

GEORGIA MILK REVIEW

GEORGIA WILL BE ADDED AS 'MAJOR' DAIRY STATE



Georgia is being added to the list of states included in USDA monthly milk production and milk price reports beginning this summer. Starting in June, the USDA's data - including total milk production, milk per cow, cow numbers and monthly average milk prices - for "major" dairy states will be expanded from 23 to 24.

The initial reports will start in June 2019, and include May and June data for both 2018 and 2019, according to Travis Averill, chief of the Livestock Branch in the USDA National Ag Statistics Service (NASS) Statistics Division.

The USDA notice said adding Georgia to the monthly estimating program will result in better coverage of the southeastern U.S. dairy industry. Currently, Florida and Virginia data is reported on a monthly basis.

Based on 2018 USDA annual dairy statistics, Georgia ranked 25th in cow numbers, 23rd in milk production per cow, 23rd in total milk production, and 26th in the number of dairy herds licensed to sell milk. (Story written by Dave Natzke, *Progressive Dairyman Magazine*)



*GA's Mobile Dairy Classroom
3rd Grade Farm Day, Butts County*

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Georgia Milk Referendum to Begin May 1



Ballots for the Georgia Milk Producers' Referendum will be mailed to Georgia dairymen beginning May 1. Every three years, Georgia Milk must hold a producer referendum as required by the Georgia Commodities Promotion Act. In order for Georgia Milk to continue as an organization, at least two-thirds majority (67%) of the Georgia dairymen voting must vote in favor for the continuation of Georgia Milk.

Georgia Milk is funded through a one-cent per hundredweight assessment on all milk produced in Georgia. The money collected is used to further the mission of our organization through programs of education, promotion and communication. We represent dairy producers at various Ag promotional events, in the legislative arena, state and federal pricing and environmental hearings.

Our organization acts as a catalyst for change; it doesn't own cattle, processing plants or retail outlets and can't single-handedly turn around a bad market. Yet, we serve as your self-help tool to work for the success of the industry in Georgia and the Southeast. Over the last several years, Georgia Milk successfully ended mandatory state TB testing for dairymen, secured sales tax exemptions for dairy production through the GATE program, achieved more producer-friendly environmental regulations for dairymen and built stronger producer education programs like the Georgia Dairy Managers Series and the GA Dairy Conference. Our organization was also instrumental in



establishing and funding the Georgia Dairy Youth Foundation during its initial formation and we currently provide Administrative oversight for GDYF and Georgia's Mobile Dairy Classroom Program.

Georgia Milk encourages dairymen to participate in the upcoming referendum and to vote "YES" to keep the organization running and working for you. We believe that the investment made by each dairyman into our organization has been beneficial for their businesses. It is imperative that we continue to serve our industry and work towards building a stronger dairy industry in Georgia and the Southeast. If you do not receive a ballot by May 15, please contact Andy Harrison at (404) 710-1196. Ballots must be postmarked by May 30 to be eligible.



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Georgia Dairy Producers Unanimously Approve GA ACCM for Three More Years



Georgia dairy producers voted unanimously to continue the Georgia Agricultural Commodity Commission for Milk (ACCM) for an additional three years during a mail referendum held March 1 through March 30.

The referendum passed overwhelmingly with 52 farms voting unanimously (100 percent) in favor of ACCM. State law requires that at least 66 percent (2/3) of the producers voting must vote in favor of continuing the organization. Overall 140 ballots were mailed to producers for the referendum and 88 ballots were not returned. By comparison, in 2016, 224 ballots were mailed with 85 ballots voting in favor of ACCM and three against.



Federal law requires U.S. dairy producers to pay 15 cents per hundredweight into the national dairy check-off program to drive increased sales of and demand for dairy products and ingredients. With the approval of ACCM, 10 cents of the 15 cents per hundredweight that producers invest will remain at the state level.

Currently ACCM funds The Dairy Alliance, a statewide retail milk marketing campaign in all Georgia Kroger stores, and soon a retail milk promotion program with a major convenience store chain in Atlanta. In addition, ACCM supports the Mobile Dairy Classroom, the Georgia Farm Bureau "Farm Monitor", the Milk On My Mind Campaign, the Georgia National Fair Dairy Exhibit and product promotion (milk) during key state events.

Eberly Family Farm Named 2019 Dairy of Distinction for the Southeast *From Dairy Farmers of America*



The Eberly family, owners of Eberly Family Farm in Waynesboro, Ga., were recently named among the 2019 Members of Distinction by Dairy Farmers of America (DFA).

