast) June blend prices are projected \$0.60-\$0.70/cwt. higher than May. As shown in the table below, July blend prices are projected to increase about \$1.00/cwt. from June. For the remainder of 2017, blend prices are projected to remain relatively steady. During the first half of 2017, in all three southeastern orders, the skim portion of milk was responsible for over 50% of milk's total value. During the last half of 2017 milk's value will shift from skim to butterfat. In the Appalachian and Southeast orders over 50% of milk's value will come from butterfat. In the Florida order, butterfat and skim will carry about equal value. In all three orders, the producer butterfat price is projected to exceed \$2.90/lb. during the last four months of the year.

APPALACHIAN, FLORIDA, and SOUTHEAST PROJECTED BLEND PRICES
(June-December 2017 – Base Zone – 3.5% butterfat)



Butter driving the milk price. The shift in milk's value from skim to butterfat is due to increasing butter prices. The June AMS butter price was \$2.41/lb., the highest June butter price since the current AMS system began in 2000. For the first six months of this year, the AMS butter price averaged \$2.21/lb. This is the highest six month average since 2000. Back in 2000, the six-month average was only \$1.04/lb.

AMS AVERAGE BUTTER PRICES - January-June 2000 to 2017 (\$/lb.)



Why are butter prices moving upward? The demand for butterfat is increasing. Since 2000, commercial disappearance of butter has increased at an average annual rate of 3%. More butterfat is now consumed in other products such as fluid milk. Whole milk sales increased 4.8% in 2016, and are up 1.6% for the first four months of 2017. Increased demand is also reflected in butter inventories about 1.5% lower than last year. On the international market, the Oceania butter price is around \$2.60/lb. At the beginning of the year it was \$2.00/lb.

Milk production down in the two largest milk producing states. USDA reports May milk production 1.8% higher than last May. The dairy herd continues to expand with 71,000 more cows than a year ago. However, milk production per cow slowed, with May's production only 19 lbs. more per cow than last May. California continued to decline in production, but was also joined by Wisconsin. May production in Wisconsin was 0.7% lower than a year ago, all due to less milk per cow. Also, milk production was down in two of the other top ten milk producing states, Washington and Idaho. Texas and New Mexico continue to rebound, with May production up 14.7% and 6.9%, respectively. Production continues to grow in Michigan and New York. In the two southeast reporting states, May production was down 0.4% in Florida due to 20 lbs. less milk per cow. Production was up 1.3% in Virginia.