



**GA NATIONAL FAIR TO
EXPAND GA GROWN
BUILDING AND ADD
BIRTHING CENTER**

Thanks to bond money added to the state budget, the Georgia National Fairgrounds and Agricenter will make improvements to buildings, livestock areas and RV hookups.

The Department of Agriculture is getting \$2.4 million to double the size of the Georgia Grown building, allowing more room for other vendors.

Agriculture Commissioner Gary Black says they'll plan to add a "birthing center" as well to the Georgia Grown Building, giving fair guests the chance to watch live births of farm animals during the fair each fall.

Black says he got that idea from other state fairs like Minnesota. (Source: WMAZ Macon)

**DAIRY FARM NUMBERS
CONTINUE TO DECLINE**

There were 41,809 licensed dairy farms in the U.S. in 2016, a decline of 1,725 herds from the previous year. Compared to 2000, there are 50% less dairy farms today. The southeastern states had a total of 2,355 licensed dairy farms in 2016. (Source: April Dixie Dairy Report)

GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR GEORGIA MILK PRODUCERS, INC.

Eberly Family Farms, Waynesboro



THIS ISSUE

GA ACC for Beef Voting
Begins May 1st

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Dixie Dairy Report



Voting for Georgia's Agricultural Commodity Commission for Beef Referendum Begins May 1st

Written by Will Bentley, GA Cattlemen's Association

Imagine for a moment that you owned a food company. One day, a consulting group comes to you and offers to provide research on the best way to run your food company efficiently and provide you with the latest information on the best way to remain profitable. They then offer to spend time on educating and training the next generation of workers to work at your company. And to top it all off, they offer to go around to all the areas of your state that have large consumer populations and promote your product so that you have a built-in customer base without you having to leave your day to day operations, allowing you to focus on implementing the strategies and best practices that they discovered in the research phase of their service offering.

Some of you would go ahead and ask where you sign up for such a good deal. Some of you would be interested but would wonder how much this service was going to cost your "food company". And then a small portion of these imaginary "food company" owners would slam the door on this consulting firm because one of their buddies, who has been in the food business for a "long time" and knows everything there is to know, told them that they don't like this group and that they don't need to worry about doing research, promotion and education to run a business.

Now let's snap back to reality for the remainder of my article. If you are reading this article, then you most likely already run a "food company" whether you think of your farm that way or not. Your cattle operation is the first step in providing food for the world. The consulting firm in my earlier illustration could be thought of as our state beef checkoff. The Ag Commodity Commission for Beef offers to provide all of the services mentioned above for your farming operation for \$1 per head, or about 0.1% of the cost of an average calf in Georgia.

The ACC for Beef checkoff, which is managed by Georgia producers that cover the beef

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cattle, dairy and livestock market segments of our industry, is up for the first referendum since its passage in 2014. Over its first three years in existence, the state checkoff has invested roughly 75% of the money collected on production research that will directly impact Georgia cattle producers on our operations. The remainder of the money has been invested to increase promotion of beef to Georgia's 10 million consumers and to fight misconceptions about the cattle industry that are spread by outside groups that would prefer to see our industry and way of life go away.

Research projects that are tackling some of the Southeast's largest problems such as pinkeye in cattle, horn fly control, BVD presence in calves, reproductive efficiency and feeding efficiency are being conducted by the Beef Team at the University of Georgia.

One of the nation's premier forage and weed specialist, Dr. Dennis Hancock, is in the middle of research that seeks to find methods to effectively manage the bermudagrass stem maggot. He and his team are also researching new winter annual forages that will help build up your pastures organic matter, reduce compaction and increase water holding capacity, all leading to a more sustainable family farm.

These projects, and dozens of other similar ones, would not be possible without support from Georgia cattle producers through the state checkoff. As an industry, we face so much outside opposition that it is imperative to take every opportunity to self-fund and self-manage programs that are going to have a positive impact on our farms and in our market places. You have an opportunity to continue to invest in these programs beginning May 1st, when ballots are to be sent out from the GA Dept. of Agriculture. If you voted in the first referendum in 2014, you should automatically receive your ballot in May. If you did not vote in 2014, or are new to the cattle industry since then, you can contact GDA and request your ballot. All ballots must be signed and postmarked prior to May 31st, 2017 to be counted in the referendum. Be sure to share all of the benefits that the ACC for Beef has done for cattle producers with your neighbors in the industry. We will need every vote that we can get to keep this program in place!

UGA EXTENSION UPDATES RULES AND FEES FOR PESTICIDE TRAINING – *From the University of Georgia CAES*

The way that the University of Georgia Cooperative Extension offers training, exams and continuing education classes for pesticide applicators' license renewals will change May 1. These changes will ensure that UGA Extension can continue to provide pesticide safety education throughout the state, while staying in line with changes mandated by the U.S. Environmental Protection Agency (EPA).

