



## GA AG FORECAST SERIES HELD ACROSS GA NEXT MONTH

Predicting markets and preparing for the next growing season can be a tough job, and that's where *Georgia Ag Forecast* can help.

*Georgia Ag Forecast* is an annual seminar series presented by the University of Georgia College of Agricultural and Environmental Sciences in partnership with Georgia Farm Bureau and the Georgia Department of Agriculture.

UGA, the state's land-grant and flagship institution, is committed to sharing the latest research and information to help Georgia farmers and agribusinesses.

Join their economists as they provide an outlook of agricultural markets for the coming year.

Participants will network with UGA faculty and UGA Cooperative Extension agents, local producers and other stakeholders, and will leave the meeting with a copy of the 2018 Georgia Ag Forecast book, which is designed to provide detailed analyses of major commodities produced in the state.

The 2018 seminar series will be held Jan. 30 – Feb. 7 in Lyons, Bainbridge, Tifton, Macon, Cartersville and Athens, Georgia. Registration for the series is now open at <http://www.caes.uga.edu/about/signature-events/ag-forecast.html>.

# GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR GEORGIA MILK PRODUCERS, INC.



*Schaapman Holsteins, Abbeville*

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## GMP to Host Georgia Dairy Conference Next Month

This upcoming Jan. 15-17, 2018, dairy farmers from the Southeast and eastern seaboard will come to the Savannah Riverfront Marriott in Savannah, Ga., for the 2018 Georgia Dairy Conference – the Southeast's premier dairy conference and trade show.

This three-day conference offers dairy farmers and industry the chance to listen to renowned national speakers, receive updates from their dairy organizations and engage with the nation's leading industry suppliers at the tradeshow.

"We are looking forward to another year of growth, fellowship and opportunity for our producers at the 2018 conference," said Everett Williams, president of the GMP board of directors. "Our conference joins the Southeast dairy community to discuss the important issues facing our industry today."

With 81 dairies and over 103,000 cows represented at the 2017 GDC, the 2018 event will build on the success of previous years.

The GDC agenda includes keynote speaker Dr. Robert Fox, Dairy Sector Manager for the Wells Fargo Advisors Group. Fox serves as a marketing consultant and risk advisor to commercial lending offices across the country. Although he covers a wide array of industries, he focuses mainly on dairy processing, coffee and cotton. Fox has spent 20 years working in agriculture and has held a variety of positions including Grain Market Analyst for USDA's Foreign Agricultural Service, Senior Commodity Analyst for MF Global, Agri-business Educator for the University of Wisconsin Extension Service. He also owned and operated a 140-cow dairy farm in western Wisconsin. Fox will speak on "Dairy Trends in the Southeast, U.S. and Beyond" on Monday, Jan. 15 at 4 p.m.

The agenda also features 13 other speakers who will present on topics ranging from technology use

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Dairy Conference in January**

to management practices for consumer demands to management of employees. On Wednesday, the conference will close with a dairy leaders cooperative panel.

A tradeshow featuring industry sponsors and exhibitors is held in conjunction with the conference and provides representatives with the opportunity to spark conversations with dairy producers. Last year, the GDC featured more than 60 exhibitor booths and will continue in growth this year.

The fourth annual Southeast Dairy Student Symposium will take place during the GDC, welcoming dairy science students from Southeastern universities to learn about employment opportunities and practices in the dairy industry. Last year 43 students attended from the University of Georgia, University of Florida, Virginia Tech, Berry College and North Carolina State University.

An auction, fundraiser and annual meeting of the Georgia Dairy Youth Foundation will take place at the GDC to benefit Georgia's youth who are interested in the dairy industry.



## **UGA Names Francis Fluharty the new ADS Department Head**

The University of Georgia named Francis Fluharty the new department head for the Department of Animal and Dairy Science this week. Fluharty is currently a research professor in the Department of Animal Sciences at The Ohio State University and will begin his new role at UGA in spring 2018.

His career has been devoted to assisting food animal producers through research and educational programs aimed at improving animal health and growth while improving profitability, as food animal agriculture must first be economically sustainable for farm families. His primary research interests are determining the main nutritional factors impacting animal health and growth, as well as the nutritional and immunological factors affecting the site of fat deposition and meat characteristics in ruminants, as consumers have increasingly demanded that our production practices enhance the health and welfare of animals. During his career, Fluharty has been the principal investigator (PI) or co-PI on 46 successful grants totaling over \$7.3 million. His master's degree was conducted with starch chemistry and digestibility, and his doctoral research focused on the nutritional management of stressed ruminants through optimizing the functioning of the microbial population in the rumen.

