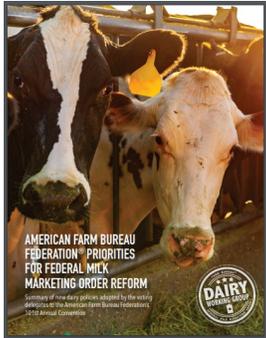


GEORGIA MILK REVIEW

FARMERS DESERVE A SEAT AT THE TABLE IN MILK PRICING POLICY

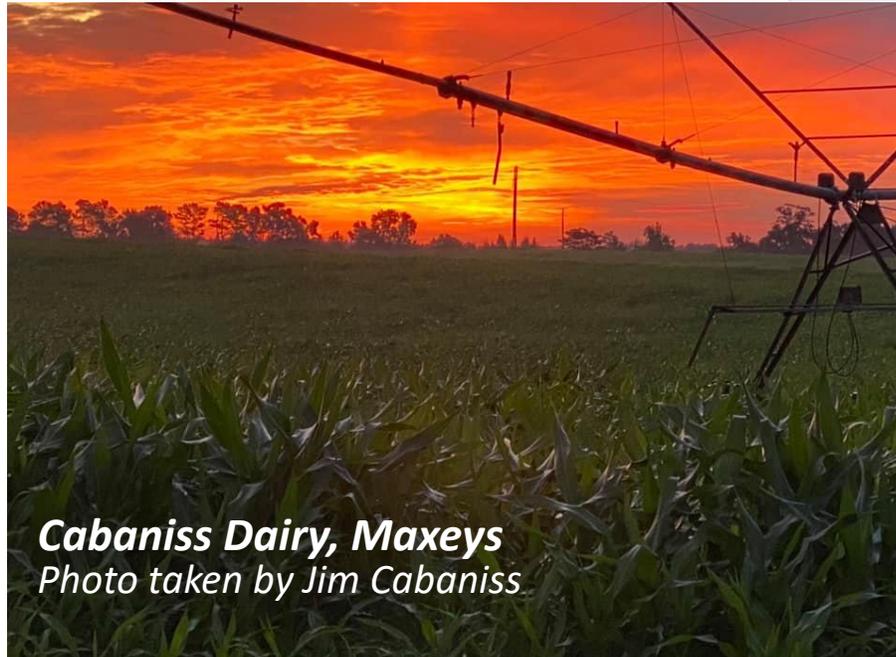


The American Farm Bureau Federation recently released its [final report](#) on priorities for milk pricing reform, calling for more democracy and a more equitable program for dairy farmers.

Among AFBF's priorities is amending the Agricultural Marketing Agreement Act to give dairy farmers an opportunity to directly vote on Federal Milk Marketing Order (FMMO) issues. Currently, only dairy farmers who are independent and not members of cooperatives may cast individual ballots. Cooperatives may allow their members to vote independently, but then lose their ability to bloc vote on behalf of their non-participating members. AFBF supports allowing modified bloc-voting, which would allow co-op members to vote independently and confidentially, while allowing cooperatives to cast ballots for farmers who choose not to cast an individual ballot.

To view a copy of their final report, go online to: https://www.fb.org/files/AFBF_FMMO_Final_Report_fr.pdf

Source: American Farm Bureau Federation



*Cabaniss Dairy, Maxeys
Photo taken by Jim Cabaniss*

THIS ISSUE

- AFBF Final Report for FMMO Reform
- Fall District Meetings
- Appointments Made for GA Commodity Commissions
- Geri Berdak named new CEO of The Dairy Alliance
- Dixie Dairy Report

Fall District Meetings Begin September 11th

Dairy producers across Georgia are invited to attend the annual Fall District meetings for Georgia Milk Producers and The Dairy Alliance next month. The meetings will be held in five locations across the state. Our organizations will hold elections; report on industry issues and promotional efforts; and announce upcoming events. Dinner or lunch will be served at each location depending on the time the meeting is set to begin.

