

FINALLY! MILK POWDER LAWSUIT CHECKS TO BE ISSUED SOON



According to the December edition of *The Milkweed*, current and former dairy producers who filed claims for the milk powder price misreporting case will see settlement checks issued soon. In a few days, only the United States Postal Service stands between the firm issuing payments and claimants' receipt of their Settlement checks, which will average about \$1,000 each.

Issuing those Settlement checks has been delayed by approximately one and a half years by appeals to the Settlement from New York.

The milk powder price-fixing lawsuit dates back to events in 2006-2007 when defendants improperly under-reported milk powder sales to USDA. Sales prices for nonfat dry milk are reported to USDA, as part of the weekly data collections of dairy commodity prices used in formulas to calculate monthly prices for manufacturing Class milk in the federal milk order program. Defendants in the case are DairyAmerica and California Dairies, Inc. DairyAmerica is a marketing agency representing several cooperatives that produce nonfat dry milk and other dairy protein powders. (Source: *The Milkweed*, December 2020)



Join us in Savannah for the 2021 Georgia Dairy Conference January 18-20!

REGISTER TODAY!! The Georgia Dairy Conference is the place where all aspects of dairy come together in the Southeast to discuss what's important for today and tomorrow. Let us know you are joining us by REGISTERING TODAY! As always, registration for GA Dairy Farm Families is free!

Georgia Dairy Farm Families: 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 appreciation for your support and to encourage you to attend your annual dairy conference!

Continuing Education Hours: Certified waste operators can receive two (2) continuing education credit (CEU) hours during the Georgia Dairy Conference. To obtain your attendance certificate, you must attend *BioFiltro's* presentation, on Tuesday, January 19 at 8:00 a.m. and *Caleb Harper's* presentation on Wednesday, January 20 at 8:45 a.m. We are working to secure Veterinary and ARPAS CEUs as well. For those interested, registration for these CEUs will be available at the GDC registration desk.

COVID-19 Safety Measures: Our staff is working hard to ensure that safety protocols are in place to minimize the spread of germs during our event. Masks will be mandatory as the City of Savannah has an ordinance requiring their use. Due to the outbreak of COVID-19, we are navigating the decisions for the event day-by-day. We take the safety, health, and well-being of dairy farmers and attendees seriously. We will continue to stay abreast of the situation moving forward, providing regular updates. For additional information on safety precautions [please check out our FAQ](#) online and our conference website at: www.gadairyconference.com.



Dairy Spouse Event for GA Dairy Conference

This year, our spouses will fellowship over breakfast, then participate in a workshop hosted by Lauren McClure of Precise Cattle on making all-natural bath products from tallow. Tallow can be used for all manner of skin conditions, including dry, chapped, calloused, cracked, and sun-damaged skin, rashes, burning, itching, wrinkles, and so on. It gives the skin the nutrients it needs to heal itself. It can even be used as a soothing aftershave! **Please let us know if you plan to participate at the registration table.**

THIS ISSUE

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2021

**Georgia Dairy
Conference**

GDC MEETING AGENDA

Please note that speakers, time slots and topics may change at any given time due to challenges and protocols related to COVID-19. This is a tentative agenda.

MONDAY, JANUARY 18

- 2:00 PM** **Impact of Risk Management Programs on 2020 Producer Cash flow**
Dr. Marin Bozic, Associate Director of Midwest Dairy Foods Research Center
- 3:15 PM** **State of the U.S. Dairy Industry Post Covid-19**
Ben Laine, Global Dairy Strategist, Rabobank
- 4:00 PM** **International Markets and Expectations for 2021**
Secretary Tom Vilsack, US Dairy Export Council

TUESDAY, JANUARY 19

- 7—8:00 AM** **Continental Breakfast**
- 8:00 AM** **New Waste and Manure Technologies**
Mari Ann Healy, BioFiltro
- 8:45 AM** **Inflations and New Technology to Improve Milk Quality**
Dr. Roger Thomson, ABS Global
- 9:30 AM** **Exhibit Break**
- 10:30 AM** **On-Farm Milk Testing and Managing Results**
Dr. Justin Graham Brooksco Dairy
- 11:15 AM** **Teat dips and other new products**
Dr. Roger Thompson, ABS Global
- 12:15 PM** **DHIA Awards Luncheon**
- 1:45 PM** **Crossbreeding Beef on Dairy**
Dr. Tim Timmons, ABS Global
- 2:30 PM** **The Demise of the Holstein Steer Market**
Justin Cleghorn, Cactus Feed Yard
- 3:15 PM** **Exhibit Break**
- 4:00 PM** **Advances in Holstein Genetics that Address Health, Milk Components and Culling**
Dr. Jeff Ziegler, Premier Select Sires