Fluharty is a co-inventor of two patents for genetic marker processes and DNA sequences to detect an animal's potential for both marbling and tenderness. He also helped develop an all-natural branded beef program, Ohio Signature Beef, designed to improve the profitability of family farm owners who wished to produce cattle without the use of hormone implants or antibiotics, addressing consumer demand for this value-added market. He has worked as a scientific advisor for the Inter-American Institute for Cooperation on Agriculture (IICA) in Chile and the Chilean Institute for Agriculture Development (INDAP), as well as the Japanese Wagyu F1 Council and Japan Cattlemen's Association.

### **Additional Undercover Videos from Florida Farms Released**



This month, additional animal abuse videos were released online from an animal rights activist group called Animal Recovery Mission. Please remain vigilant of those visiting your farm or seeking employment. Now is a good time to review your farm's response plan. The website, See It Stop at <http://www.seeitstopit.org/> provides producers with many tools to use to encourage and empower those working on your farm to immediately report any signs of deliberate animal abuse, neglect, harm or mishandling without fear of retribution.

# Make Your Hotel Reservation for GDC by Dec. 24

*Take advantage of special room rates for the 2018 Georgia Dairy Conference by making your reservations before Sunday, Dec. 24!*



The Savannah Riverfront Marriott is offering room rates for those attending the Georgia Dairy Conference from Saturday, Jan. 13, until Wednesday, Jan. 17, at \$127.00/room for single and double occupancy rooms. Individuals are requested to call the hotel at 912-233-7722 or 800-285-0398 for reservations. Please mention you are with the "GA DAIRY CONFERENCE 2018" when making your reservation to ensure that you receive the discounted room rate. A link to online reservations can be found on our website at [www.gadairyconference.com](http://www.gadairyconference.com). Parking at the Savannah Riverfront Marriott has been reduced to \$5 per day for those attending the Georgia Dairy Conference.

**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 dairy producers. Please register online at [www.gadairyconference.com](http://www.gadairyconference.com) or call our office at 706-310-0020.

**CERTIFIED WASTE OPERATOR CE HOURS:** Certified waste operators can receive one (1) certified waste operator continuing education credit hour during the Georgia Dairy Conference. To obtain your attendance certificate, you must attend Dr. Joe Horner's presentation, titled *Economics of Various Manure Systems*, on Tuesday, January 16, at 8:45 a.m.

**DAIRY SPOUSES BREAKFAST AND ACTIVITY:** This year, our spouses will fellowship over breakfast, then participate in a painting session with Savannah's own Painting with a Twist®. No painting experience is needed and you'll end up with a one-of-a-kind wood pallet creation and a new found talent you'll want to explore. Please let us know if you plan to participate at the registration table or by email at [gamilkproducers@gmail.com](mailto:gamilkproducers@gmail.com)!

**DAIRY GIRL NETWORK EVENT:** The Dairy Girl Network will be host a networking event on Monday, Jan. 15, in conjunction with the Georgia Dairy Conference. The reception will be an informational session and networking event for ladies involved in dairy in the southeast. All women - students, industry professionals and dairy producers - are invited to the event which will be held at 5:30 p.m. in the Academy room of the Savannah Riverfront Marriott.



## Growth in milk production slowing and cow numbers stabilizing

*Written by Calvin Covington*

According to USDA, October milk production is 1.4% higher than last October, and September production was revised to only 1.0% higher than a year earlier. January 2016 is the last time monthly milk production was lower than 1%. The nation's dairy herd is estimated at 9.4 million cows in October. Cow numbers have remained stable for the past six (6) months. So far this year the number of dairy cows slaughtered is running about 4.5% higher than last year which is helping steady cow numbers. Milk produced per cow in September and October, compared to the same months a year earlier, was only up four (4) and twelve (12) lbs., respectively, lower than the historical average increase. Of the 23 milk reporting states, production was down in California, New York, Oregon, and Washington, but up in the other 19 states.

In the Southeast, October milk production in Florida was 0.6% higher than last October. In Virginia, milk production was 3.6% higher. October milk produced per cow, in Florida, was 30 lbs. lower (impact of hurricane) than a year earlier, but USDA estimates there were 3,000 more cows. More milk in Virginia is due to 65 lbs. more milk produced per cow this October compared to a year ago.