Due to current Covid-19 restrictions for gatherings, no more than 50 people are allowed to attend each meeting. For the Waynesboro and Montezuma meetings, please limit those attending from your farm to 2 or 3 people. Masks, hand sanitizer and social distancing will be utilized for each meeting. The meetings will be held on:

Sept. 11	Friday	Hillcrest Farm, Dearing at NOON 3705 Iron Hill Rd, Dearing, GA 30808
Sept. 14	Monday	Farmview Market, Madison at 7 PM 2610 Eatonton Rd, Madison, GA 30650
Sept. 17	Thursday	Burke Co. Extension Office, Waynesboro at 7 PM 715 West 6th St., Waynesboro
Sept. 21	Monday	Oasis Coffee House, Montezuma at 7 PM 310 Spaulding Rd, Montezuma, GA
Oct. 1	Thursday	The Barnstormer's Grill, Williamson at 7 PM 349 Jonathans Roost Rd, Williamson, GA 30292

To preregister for the district meeting of your choice, please contact the Georgia Milk office at 706-310-0020. We look forward to seeing you soon and value the input you share at our meetings!!

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Appointments Made to Georgia Agricultural Commodity Commissions

From GA Department of Agriculture



The Georgia Agriculture Commodity Commission Ex-Officio Committee met on July 30, where it selected new appointees to serve a term of three years on their respective commodity commissions. At the conclusion of this three-year term, they will be eligible to be reappointed for additional terms. The new appointees are as follows:

- Apple Commission- Janice Hale, David Lillard and Stephen Aaron
- Blueberry Commission – Russ Goodman, Steve Mullis and Shane Wade
- Corn Commission – Rodney Harrell, Vann Wooten and Wallace Anderson
- Cotton Commission – Lee Cromley, Chris Hopkins and John Ruark
- Equine Commission – Ron Smith
- Milk Commission – Tim Camp, Pete Gelber and James Coble
- Peach Commission – Jeff Wainwright, Duke Lane III and Lee Dickey
- Pecan Commission, RG Lamar and Lanair Worsham Jr.
- Soybean Commission – Greg Mims, Tony Smith and Mark Arial
- Tobacco Commission – Carlos Vickers and Brandt Clifton
- Vegetable Commission – Dick Minor and Glenn Heard

Georgia Agriculture Commodity Commissions are created by the Georgia Legislature. Furthermore, a market order of each commission is passed by the growers of that respective commodity which allows for assessments on the commodity to be paid by each of the producers of such commodity. These funds are used for research, education and promotion of the commodity. Members of the commissions make decisions on how funds are spent and programs the commission supports.

CFAP update: Second installment payment to begin Aug. 17

*From Dave Natzke,
Progressive Dairyman*

USDA Secretary Sonny Perdue announced a number of updates to the Coronavirus Food Assistance Program (CFAP), including an extension of the sign-up period and a timeline for the final payment installment. Two parts of Perdue's announcement are most significant for dairy producers:

The second of two installment payments will be distributed beginning the week of Aug. 17.

Producers with approved applications initially received 80% of their payments. Beginning Aug. 17, the USDA's Farm Service Agency (FSA) will automatically issue the remaining 20% of the calculated payment to eligible producers. Producers who received initial payments need not apply for the second installment.

For dairy farmers, the total CFAP payment rate will equal about \$6.20 per hundredweight (cwt) on their first-quarter 2020 milk production. The first installment payment equaled \$4.71 per cwt on a producer's certified milk production for the first quarter (January-March) of calendar year 2020.

The second installment payment is based on a national 1.4% adjustment in milk production (1.014 X first-quarter milk production) multiplied by \$1.47 per cwt.

Going forward, producers who apply for CFAP will receive 100% of their total payment, not to exceed the payment limit, when their applications are approved.



Gerri Berdak named new CEO of The Dairy Alliance

By Julie Walker, MilkSheds Blog

Via an email announcement from Glen Easter, the President of The Dairy Alliance, the southeast dairy organization has named Gerri Berdak, as their new CEO. She has previously worked with the St Louis Dairy Council, and was with the Dairy Innovation Center at DMI from 2012-15.