WEDNESDAY, JANUARY 20

- 7-8:00 AM** **Continental Breakfast**
- 8:00 AM** **Milk on My Mind Marketing Update and Partnership with Kroger**
Amanda Lucey and Representative with the Kroger Company
- 8:45 AM** **The Sustainability Initiative and What is in it for Everyone**
Geri Berdak, The Dairy Alliance and Caleb Harper, Dairy Management, Inc.
- 9:30 AM** **Exhibit Break**
- 10:30 AM** **Understanding Dairy Risk Management Programs**
Christine Brodeur, DFA Risk Management
- 11:15 AM** **SE Dairy Market Outlook**
Calvin Covington, SE Dairy Consultant and author of the Dixie Dairy Report

Nominations Needed for 2021 Bobby Walker Award



Georgia Milk Producers will award the "Bobby Walker Award" to an individual or company that served as a strong advocate for Georgia's dairy industry in 2020 at the GA Dairy Conference in January. We would like Georgia dairy producers to send in nominations for this award to our office by December 23, 2020. This award is open to any individual who is involved with the dairy industry (Cooperative officials/field representatives, feed/supply companies or salesperson, veterinarian, etc.). Please call our office with your nomination at 706-310-0020 or email it to gamilkproducers@gmail.com.



Make Your Reservation for the 2021 GA Dairy Conference by Dec. 27

Book your hotel room by Monday, Dec. 27 to receive the special room rates ! You can cancel your room up to 48 hours before our event—so call today to get the discounted rate!

Take advantage of special room rates for the 2021 Georgia Dairy Conference by making your reservations before Monday, December 27, 2020. The Savannah Riverfront Marriott is offering room rates for those attending the Georgia Dairy

Conference from Saturday, January 17, until Wednesday, January 20, at \$137.00/room for single and double occupancy rooms. There will be an \$8 parking fee per day for our group at the hotel.

Individuals are requested to call the hotel at 800-285-0398 for reservations or follow a link to our conference website at <http://www.gadairyconference.com/accommodations>. Please mention that you are with the “Georgia Dairy Conference” when making your reservation to ensure that you receive the discounted room rate. **PLEASE NOTE:** Any reservation received after the cut-off date will be accepted on a space and rate available basis. Availability and pricing cannot be guaranteed after the cut-off date.

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! Registration for the conference is also free for Georgia farmers and their families. Please register online at <https://www.gadairyconference.com/registration> or call our office at 706-310-0020.

Another Record Class III Price By Calvin Covington, SE Dairy Consultant

The November Class III price is \$23.34/cwt., a record high for the month of November. This is the second record price in the past five months. The previous November record was \$21.94/cwt. set back in 2014. High cheese prices, thus the record Class III price, was due to strong demand for American style cheese. Third-quarter domestic demand was 3.6% higher than a year ago. Much of the increased demand was driven by the “Farmers to Families Food Box” program. Now that the Food Box program is winding down, along with more milk moving to cheese plants, the cheese price has dropped significantly over the past month. From November 2 to December 4, CME block cheddar declined from \$2.7800/lb. to \$1.5850/lb. and barrels dropped from \$2.5300/lb. to \$1.4000/lb. These lower cheese prices will move the December Class III down sharply, to between \$15.25-\$15.50/cwt.



Dairy farmers or their cooperatives marketing milk to cheese plants will benefit from the record Class III price in their November settlement, as they did in previous months with strong Class III prices. Unfortunately, dairy farmers or their cooperatives marketing milk to other markets, such as Class I in the Southeast, will not reap the full benefits of the record Class III prices. De-pooling and the Class I Mover calculation have made the price difference between cheese markets and other markets worse. As shown below, the November Class III price is over \$10.00/cwt. higher than Class IV. In fact, the November Class I price in Orlando is only a dime higher than the Class III price. All Southeast Class I prices north of Orlando are lower than the Class III price for the month of November. November will be another price inversion (blend price lower than the Class III price) month in all three Southeast federal orders.