**Milk production concentrated in a few counties.** The November 2017 *Central Federal Order Marketing Bulletin* reports, in May 2017, 25% of federal order and California milk production was produced in only 14 counties. Seven of those counties were in California with Tulare County the number one milk producing county. Out of those 14 counties, only one was east of the Mississippi, Lancaster in Pennsylvania. 61 counties produced 50% of federal order and California milk, and 185 counties produced 75%.

# Dixie Dairy Report – December 2017

*Calvin Covington*

**Fluid demand weak, domestic demand flat, and exports up.** Conventional fluid milk sales were 2.7% lower this September compared to last September. Organic September sales were down 4.2%. For the first nine months of the year conventional fluid sales are down 2.4% and organic sales up 0.2%. Again, the bright spot is whole milk with sales up 2.4% for the year-to-date. Fluid decline in the Southeast is not a low as the national average. Through September total fluid sales in the three southeast federal orders are down 1.2%.

For the first nine months of the year, compared to the same period a year ago, commercial disappearance of butter is up 0.4%, American cheese up 2.3%, other cheese down 0.4%, and nonfat dry milk powder down 12.8%. The export side looks better with butter exports up 70%, cheese up 23%, and nonfat/skim milk powder up 8%.

**Total solids.** A more precise way to monitor demand is on a total solids basis. This combines the fat and solids-not-fat used in all dairy products, fluid and manufactured. The following table shows both domestic and export demand, on a total solids basis. Through September, domestic demand is slightly lower than last year while exports are about 6.5% higher. Combined, total demand is only 0.8% higher than a year ago. producer milk in all three orders, for the first nine months of the year, is little changed from 2016, about 10.34 billion lbs.

Year	Domestic and Export Total Solids Demand (January-September, 2010-2017)				
	Domestic	Export	Total*	% Change from Previous Year	Export % of Total
(billion lbs.)					
2010	16.11	2.16	18.26		11.8%
2011	16.28	2.41	18.68	2.3%	12.9%
2012	16.72	2.51	19.23	2.9%	13.1%
2013	16.49	2.91	19.40	0.9%	15.0%
2014	16.72	3.03	19.74	1.8%	15.3%
2015	17.32	2.78	20.10	1.8%	13.8%
2016	17.84	2.72	20.57	2.3%	13.2%
2017	17.83	2.90	20.73	0.8%	14.0%

Date source: USDA – Economic Research Service

\*may not add due to rounding

**Dairy product prices mixed.** The November butter price declined about nine cents from October, but is still higher than a year ago. Flattening butter demand and adequate inventories are weakening the price. November cheese gained about four cents, and is about even with last year. However, CME trading shows cheese prices moving lower. Expect a several cent decline in the December price. Cheese demand is weak, production is up, and surplus milk is already moving to cheese plants at a discount. Both powder and whey prices continue to decline. Since the beginning of the year, powder has dropped about a quarter and dry whey a dime. Both powder and whey inventories are about double, compared to a year ago.

**Lower blend prices.** Compared to last month our 2018 blend price forecast is lower, especially for the first few months of the year. Currently we project 2018 blend prices to average \$0.50-\$0.75/cwt. lower than this year. Even though milk production increases appear to be slowing, domestic demand is weak. The industry will head into 2018 with heavy inventories, not only in the U.S., but worldwide. Exports are up from last year, but competition in the international market is strong, especially from the European Union. It will be a struggle for the U.S. to export all the milk produced beyond domestic needs. However, compared to the current futures market, our projections are more optimistic. We anticipate lower farm milk prices and margins will lower production by the middle of 2018.

Product	National Dairy Products Sales Report Prices		
	November 2016	October 2017	November 2017
Butter	\$1.9092	\$2.3718	\$2.2810
Cheese (block & barrel)	\$1.7596	\$1.7254	\$1.7617
Nonfat Dry Milk Powder	\$0.9119	\$0.8099	\$0.7553
Dry Whey	\$0.3690	\$0.3790	\$0.3587

Quarter	Projected Blend Prices –Base Zones – Southeastern Federal Orders		
	Appalachian	Florida	Southeast
(dollars /cwt.) – 3.5% butterfat			
November, 2017	\$18.65	\$20.55	\$19.21
December	\$18.58	\$21.20	\$19.25
January, 2018	\$17.75	\$19.88	\$17.99
February	\$17.54	\$19.55	\$17.73
March	\$17.34	\$19.39	\$17.48
April	\$17.06	\$19.12	\$17.26