

DIXIE DAIRY REPORT

September 2019

Fluid milk sales for the first half of 2019. Conventional fluid milk sales, for the first half of 2019 compared to 2018, are down 2.0% and organic sales are down 4.6%. The larger organic decline may be due to organic milk drinkers shifting to plant based alternatives. On the positive side, whole milk sales are up 0.7% for conventional and 0.9% for organic. On the other hand, reduced fat sales are down 4.5% and 8.3%, respectively. Milk consumers are purchasing whole milk, and turning away from reduced fat milk, even though nutrition and other programs emphasize reduced fat dairy products.

In the Southeast States, fluid sales in all three federal orders combined are 3.4% below a year ago, for the first six months of the year. On a daily basis, this decline is the equivalent of almost 1 million lbs. of farm milk per day. As shown below, most of the sales decline is in the Appalachian and Southeast orders. Fluid sales are only down 0.7% in the Florida order. The Southeast States account for about 23% of the nation's fluid milk sales.

FLUID MILK SALES January-June 2018 versus January-June 2019

	<u>2018 (six months)</u>	<u>2019 (six months)</u>	<u>Change %</u>	<u>Farm Loads of Milk per day Change</u>
	(million lbs.)			
Appalachian Order	1,606	1,553	(3.3)	(6)
Florida Order	1,357	1,347	(0.7)	(1)
Southeast Order	2,146	2,034	(5.2)	(12)
Total all Three	5,109	4,934	(3.4)	(19)
<u>National*</u>				
Conventional	22,140	21,699	(2.0)	
Organic	1,293	1,233	(4.6)	

Source: Agricultural Marketing Service

*National numbers may be skewed due to California's change from a state to federal order.

Milk production. During July the combined milk production in three southeast reporting states, which produce about two-thirds of the milk in the Southeast, is down 2.8%. As shown below, almost all the decline is in Virginia. Production is up 2.8% in Georgia, and down 1.1% in Florida. Georgia gained a thousand cows in July, along with 25 more pounds of milk per cow. Florida per cow production was up 35 pounds in July. Virginia's production decline remains in double digits.

SOUTHEAST MONTHLY MILK REPORTING STATES – July to July Milk and Cows

	<u>Georgia</u>	<u>Florida</u>	<u>Virginia</u>	<u>Total</u>
(Production)	(million lbs.)			
July 2019	147	186	119	452
July 2018	143	188	134	465
Change %	2.8%	-1.1%	-11.2%	-2.8%
(Cows)	(1,000 head)			
July 2019	82	115	74	271
July 2018	81	119	83	283
Difference	1	-4	-9	-12

