

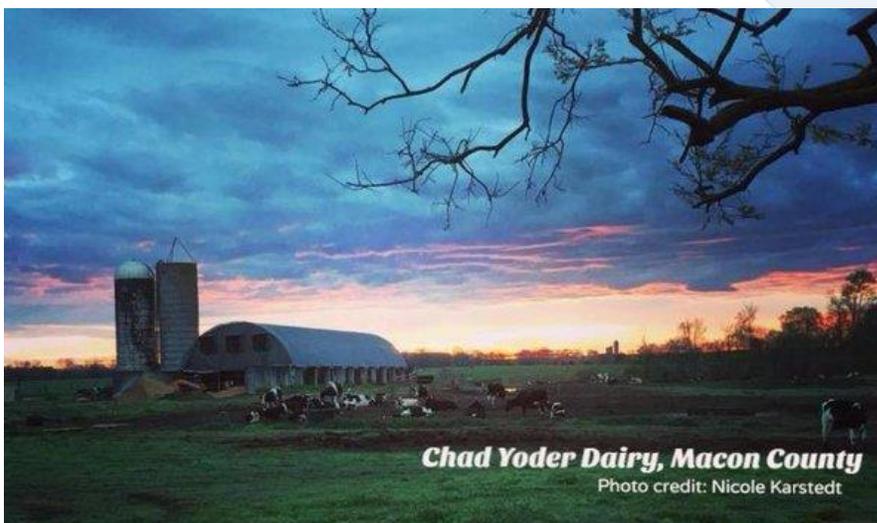
NO MPP PAYMENTS FOR FIRST 2016 PAYMENT PERIOD

No margin protection plan (MPP) payment for the first period of 2016. Despite a February all-milk price of \$15.70/cwt., which is the lowest price since June 2010, no MPP payment. The January-February margin was \$8.01/cwt.

GMP's Fortner Wins Outstanding Senior Award at UGA



GMP would like to congratulate our very own Allison Fortner, who was recently awarded the *Outstanding Senior Award in Ag Communication* from the Department of Agricultural Leadership, Education and Communication (ALEC) at the University of Georgia College of Agricultural and Environmental Sciences. Fortner has served at our organization for two years and is currently the vice president of National Agricultural Communicators of Tomorrow. *Congratulations on this well-deserved honor, Allison!*



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Georgia Dairymen will Receive Ballot for Georgia Milk Producers Referendum by May 1st

Ballots for the Georgia Milk Producers' Referendum will be mailed to Georgia dairymen by 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, and at 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 and achieved more producer-friendly environmental regulations for dairymen. Georgia Milk was also instrumental in organizing and funding the Georgia Dairy Youth Foundation during its initial formation and we currently provide Administrative oversight for GDYF and the Mobile Dairy Classroom.

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 don't receive a ballot by May 15, please contact our office at (706) 310-0020. Ballots must be postmarked by May 30 to be eligible.

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GA Legislators Keep GATE Program Same - For Now



Written by Georgia Agribusiness Council

Georgia's 2016 legislative session ended in overtime on Sine Day, or day 40, for the first time ever. Lawmakers in the House and Senate kept pushing bills until 12:30 a.m. Friday morning. In the end, the GATE legislation stalled and will remain the same for now.

House Bill 911 was a battle for Ag interests from the very start and a clear reminder that sometimes the best remedy is to kill the bill - and that's what we did. THANK YOU for the many emails to Senators over the past few weeks. It really made a difference as we worked to eliminate language in the bill that would place a laundry list of mandates on retailers. There was a lot of maneuvering with this bill during the final day of the session, but the process worked and several Ag industry friends stood tall to defeat this bill. Change is not always a good thing, and HB 911 is a great example of that fact. We are grateful for several key leaders in the effort to stop this bill, including Lt. Governor Casey Cagle, Senate Ag Chairman John Wilkinson, House Majority Leader Jon Burns, House Ag Chairman Tom McCall and Representative Jimmy Pruett. These men were very helpful!

So, the good news is that the GATE program remains the same; however, we must step up efforts to ensure the sales tax exemptions are on appropriate items and that retailers are not encouraging misconduct. This bill was not a warning, but a promise that if the program doesn't show it is being used appropriately CHANGES WILL HAPPEN. Please help the industry by discouraging abuses and protect the integrity of these tax benefits.

It is also important to note that the Georgia Department of Agriculture received \$200,000 to have inspectors visit GATE card holders and Ag retailers to help provide assistance with compliance and look for trouble areas in this program. This is an excellent step to provide first-hand information and education about making this program function for agriculture and the state.

Harmony Grove Dairy Named 2016 DFA Member of Distinction for the Southeast Area



Congratulations to the Coble family and Harmony Grove Dairy of Waynesboro, Georgia, for being named the 2016 DFA Member of Distinction for the Southeast Area. Dairy Farmers of America's Members of Distinction program honors members who embody the Cooperative's core values and excel on their operations, in their communities and in the industry. Each year, one member farm from each of DFA's seven regional Areas is honored during the Annual Banquet at DFA's Annual Meeting.

Edward Coble dreamed of owning a dairy with 125 cows. Yet as opportunities presented themselves to grow operations and make room for the family's future generations, Coble took advantage and doubled his herd size not once, but twice. Today, he and his wife, Lana, and sons, James and Joel, milk 2,500 cows. The family credits strong relationships with their employees among the reasons why the dairy consistently has high production and strong milk quality.

Georgia Dairy Farmers Overwhelmingly Approve Georgia Milk Marketing Order – *Written by Andy Harrison, GA Department of Agriculture*

Georgia dairy farmers voted to extend the Georgia Milk Marketing Order for an additional three years with an overwhelmingly favorable vote-96% of the eligible ballots returned voted "yes." The balloting period for the market order was March 1 to March 30.