"Our commitment to the safety of those who work on farms, those who eat the produce grown in our state, and the general public has always been a big part of what we do here," said Mark McCann, assistant dean for Agriculture and Natural Resources Extension at UGA. "We will continue to make sure that those who use restricted-use pesticides as part of their livelihoods - landscapers and farmers - will have 24/7 access to the training they need to use those pesticides safely."

UGA Extension has developed a state-specific curriculum and exam series for private pesticide applicators.

To comply with EPA rule changes and to offer Georgia's farmers and pesticide operators more focused, local instruction, the UGA Pesticide Education Program created a new curriculum and set in place an online training system which is available 24/7. *(continued on next page)*



While these changes will be more convenient for farmers and other private pesticide applicators, they will require a \$25 fee for the online training program. The current program was free of charge.

Along with the EPA rule change that allows for more local control over training, federal funds that previously supported training have been rolled back, so UGA Extension will have to charge fees to offset that loss of funding.

Major changes in Georgia's program based on the EPA rule change are as follows:

- Recertification credits: Pesticide applicators were required to attain three hours of continuing education credit every five years. In the future, they will need to attain five hours every five years. This rule will take effect after the Georgia Department of Agriculture updates its rules.

- New emphasis on safety: Future workshops and field days offering continuing credits for pesticide licensure will include a section on pesticide safety. This section must take up 10 to 15 minutes of the workshop or field day.

- Online course fees: In order to cover the costs of instruction, new materials and trainings, online courses will cost \$25, which will partially support the UGA Extension Pesticide Education Program. The course is currently free.

- Online training: In the past, most training has taken place in county Extension offices. The new training will be taken online. Testing is done at the end of each section. A passing score is required to proceed to the next section.

- Testing: Trainees now take about two hours to complete the course and certification test. Under the new program, it will take four to five hours to complete. However, individuals can take a break and return to the online course as needed.

- Temporary licensure: As with the current program, farmers can get a temporary license upon completing the exam and the license application with their agent.

Perdue Confirmation Set for April 24th

The U.S. Senate has scheduled debate and a vote to confirm Georgia Gov. Sonny Perdue as U.S. the Secretary of Agriculture on April 24.

Perdue was nominated by President Donald Trump on Jan. 19 and the Senate Agriculture Committee held its confirmation hearing on March 23. The committee voted to forward the confirmation to the full senate with a 19-1 vote on March 30.



U.S. Milk Production Increases More Than 2 Percent for the Sixth Consecutive Month – *Written by Calvin Covington, Dixie Dairy Report*

February milk production (adjusted for Leap Year) was 2.3% higher than a year ago. February marks the 38th consecutive month, month over month, production has increased. This is the sixth consecutive month the increase exceeds 2%. The nation's dairy herd, at the end of February, was 56,000 head greater than a year ago and 4,000 head more than last month.

Texas and New Mexico show the greatest production increases, up 17.8% and 13.5%, respectively, for the first two months of this year compared to the same period last year. Both states appear to be recovering from the "Goliath" winter storm. Both the Northeast and Midwest continue to produce more milk. For the first two months of 2017, production is up 3.8% in New York, 2.4% in Pennsylvania, and 4.3% in Michigan. The nation's number one dairy state, California, continues to produce less milk than a year ago. In number two, Wisconsin, production is slowing, only up 1%. The ban on use of rBST, by most of the state's milk buyers, could be lowering production.

For the two southeast reporting states, Florida and Virginia, February 2017 production was almost the same as last February. For most of 2016, month over month production declined in these two states.

At the end of February, both butter and nonfat dry milk powder inventories were 20% higher than last February. American cheese inventory is up 8%. The February butter inventory is the highest February inventory in over 20 years.

All indications point to more milk for the foreseeable future. Average margins above feed cost are running \$3-\$3.50/cwt. higher than a year ago. Through March 11, about 45,000 less dairy cows were slaughtered. The flush season is yet to come. Lack of markets may be the one item that slows milk production. In many parts of the country no cooperatives or plants are adding any new milk, and some are discouraging milk production increases from current producers. In Wisconsin, a major milk buyer gave thirty day termination notices to 75 producers. Loss of a major customer was the reason given for the terminations.

Dixie Dairy Report – April 2017

Calvin Covington

Southeastern blend prices. March blend prices in the three southeastern orders are similar to February. However, April blend prices are projected to drop about \$0.75/cwt. from March with a further decline in May. We project blend prices to start inching up in June, then peaking in September and October.

