

FEBRUARY 2021

GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR
GEORGIA MILK PRODUCERS, INC.

Georgia Dairy Farms Recognized for Production and Quality at Dairy Conference

The University of Georgia and Southeast DHIA presented their 2020 Cream of the Crop Awards during the Tuesday luncheon of the Georgia Dairy Conference last month. Nine Georgia dairy farms were recognized for their production achievements and eight dairies were recognized for their outstanding milk quality.

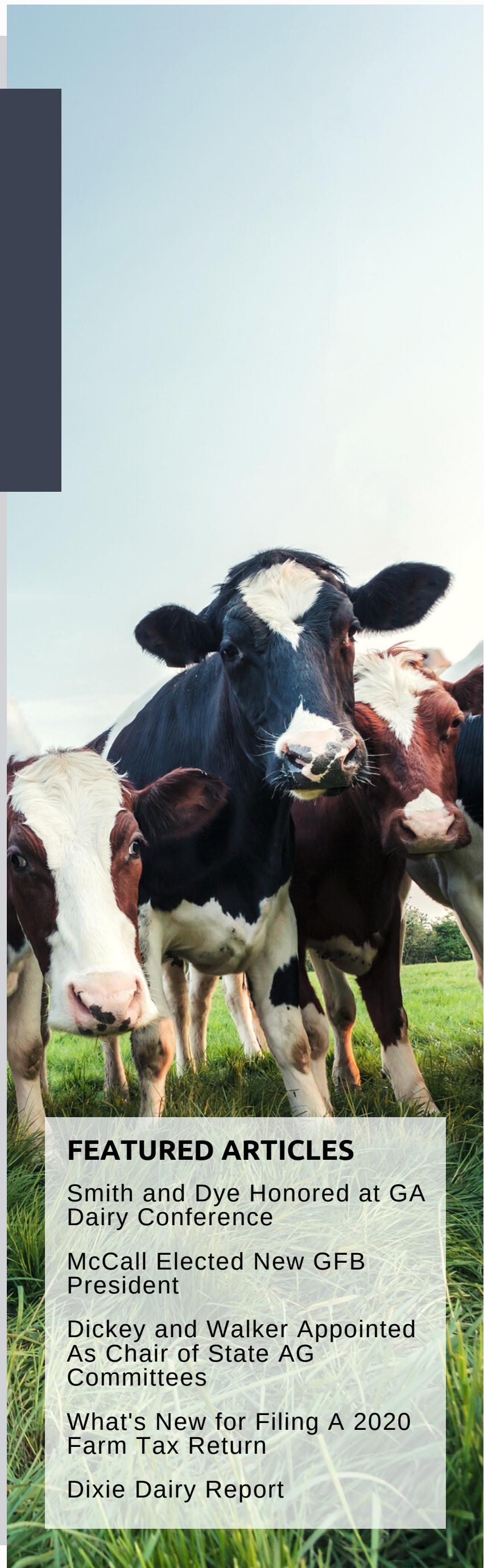
The Clark Family of Godfrey Dairy in Madison received the "Top High Holstein Herd" award for 2020. Godfrey Dairy milks 1,250 cows, with a rolling milk production average of 30,992 lbs. and 1,254 lbs. of butterfat. B & B Dairy, owned by Danny and Ginny Bell from Morgan County, received 2nd place and A & J Dairy, owned by Jack Bentley, received 3rd place for the Holstein category. All dairy farms milk their cows three times a day.

To be eligible for the 2020 GA Cream of the Crop Awards, herds must have a minimum herd size of 20 cows and conduct a minimum of 9 tests per year.

Nine Georgia dairy farms were also recognized for exceeding milk quality standards in 2020. Congratulations to Brenneman Farms, located in Montezuma, for receiving the "Top High Herd Quality" Award with an SCC average for the year at 140,000 cells/ml. Addis Dairy in Rocky Face received the 2nd place quality award with a SCC average of 130,000 cells/ml.



Cuyler Johnson (left) of Godfrey Dairy in Madison received the 2020 production award from Brian Winters of SE DHIA.



FEATURED ARTICLES

Smith and Dye Honored at GA Dairy Conference

McCall Elected New GFB President

Dickey and Walker Appointed As Chair of State AG Committees

What's New for Filing A 2020 Farm Tax Return

Dixie Dairy Report

Smith and Dye Honored at GA Dairy Conference



Longtime milk hauler, Steve Smith, and nutritionist, Barry Dye, were recently honored at the 2021 Georgia Dairy Conference in Savannah for the contribution both have had on the Georgia Dairy Industry.

Each year, Georgia Milk Producers presents the *Bobby Walker Award* to a dairy professional, farmer and/or

company that is driving Georgia's dairy industry toward a brighter future through leadership, advocacy, and service.