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 the continuation of the Georgia Milk Marketing Order 10 cents of the 15 cents per hundredweight that producers invest remains at the state level with the Georgia Agriculture Commodity Commission for Milk (ACCM). The ACCM was created in 1969, and is recognized as a qualified program under the rules of the Federal Milk Marketing Order, which allows the money collected to be used by the Georgia Milk Commission.

The money received by the Georgia Milk Commission is used in-state to promote milk consumption and provide education about the benefits of dairy products as well as where milk originates. One of the important educational projects includes the Mobile Dairy Classroom which travels throughout the state visiting many schools and events demonstrating how cows are cared for and milked. More than 100,000 people watched demonstrations by the Mobile Dairy Classroom in 2015.



USDA Amends Dairy Margin Protection Program to Incorporate Intergenerational Transfers

On April 12, Agriculture Secretary Tom Vilsack announced changes to the Margin Protection Program (MPP) that will enable participating dairy farms to update their production history when an eligible family member joins the operation. As a result of the change, when children, grandchildren or their spouses become part of a dairy operation that is enrolled in MPP, the production from the dairy cows they bring with them into the business can now be protected. The change is intended to help new dairy farmers get started in the family business and ensure that safety net coverage remains available for growing farms.

The MPP is a voluntary program established in the 2014 Farm Bill to help protect participating dairy producers when the margin - the difference between the price of milk and feed costs - falls below a selected level of protection. The program changes are effective on April 13, 2016. Any dairy operation already enrolled in the Margin Protection Program that had an intergenerational transfer occur will have an opportunity to increase the dairy operations production history during the 2017 registration and annual coverage election period. *Source: American Dairy Association*

Dr. Graves Retires From UGA

After 15 years of service in research, teaching and Extension, Dr. William W. Graves retired from the Department of Animal and Dairy Science at the University of Georgia last month. Dr. Graves joined the UGA faculty in 2001 and was a leader in teaching and youth programs in Georgia. He directed the State 4-H and FFA Commercial Dairy Heifer Show, 4-H dairy judging competitions and 4-H project achievement programs. Graves is also an outstanding mentor and award-winning teacher.



Dr. Graves was named Outstanding Teacher by the College of Agricultural and Environmental Sciences in 2013 and 2014. He also received the UGA Student Government Association Professor Recognition Award in 2012. He was the recipient of the Larry Benyshek Teaching Award twice during his career and received the UGA Career Center Graduate Career Development Recognition Award in 2012, 2013 and 2014. In 2014, Dr. Graves was the recipient of the 2014 Hoard's Dairyman Youth Development Award, which is awarded to those highly regarded in the dairy industry for their role in personal development of dairy youth and for enhancing knowledge of and interest in the dairy industry. Thank you, Dr. Graves, and best wishes on your next journey in life!!

DIXIE DAIRY REPORT – April 2016

By Calvin Covington

Milk production and cow numbers up. February milk production, according to USDA, was up 4.6% compared to a year ago. Adjusting for February's extra day this year, production is only up 1.0% USDA estimates the nation's dairy herd at 9.312 million cows which is 2,000 more cows than January and 4,000 more head than last February. Milk production continues strong in the Midwest, and Northeast. Dairy Market News reports cheese plants near or at capacity. There will be challenges finding homes for all milk production during the next 60 days.

Florida production down. For the first time in almost three years, Florida production is below the same month a year earlier. February milk production in Florida (adjusted for Leap Year) was down 1.7%. April 2013 was the last time Florida production was below a year ago. Florida is a good bellwether for future milk production direction. However, based on data from Dairy Market News we estimate about 2 million more lbs. of milk shipped out of Florida this March compared to a year ago. Supply is stronger than sales.

Longer price recovery. We began the year projecting 2016 average blend prices in the three southeast federal orders to about \$0.75-\$1.00/cwt. lower than 2015. Now our projections are about \$2.00/cwt. lower. We continue to lower our price projections for the last half of the year. There are no signs of any major upward movement in farm milk prices on the horizon. Reasons behind our projections include:

1. Cow numbers are not declining and milk production still continues to increase each month.
2. Butter and cheese inventories are building. February butter inventory is 31% higher than last year and American cheese inventory 11% higher.
3. Continued strong milk production in the European Union (January production estimated 5.6% higher than last January). Many expected EU production to have started declining by now, but it continues to remain strong.
4. No improvement in world commodity prices. Oceania prices for both butter and skim milk powder are about \$0.40/lb. lower than a year ago. If we used Oceania prices instead of U.S. prices, the current Class IV price would be about \$10.50/cwt. instead of \$12.74/cwt.

Low milk prices are more a supply issue than a demand issue. Domestic demand for butter and cheese remains good. U.S. exports of nonfat and skim milk powder in January were over 20% higher than a year ago. Milk production must start declining both in this country and in the European Union before any significant upward movement in milk prices. The following are our blend price projections for the next six months in the three southeast federal orders. As seen in the table we only project about \$1.00/cwt. price increase between March and August.

SOUTHEAST FEDERAL ORDER BLEAND PRICE PROJECTIONS (\$/CWT.)

Month	Florida	Southeast	Appalachian
March 2016	\$17.91	\$16.41	\$15.74
April	\$18.17	\$16.59	\$15.90
May	\$18.10	\$16.45	\$15.09
June	\$18.37	\$16.78	\$16.08
July	\$18.69	\$17.23	\$16.43
August	\$18.81	\$17.55	\$16.75