Florida not the highest mailbox price. Since mailbox prices were published, Florida always had the highest annual mailbox price. This was not the case last year. The New England States with a 2016 average mailbox price of \$17.27/cwt. are at the top of the list. Florida was second with \$17.23/cwt. The Appalachian States were third and Southeast States eighth. The following table shows the top five mailbox prices in 2016 compared to their prices in 2015:

Reporting Area	2015	2016	2016 vs 2015
	(\$/cwt.)		
New England States	\$18.55	\$17.27	-\$1.28
Florida	\$19.15	\$17.23	-\$1.92
Wisconsin	\$17.68	\$16.59	-\$1.09
Appalachian States	\$17.90	\$16.46	-\$1.44
Minnesota	\$17.46	\$16.45	-\$1.01

Blend prices versus mailbox prices. Comparing blend prices to mailbox prices provides a good indication of what is happening in a marketing area in regards to over-order premiums and marketing costs. A greater positive difference between mailbox and blend prices indicates strong over-order premiums and lower marketing costs. A negative difference indicates the opposite. The following table compares annual average mailbox and blend prices in the three southeastern federal orders from 2010 to 2016 to the mailbox reporting area best corresponding to the respective federal order.

Year	Appalachian			Florida			Southeast		
	Blend	Mailbox	Difference	Blend	Mailbox	Difference	Blend	Mailbox	Difference
	(\$/cwt.)								
2010	17.94	17.98	.04	20.12	19.40	-.72	18.07	18.38	.31
2011	21.68	21.64	-.04	23.70	23.14	-.56	21.72	22.00	.28
2012	19.70	19.39	-.31	21.95	21.09	-.86	20.03	19.94	-.09
2013	21.37	21.19	-.18	23.53	22.95	-.58	21.78	21.58	-.20
2014	25.62	25.44	-.18	27.82	27.07	-.75	26.20	25.87	-.33
2015	18.58	17.90	-.68	20.90	19.15	-1.75	19.29	18.16	-1.13
2016	17.09	16.46	-.63	19.23	17.23	-2.00	17.55	16.27	-1.28

The above table documents the economic impact to dairy farmers of declining over-order premiums, and higher marketing costs in these three federal orders. Hopefully, this information will provide encouragement to dairy farmers to develop additional markets, improve marketing efficiencies, and restore over-order premiums.

Correction for March Newsletter: Last month's newsletter had an incorrect table with the story below. We apologize for any confusion this may have caused. Here is the correct information:

Total U.S. Fluid Milk Sales Declined in 2016, But Up in Southeast Written by Calvin Covington

As shown in the table to the right, conventional sales were 1% lower in 2016 compared to 2015, while organic sales were up 5.7%.

Even though total fluid sales were down, there is some good news in the numbers. The sales decline in 2016 is the lowest percentage decline in many years. For the third consecutive year, whole milk sales are up. 2016 conventional whole milk sales were almost 5% higher than 2015, and organic whole milk sales were 16.5% higher.

ESTIMATED FLUID MILK SALES (2010-2016)

Year	Conventional	% change from previous year	Organic	% change from previous year	Total	% change from previous year
	(million lbs.)		(million lbs.)		(million lbs.)	
2010	52,861		1,812		54,673	
2011	51,665	-2.3%	2,074	14.5%	53,739	-1.7%
2012	50,693	-1.9%	2,157	4.0%	52,851	-1.7%
2013	49,240	-2.9%	2,265	5.0%	51,505	-2.5%
2014	47,643	-3.2%	2,474	9.2%	50,118	-2.7%
2015	47,028	-1.3%	2,437	-1.5%	49,665	-1.3%
2016	46,564	-1.0%	2,576	5.7%	49,140	-0.7%

Source: Dairy Market News and Fluid Milk Products Sales Reports

SOUTHEASTER ORDERS FLUID MILK SALES (2010-2016)

Year	Florida	Southeast	Appalachian	Total
	(million lbs.)			
2010	2,950	5,032	3,642	11,624
2011	2,900	4,898	3,580	11,378
2012	2,855	4,770	3,498	11,123
2013	2,797	4,646	3,376	10,819
2014	2,724	4,584	3,301	10,609
2015	2,732	4,534	3,249	10,515
2016	2,777	4,517	3,243	10,537
% Change 2016 versus 2015	1.6%	-0.4%	-0.2%	0.2%

Source: Dairy Market News and Fluid Milk Products Sales Reports

Combined fluid milk sales in the three southeastern orders, were 0.2% higher in 2016 versus 2015. The Florida order was responsible for the increase with sales up 1.6%.

Unfortunately, all of Florida's increased sales were due to milk processed outside of Florida by non-Florida processors. Non-Florida processors sold almost 85 million lbs. more milk in the Florida market in 2016 compared to the previous year. While sales by Florida processors was down by almost 55 million lbs.