The Members of Distinction program recognizes dairy farmers who excel in their operations, in their communities and in the industry. Honorees inspire others through their actions, leadership and involvement. They represent the best of the dairy industry.

A first-generation dairy operation, Eberly Family Farm has an eye on the future with father-son team Eldon and Brendon Eberly who milk about 850 cows on 800 acres. By transitioning from a pasture-based model to a conventional system, the Eberly family has maximized cow comfort, hygiene, management practices, and ultimately, milk quality.

"Milk quality has been one of our top priorities over the last several years. It's very important to us," says Eldon. "We try every day to do our best to provide the best-quality milk that we can."

The family credits their focus on the cows' environment and overall parlor management as key factors to helping ensure quality milk. In 2014, the Eberlys also constructed two large freestall barns to help improve their cows' comfort.

Beyond taking care of the cows, Eldon is focused on grooming the next generation of dairy farmers.

"It means a lot to me to have Brendon want to be involved in agriculture. I think it's a good life," says Eldon. Adds Brendon, "I see the dairy industry as a thriving industry and would love to take over the farm and continue what my dad has started."

2019 GA General Assembly Finishes Session, Fails to Pass Key Ag Bills

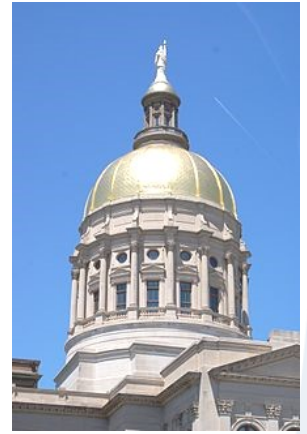
Tuesday, April 2, marked the final day of the 2019 Georgia legislative session, and the legislature debated bills until midnight before adjourning. Our partner organizations including Georgia Farm Bureau, Georgia Agribusiness Council, Georgia Poultry Federation, Georgia Forestry Association, and Georgia Cattlemen's Association presented a unified voice this session. Numerous bills passed supporting other ag industry sectors and several remain eligible for consideration next year.

Two key bills, SB 211 and HB 545, that could have impacted Georgia's dairy industry, failed to make it to the finish line this year but will be addressed in 2020. Senate Bill 211, restricting foods from being mislabeled as meat when those products are not truly meat, will help correct the labeling of



food and opposes the use of "meat" and other common terms representative of livestock products by these food alternatives. House Bill 545, known as Georgia's Right to Farm legislation, will better protect farmers from frivolous lawsuits and close loopholes to ensure that nuisance cases do not take place in our state and force Georgia farmers out of the industry.

Georgia Milk Producers will continue to work with our partner organizations this year to improve these bills before next session. Many thanks to our partners for their work under the Gold Dome each year to protect Georgia's number one industry, Agriculture!



THANK YOU FOR YOUR PRAYERS AND STRONG SUPPORT!

Farrah Newberry, Executive Director for GA Milk Producers, Inc.

I'm truly grateful from the bottom of my heart for the prayers, cards, messages, meals and gifts from dairy farm families and industry friends. So many of you have touched me beyond words. My recovery is going great. I am blessed with a very supportive family and I appreciate their help as well in caring for me. I will continue to update my Caring Bridge Page (<https://www.caringbridge.org/visit/farrahnewberry>) over the next few months to share my health journey. THANK YOU! THANK YOU!



Slower Growth in Milk Production; Southeast Dairy Farm Numbers Decline

Written by Calvin Covington, Dixie Dairy Report April 2019

Milk production. USDA released both its January and February milk production report in March. The reports show slower growth in milk production. January production was 0.9%, and February production 0.2% higher than a year earlier. Of the 23 reporting states, February production was up in 14 states, no change in one, and down in the other 8 states. Colorado leads the way with production up 8.3% followed by Texas up 7.7%. In the two largest milk producing states, California and Wisconsin, February production is up 0.1% and 1.5%, respectively. Production changes in the Northeast are mixed. New York is up 2.8% while Pennsylvania is down 6.0%. Slower production growth is due to fewer dairy cows which is the most encouraging news. At the end of February USDA estimates the national dairy herd is 77,000 less head compared to a year ago. Higher slaughter numbers supports this decline, with 7% more cows slaughtered this February, compared to last February. Cow numbers must continue to decline to lower milk production.

Dairy farm numbers.

At the end of 2018, USDA reports 37,468 licensed dairy farms, almost 7% fewer dairy farms than in 2017. This is the largest percentage decline in dairy farms since 2001. The Southeast saw an 8% decline in dairy farms from 2017 to 2018.