Following is the complete announcement:

“We are pleased to announce that after a nationwide search by Fred Pabst with the search firm Herd Freed Hartz, The Dairy Alliance board has selected a new CEO, Gerri Berdak, who will be starting September 1, 2020.

“Gerri is an executive known for delivering strategic growth for non-profit organizations, CPG and ingredient companies in the wellness marketplace. She holds unique combination of nutrition, marketing and business aptitude and a genuine passion improving people’s lives. Her professional experience in the dairy industry started with her position as a nutritionist and educator for the St. Louis Dairy Council.

She has extensive knowledge in the food and beverage industry holding positions with PepsiCo, Kerry’s, Isagenix, and served as Senior VP, Nutrition Strategy and Business Development with the U.S. Dairy Innovation Center at DMI from 2012-2015. Most recently she created the Cloverquest Group LLC, a marketing consulting group in Chandler, AZ.

Gerri has an Master’s of Business Administration from New York Institute of Technology and a Bachelor of Science in Food & Nutrition from Missouri State University.

Our interim CEO, Molly Szymanski, will work closely with Gerri to ensure a smooth transition.”

[The Dairy Alliance](#) is a dairy promotion organization based in Atlanta, Georgia. The organization is funded by checkoff monies which are deducted from the milk checks of dairy farmers. Ms. Berdak can be found on Twitter with the handle of @nutriagirl.

Fluid Milk Demand Explained in Dixie Dairy Report

By Calvin Covington, SE Dairy Consultant

Up and down fluid milk demand. Due to the coronavirus and governments reacting by shutting down many segments of the economy, the first half of 2020 saw a higher than normal monthly change in fluid milk sales. Using federal order data for Class I producer milk as the measurement for fluid sales, the table below shows average daily Class I producer milk in the three southeastern federal orders by month.

March saw fluid sales increase in all three orders, especially the Appalachian where Class I producer milking increased 12.5% in March compared to last March. The lower March increase in Florida, 3.3%, is most likely due to less tourism. Nationwide in all 11 federal orders, there was 7.5% more Class I producer milk this March compared to a year earlier.

After consumers stocked their refrigerators with fluid milk in March, fluid sales declined in April and May in the Florida and Southeast orders, but remained higher in the Appalachian order. June saw another large increase most likely due to fluid processors, wholesalers, retailers, etc. building inventory before the \$5.14/cwt. increase in the Class I Mover in July. Through the first six months of this year, average daily Class I producer milk is down 2.7% in Florida and down 5.7% in the Southeast orders, but up 4.8% in the Appalachian order. In all federal orders, Class I producer milk for the first half of 2020 is only 0.5% lower than a year ago. The best first half of the year for fluid milk sales in many years.

Looking ahead to the remainder of the year there are several factors which will impact fluid sales: schools and their re-opening schedules, how much of higher raw milk prices will be added to retail prices, government dairy product purchases for donation programs, and how quick local and state governments allows businesses to reopen and at what capacity. All will impact how much fluid milk is sold, as well as all dairy product sales.

Southeastern Federal Orders Average Daily Class I Producer Milk (January-June) 2019 vs. 2020

Order	January	February	March	April	May	June	Avg.
(million lbs.)							
Florida							
2019	6.43	6.23	5.96	6.09	5.70	5.18	5.93
2020	6.21	6.05	6.16	5.60	5.25	5.34	5.77
% change	-3.4%	-2.8%	3.3%	-8.1%	-7.8%	3.2%	-2.7%
Southeast							
2019	10.76	9.82	9.35	9.95	9.28	8.41	9.60
2020	9.66	8.95	9.89	8.95	8.29	8.53	9.05
% change	-10.3%	-8.8%	5.8%	-10.1%	-10.7%	1.4%	-5.7%
Appalachian							
2019	11.94	10.47	10.01	10.36	9.90	8.77	10.25
2020	11.13	10.39	11.26	10.59	10.25	10.76	10.73
% change	-6.8%	-0.7%	12.5%	2.2%	3.6%	22.6%	4.8%