Needed federal order changes. The two primary purposes of federal milk marketing orders are: 1) ensure an ample supply of fresh fluid milk for drinking purposes and 2) promote orderly marketing of milk. Federal order blend prices significantly lower than the Class III price fail to meet these two purposes. To help remedy the situation two federal order changes are needed: 1) Change the Class I Mover calculation back to the “higher of” Class III or IV. The “higher of” would have resulted in a November Class I Mover \$3.18/cwt. higher than the actual Mover. The “higher of” was chosen, initially, to help ensure an adequate milk supply for the fluid market. When there is a large price difference between Class III and IV, the new Mover calculation fails to do this. 2) Make it more difficult to de-pool milk. If a dairy farmer or cooperative marketing non-Class I milk desires to participate in the federal order pool, the milk needs to remain in the pool for an extended time period. The milk should not be allowed to participate in the pool and share in the higher Class I value when it is only beneficial, then de-pool when it is not beneficial. De-pooling has prevented all federal order producers from equitably sharing in the benefit of the record Class III prices. Such a situation creates disorderly marketing, plus it makes it more difficult to provide milk for fluid purposes.

Dixie Dairy Report – December 2020

Calvin Covington

Dairy demand. Domestic commercial use of all dairy products (total solids) was 0.9% higher for the third quarter of 2020 compared to 2019. For the same period, exports were up 15.5%. Combined, total third quarter dairy demand was 3.0% higher than a year ago. As stated above, American cheese varieties drove domestic demand up 3.6%, while demand for the “other cheese” category was down 0.9%. Food service is the major market for the “other cheese” category. Third quarter butter demand was flat. However, butter production during the same period was 5.4% higher, and the inventory at the end of September was over 18% higher. This explains low butter prices. Domestic use of nonfat and skim milk powder was 17% lower during the third quarter, but exports were 24% higher. Increased global powder demand is moving the nonfat dry milk powder price higher. Domestic dry whey use continues below a year ago, down 29% for the third quarter. This is mainly due to gyms, health clubs, and nutritional stores, continuing to face pandemic challenges. The bright spot for dry whey is exports, up 57% for the third quarter. Asia is rebuilding their swine herd. Turning to fluid milk. Producer milk utilized in Class I in all federal orders through October, was 1.0% lower compared to the same period a year ago. Class I usage is benefiting from the Food Box program, helping to replace lost food service sales. For the three southeastern federal orders, October was a challenging month, Class I producer milk volume was 3.0% lower than last October. For the ten-month period, Class I is down 1.7%, compared to last year.

Milk production. There continues to be substantial increase in the nation’s milk supply. For each of the months of September and October, milk production was 2.3% higher than a year earlier. More milk is due to more cows and more milk per cow. The nation’s dairy herd has 43,000 more cows than a year ago. 27,200 fewer dairy cows were slaughtered this October compared to last October. October milk per cow was 1.9% higher. For the three southeast reporting states, September production was 1.2% and October 0.2% lower than a year earlier. Florida reports 5,000 and Georgia 1,000 fewer cows than a year ago.

Blend Prices. As shown below, we project November blend prices over \$2.00/cwt. higher than October. Prices are projected to move higher in December which should be the highest blend price since January. Compared to last month, projections for the first quarter of 2021 are much lower due to the quick and large decline in cheese prices. Blend prices are projected to take a sharp dive in January. The first quarter of 2021 will be a challenge for milk prices with blend prices averaging about \$2.00/cwt. lower than the first quarter in 2020. Our current projection shows for all of 2021 blend prices about \$0.50/cwt. lower than 2020. It will take less milk, and stronger domestic sales to move milk prices higher in 2021.

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
(\$/cwt. at 3.5% butterfat – base zone)			
October 2020	\$17.92	\$19.65	\$17.86
November	\$20.09	\$21.71	\$20.34
December	\$20.69	\$23.18	\$21.22
January 2021	\$17.47	\$19.68	\$17.79
February	\$17.54	\$19.41	\$17.91
March	\$17.82	\$19.84	\$18.00

*Projections in bold

Best wishes to all for a blessed Christmas. May we all remember the purpose of Christmas as announced by the angel on the first Christmas day: And the angel said to them, “Fear not, for behold, I bring you good news of great joy that will be for all the people. For unto you is born this day in the city of David a Savior, who is Christ the Lord.” Luke 2: 10-11

RETURN SERVICE REQUESTED

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