The Georgia Milk Producers Board of Directors presented the first award to Steve Smith who has served the Northeast Georgia Dairy Industry for over 30 years as a milk hauler and longtime friend.

Earlier this year, Steve was diagnosed with Glioblastoma (GMB) Brain Cancer. He has gone through surgeries, intense radiation, and countless MRI's and chemotherapy treatments. He is a strong man and continues to fight a courageous battle against this disease.

Steve's farmers say that he is the type of hauler that you want to have on the farm. He does the job right, keeps tankers clean, and always maintains equipment without asking for help. His friendly face and stories always brighten their days.

In a world of uncertainty and challenges, Steve has been a beacon of happiness and humor to his dairy friends. We continue to pray for his healing and comfort.

The second award was presented to the family of Barry Dye. Georgia Dairy Industry unexpectedly lost a precious friend and mentor in April of 2020. A native of Elberton, Barry grew up on a dairy farm and was the son of Dell Dye and the late Eugene Roscoe Dye. He started his career in the dairy industry for Purina Mills and worked with them for 34 years.



Barry was passionate about his dairy customers and developed strong personal relationships with them. He celebrated their successes and worried about them when times weren't great. He prayed for them often and strived to help them in business and life.

He enjoyed spending time in God's creation as a hunter and fisherman. He enjoyed cooking for his church family and he loved being with his wife Joyce and daughters, Ansley and Sydney. Barry was an active member, teacher and Deacon at Dewy Rose Baptist Church. He was also a member of The Gideons for 28 years. Barry is dearly missed but his legacy will be remembered for generations.

11th Annual GDYF Golf Tournament is March 26

Lane Creek Golf Club, Bishop
Lunch at 11 a.m. | Tee Time is at NOON



For more information visit the GDYF website at www.gadyf.com

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Tom McCall elected New Georgia Farm Bureau President -- From GA Farm Bureau

Georgia Farm Bureau (GFB) members elected Tom McCall for a two-year term as president of Georgia's largest general farm organization on Dec. 8.

McCall of Elbert County grows wheat, oats, triticale, grain corn, sweet corn and hay. The McCall family also raises beef cattle, hogs and sheep. McCall replaces Gerald Long, who retired from the position after serving as GFB president since 2016. Long, of Bainbridge, served on the GFB Board of Directors in various roles since 1999 including GFB 9th District director, GFB South Georgia vice president and GFB 1st vice president.



McCall has been a Farm Bureau member since 1978. McCall's first leadership role with Farm Bureau was serving as the chairman of the Elbert County Farm Bureau (ECFB) Young Farmers & Ranchers (YF&R) Committee. He represented GFB's 2nd District on the GFB YF&R Committee in 1981-82 and chaired the state committee in 1982. McCall represented GFB's 2nd District on the GFB Board of Directors from 1984-1996. He also served as ECFB president for a number of years.

McCall served in the Georgia House of Representatives for 26 years from Jan. 9, 1995, when he was sworn into office, until he retired from the legislature at the end of his 2020 term. As a state representative, McCall represented Georgia's House Dist. 33, which includes Elbert and Lincoln counties and portions of Madison, Wilkes and Columbia counties. McCall chaired the Georgia House Agriculture & Consumer Affairs Committee from January 2005-2020.

McCall and his wife, Jane, have two living adult children: Al (spouse Rachel) and Katie M. Archer (spouse Bristol). Their oldest son, Bud, died in 2000. The couple have two grandchildren, Winn and Wilkes, who love farm life. The McCalls attend Elam United Methodist Church.

Dickey and Walker Appointed As Chair of State AG Committees

Congratulations to Rep. Robert Dickey (R-Musella) and Sen. Larry Walker (R-Perry) for their appointments as chairmen of the Georgia House Agriculture and Senate Agriculture Committees.



Dickey, who represents District 140 in middle Georgia, is a veteran of the Ag Committee and 2019 Swisher Sweets/Sunbelt Expo Georgia Farmer of the Year.



Walker, who has served in the Georgia Senate since 2015, succeeds John Wilkinson, who stepped down after his term ended in 2020. He represents District 20 covering Houston and Laurens counties.

Georgia Milk Producers looks forward to working with both leaders in the future.

What's New for Filing A 2020 Farm Tax Return

Coronavirus Food Assistance Program (CFAP). The CFAP provides direct payments to producers of eligible agricultural commodities adversely affected by the coronavirus (COVID-19) pandemic to help offset sales losses and increased marketing costs associated with the COVID-19 pandemic. CFAP payments are agricultural program payments that you must include in gross income. Report the full amount of your CFAP payments on Schedule F (Form 1040), lines 4a and 4b.