Dixie Dairy Report – August 2020

Calvin Covington

Cheese and butter prices move lower. During the past month, cheese prices at the CME moved steadily lower. The first full week of August saw the downward price decline pick up speed. Blocks declined \$0.5475/lb. and barrels \$0.7175/lb. during the week. All if the declined due to cheese sales. Closing prices on August 7 were blocks \$1,7050/lb. and barrels \$1.5175/lb. Cheese prices are back to year ago levels. Needless to say, “volatility” is the word to describe the cheese market over the past few months. On April 15 block cheddar was at \$1.00/lb. then two months later it set a record high of \$3.00/lb. and has declined since. Reasons for the downward price spiral include the “cheese pipeline” getting refilled, price resistance at higher prices, and more cheese. USDA’s August 3 Dairy Products report showed total June cheese production 3.5% higher than last June, and mozzarella production up 3.9%. Dairy Market News reports milk is readily available in the Midwest at prices \$2 -\$5.00/cwt. below class price. Looking ahead, we are optimistic for a rebound in cheese prices, at least to above year ago levels. Lower prices should rekindle demand, both domestic and export.

Now moving to the other three dairy products which establish milk prices. The CME butter price has declined for eight consecutive weeks. It closed at \$1.5300/lb. on August 7, and is over \$1.00/lb. lower than a year ago. Even though the butter inventory is declining, it is still almost 10% higher than a year ago. Cream is reported as plentiful. On a more positive note, nonfat dry milk powder (NDM) prices continue to inch up. The July DPSR price is \$0.9717/lb., up six cents from June. A weakening U.S. dollar is aiding powder exports, and inventory is slightly lower than last year. The volume of powder exported in May was a record high. All indicators point to the NDM price continuing to gradually move upward. The dry whey price continues to decline due to an abundance of product. At the end of June, the dry whey inventory was 23.6% higher than last June. It will take lower cheese production, and an improved market for higher valued whey products to reverse the dry whey price.

Higher blend prices. The July Class III price is \$24.54/cwt. but still short of the record price of \$24.60/cwt. set in September 2014. The July Class III price is almost \$10.00/cwt. higher than Class II and IV prices of \$13.79/cwt. and \$13.76/cwt., respectively. The July Class III price is higher than all federal order July Class I prices including the highest, Miami, at \$22.56/cwt. Advanced pricing and the new method of calculating the Class I Mover are why Class I prices are lower than Class III. As was in June, little Class III milk is expected to be pooled in July. For example, June saw only 1.9 million lbs. of Class III milk pooled in the Appalachian order compared to 37.2 million lbs. in June 2019.

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida (\$/cwt. at 3.5% butterfat)	Southeast
June 2020	\$15.27	\$16.83	\$15.38
July	\$19.33	\$20.81	\$19.34
August	\$20.74	\$23.38	\$21.43
September	\$18.79	\$20.76	\$19.30
October	\$17.92	\$19.79	\$18.41
November	\$17.82	\$19.52	\$18.35

*Projections in bold

As shown below, July blend prices in all orders are projected to increase about \$4.00/cwt. from June. Additional price increases are projected in August, with the largest increase in the Florida order. Blend prices are projected to decline in September, due to lower cheese and butter prices. For all of 2020, we project blend prices, in all three orders, to average about \$1.00/cwt. lower than June.

More milk nationwide, but less in the southeast. After being down 0.5% in May, June milk production was up 0.5%. May production was lower due to less milk per cow, while June production was higher due to more milk per cow. June cow numbers were 10,000 head lower than May, but still 23,000 more than last June. Of the 24 monthly reporting states, production was lower in ten states, but higher in 14 states. For the first half of 2020, average daily milk production is 1.2% higher compared to the same period in 2019. The Plains states, Northwest, and Southwest lead the way in producing more milk. In the Southeast states, first half of 2020 average daily production is down 1.1% which includes Florida down 1.3%, Georgia down 1.0%, and Virginia up 1.5%.

RETURN SERVICE REQUESTED

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