SOUTHEAST LICENSED DAIRY FARMS (1992-2018)

State	1992	2000	2010	2017	2018	2018 - 1992
Alabama	306	154	60	35	30	(276)
Florida	288	231	140	110	95	(193)
Georgia	593	404	270	180	160	(433)
Kentucky	3,377	1,932	940	600	540	(2,837)
Louisiana	705	468	150	95	90	(615)
Mississippi	671	356	130	70	65	(606)
North Carolina	838	447	290	190	180	(658)
South Carolina	200	116	85	60	50	(150)
Tennessee	2,030	999	490	270	250	(1,780)
Virginia	1,253	998	705	585	565	(688)
TOTAL	10,261	6,105	3,260	2,195	2,025	(8,236)

Source: USDA -NASS

Dixie Dairy Report – April 2019

Calvin Covington

Southeast supply and demand. The Southeast's two reporting states, Florida and Virginia, lead the nation in lower milk production. January and February production in Florida was down 4.5% and 6.2%. February is the 16th consecutive month Florida has declined in milk production. Production is declining more in Virginia, down 11.5% and 11.7% in January and February. Production declines in both states, is primarily due to less cows. At the end of February, Florida reports 8,000 and Virginia 9,000 fewer cows than last February. However, milk per cow in Florida was up slightly in February, but lower in Virginia. Federal order data shows milk production is lower throughout the southeast, not just in Florida and Virginia. Through the first two months of 2019 compared to 2018, producer milk in the Appalachian order is down 9.0%; down 1.7% in the Florida order; and down 8.3% in the Southeast order. For all three orders combined production is 7.3% lower than a year ago.

On the demand side, for the first two months of the year, producer milk utilized in Class I is down 3.6% in the Appalachian order, up 0.4% in the Florida order, and down 4.6% in the Southeast order. Combining all three orders, producer milk utilized in Class I sales is 3.1%

lower than a year ago. Due to producer milk down more than Class I usage, Class I utilization is higher. For the three orders, combined, January and February Class I utilization is 76.1% compared to 72.7% for the same period in 2018.

DAIRY PRODUCTS SALES REPORT PRICES

Product	March 2019	February 2019	March 2018
		(\$/lb.)	
Butter	\$2.2740	\$2.2644	\$2.1759
Cheese (block & barrel)	\$1.5383	\$1.3940	\$1.5542
Nonfat Dry Milk Powder	\$0.9589	\$0.9800	\$0.6963
Dry Whey	\$0.4127	\$0.4545	\$0.2537

Commodity prices. Butter continues to trade in a narrow range, only varying about \$0.12/lb. from its high to low price, during the past 12 months. Butter prices should strengthen during the coming months, aided by increasing international butter prices, and a butter inventory almost 9% lower than a year ago. Cheese gained almost \$0.15/lb. in March thanks to lower production and improved barrel prices. Higher Class IV prices relative to Class III, during the past few months, has moved milk from cheese vats to dryers. Nonfat dry milk powder (NFDM) declined a couple of pennies in March, but is still over 35% higher than a year ago. January powder exports were similar to a year ago, and the powder inventory is only about 4% higher than last year. Dry whey declined in March, but is still considerably higher than last March. The swine flu in China has wiped out a significant number of pigs. This is weakening whey exports due to the Chinese swine industry a major buyer of whey for feed.

Total Dairy Demand. Domestic demand for all dairy products (total solids basis) was 1% higher in 2018 compared to 2017. Domestically, demand for butterfat continued to outpace skim, with butterfat up 1.4% and skim up 0.8%. In 2018, 66% of domestic demand was skim solids and 34% butterfat. On the export side, dairy exports set a record high in 2018, and were 10% greater than the prior year. Exports accounted for 15.4% of total demand in 2018. Unfortunately, due to over 90% of exports being skim solids, and low skim prices in 2018; export's impact on dairy farmers' milk checks was not as great as the record export demand would indicate.

Blend prices. March blend prices in the three southeastern federal orders are projected higher than February, and about \$2.50/cwt. higher than last March. Blend prices are projected to retreat slightly in April, but start increasing again in May, and continue to slowly increase through November. The change in the Class I Mover calculation will provide a price boost starting in May. If milk production continues to decline at greater rate than Class I sales; a higher Class I utilization will result in blend prices higher than these projections.

PROJECTED BLEND PRICES—BASE ZONES – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
		(\$ /cwt. 3.5% butterfat)	
February (actual)	\$18.00	\$19.96	\$18.35
March	\$18.45	\$20.61	\$18.66
April	\$18.27	\$20.36	\$18.57
May	\$18.82	\$20.95	\$19.06
June	\$19.07	\$20.96	\$19.11