Payroll Protection Program (PPP) Loan and Forgiven Debt. Generally, you can't deduct expenses that are allocable to a PPP loan you receive that's later forgiven.

The CARES Act, enacted on March 27, 2020, provides eligible employers with an employee retention tax credit if they keep employees on their payroll, despite experiencing economic hardship related to COVID-19.

The CARES Act also allows employers to defer the deposit and payment of the employer share of social security taxes.

2020 Farmers Tax Guide is online and it can be accessed at: <https://www.irs.gov/pub/irs-pdf/p225.pdf>.



DIXIE DAIRY REPORT

CALVIN COVINGTON
FEBRUARY 2021

Milk production. 2020 marks the tenth consecutive year of increased milk production. Slightly over 223 billion lbs. of milk were produced in 2020, which when adjusted for Leap Year, is 1.9% more than 2019. However, for the last half of 2020, production was 2.5% greater than the same period a year earlier.

The additional milk came primarily from

more cows. At the end of December, the nation's dairy herd was estimated at 9.443 million head. This is 100,000 more cows than a year ago, and the largest dairy herd since 1996. As shown below, milk production increased in all regions in 2020, except the Southeast.

Virginia and Mississippi are the only two Southeast states reporting increased production in 2020. Lower total milk production in the Southeast is due to 13,000 less cows in 2020 compared to 2019. Florida accounts for 5,000 of the reduced dairy herd. For the two Southeast states that account for 48% of total Southeast production, 2020 production was down 1.9% in Florida and down 0.1% in Georgia.

Region	ANNUAL 2019 and 2020 ACTUAL MILK PRODUCTION by REGION		Change	Percent all Milk
	2019 (million lbs.)	2020		
Midwest	68,454	69,592	1.7%	31.2%
California	40,564	41,352	1.9%	18.5%
Northwest	33,248	34,239	3.0%	15.3%
Northeast	30,520	30,824	1.0%	13.8%
Southwest	27,604	28,564	3.5%	12.8%
Plains	9,465	10,033	6.0%	4.5%
Southeast	8,528	8,451	-0.9%	3.8%
Total	218,383	223,055	2.1%	

Class I sales. The three southeastern federal orders and the Virginia Milk Commission averaged 556 loads per day of Class I producer milk in 2020. See table below. This is three loads per day lower than 2019. Just ten years ago in 2010, there was an average of 680 loads of Class I producer milk per day.

CLASS I PRODUCER MILK - AVERAGE TANKER LOADS per DAY					
Order	2000	2010	2015	2019	
Appalachian	242	231	216	209	219
Florida	141	141	130	117	115
Southeast	271	262	218	192	181
Va. Milk Commission	49	47	44	40	41
Total*	704	680	608	559	556

*Totals may not add due to rounding

On the positive side, the 2020 decline was lower compared to the decline from 2018 to 2019 of 32 loads. We see the continuing decline in Class I sales as the greatest challenge facing the Southeast dairy industry. It is difficult to bargain for higher milk prices, and profitably expand milk production when the volume of milk needed to meet market demand is declining.

Milk prices. Compared to last month our blend price projections for the next few months are lower due to: strong milk production, growing cheese production and lower prices, historical high butter inventory, and food service demand remaining soft. As shown below, projected January blend prices are over \$3.00/cwt. lower than December. Remember the

PROJECTED* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS			
Month	Appalachian	Florida	Southeast
December 2020	\$20.61	\$23.18	\$20.99
January 2021	\$17.58	\$19.74	\$17.91
February	\$17.43	\$19.57	\$17.80
March	\$17.48	\$19.67	\$18.03
April	\$17.61	\$19.89	\$18.04
May	\$18.05	\$20.03	\$18.25

*Projections in bold

Class I Mover declined from \$19.87/cwt. in December to \$15.14/cwt. in January. Slightly higher January Class II, III and IV prices absorb part of the Mover decline. Comparing first quarter 2021 to 2020, we project blend prices \$1.85 to \$2.50/cwt. lower.

Retail milk prices. The average 2020 retail price for a gallon of whole milk in Miami, as reported by the Market Administrator, was \$3.83/gallon. This is \$0.23/gallon lower than 2019. As a comparison the federal order Class I price in 2020 was about a penny gallon lower than 2019. In Atlanta, the average 2020 price was \$3.37/gallon compared to \$3.53/gallon in 2019. Nationwide, a gallon of whole milk increased from \$3.32/gallon in 2019 to \$3.52/gallon in 2020. It is interesting to note Kansas City reported the highest retail price at \$4.50/gallon while the lowest was in Wichita, Kansas at \$2.49/gallon. Both cities are in the same federal order, with the federal order Class I price in Wichita a little over \$0.02/gallon higher than Kansas City.

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