

GEORGIA MILK REVIEW

MONTHLY NEWSLETTER FOR GEORGIA MILK PRODUCERS, INC.

ATTEND YOUR DISTRICT MEETING TO ENTER \$500 GRAND DOOR PRIZE DRAWING



Georgia Milk Producers will present a Grand Prize of \$500 at the conclusion of all meetings to one lucky Georgia dairy farm family attending their district meeting. Additional door prizes and promotional items will be provided by The Dairy Alliance at each district meeting. Producers will also elect Georgia ADA directors in even numbered districts and all districts for Georgia Milk Producers, Inc.

USDA TO PURCHASE UP TO \$50 MILLION WORTH OF MILK



Secretary of Agriculture Sonny Perdue has authorized USDA to purchase up to \$50 million worth of milk to assist struggling dairy producers. This calculates to approximately 11 million-13 million gallons.

According to USDA, the buy-up is intended to “encourage the continued domestic consumption of these products by diverting them from the normal channels of trade and commerce.” The milk will be used for food assistance programs, such as food banks.

Source:USDA, ADC



Eberly Family Farm, Waynesboro

THIS ISSUE

GDMS Series This Month

Fall District Meetings

Dairy Revenue Protection Insurance

Emergency Aid Package

FDA Accepting Public Comments on Milk Definition

Dixie Dairy Report



GDMS Series to Focus on Introducing Beef Genetics to Dairy Herds

Georgia Milk Producers and the Georgia Beef Commission will host a summer *Georgia Dairy Managers Series* this month that focuses on integrating beef genetics into dairy herds to capture extra dollars in the bull calf market. Speakers will review adjustments producers must make to their genetic strategy, how to understand semen selection and marketing channels, and the importance of calf delivery and care to achieve optimal feedlot performance (UGA Calving Simulator).

Speakers for this series, sponsored by the Georgia Beef Commission, are Dr. Lee Jones with the University of Georgia College of Veterinary Medicine and Greg Devine with ST Genetics. Dr. Lee Jones is an Associate Professor and Food Animal Health Field Investigator. He specializes in Herd Health and Reproductive Efficiency and Advanced Reproductive Techniques (ET and IVF) and Recipient Management. Greg Devine is a Large Herd Specialist with ST Genetics®. ST Genetics® is a leader in livestock reproduction. Their services include sex sorted semen, embryo production, and beef bull and heifer development.

The meetings are scheduled for:

August 27	10 a.m.	Reid Bros. Irrigation Company, Americus (908 Adderton St, Americus, GA 31719)
August 28	10 a.m.	Burke Co. Extension Office, Waynesboro (715 West 6th Street, Waynesboro, 30830)
August 29	10 a.m.	UGA Putnam County Extension Office, Eatonton (663 Godfrey Rd Suite 101, Eatonton, GA 31024)

Meetings are open to dairymen (surrounding states welcome), managers, and employees - free of charge and will be held from 10 a.m. until noon. Please preregister for meal by calling our office at 706-310-0020.

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Fall District Meetings Begin September 10th

School is in, farmers are busy harvesting crops and fall is just around the corner. With cooler weather hopefully on our heels (man it's humid!), Georgia Milk Producers and the American Dairy Association of Georgia will kick off the first of eight annual fall district meetings on Monday, Sept. 10, 2018.

During the meetings, these organizations will hold elections; report on industry issues and promotional efforts; and announce upcoming events. Dinner or lunch will be served at each meeting depending on the time the meeting is set to begin. To preregister for your district meeting, please contact The Dairy Alliance at 1-800-343-4693. The meetings will be held:

Sept. 10	Monday	The Plaza Restaurant, Thomasville at NOON (217 S Broad St, Thomasville)
Sept. 10	Monday	Oasis Coffee House, Montezuma at 7 PM (314 Spaulding Rd, Montezuma)
Sept. 11	Tuesday	Barnstormers Grill, Williamson at 7 PM (349 Jonathans Roost Road, Williamson)
Sept. 13	Thursday	Captain Joe's Seafood, Baxley at NOON (2115 Golden Isles Hwy E, Baxley)
Sept. 14	Friday	McGill Ag Bldg., Washington at Noon (136 N by Pass Washington)
Sept. 17	Monday	Bonner's Restaurant, Buckhead at 7 PM (1500 Bonner Ln, Buckhead)
Sept. 18	Tuesday	Western Sizzlin', Dalton at NOON (501 Legion Dr., Dalton)
Sept. 20	Thursday	Burke Co. Extension Office, Waynesboro at 7 PM (715 West 6th St., Waynesboro)

Dairy Revenue Protection Insurance Available October 9th

USDA announced the creation of a new crop insurance style plan for dairy farmers called the Dairy Revenue Protection Insurance Plan. It will be available for sale starting on October 9, 2018 through qualified crop insurance agents. This is a plan producers can purchase to insure against unexpected declines in milk prices. It follows the crop insurance model and qualifies for government subsidies of the premiums. For more information about the plan, watch a video online produced by the American Farm Bureau Federation at <https://youtu.be/cpkJ3jw3h6E>

Emergency Aid Package Coming for Farmers Due to Tariffs

The Trump administration is shaping a \$12 billion emergency aid package to help farmers affected by tariffs on their crops, which includes dairy. Aid will come in three ways: direct payments to farmers, a food purchase program, and a program in partnership with the private sector to create new export markets for American farmers. USDA plans to release details on the aid in the Federal Register on August 24th. Once details are confirmed, Georgia Milk Producers will share the information with producers.



FDA Accepting Public Comments on Definition of “Milk”

The Food and Drug Administration is currently accepting public comments through August 27, 2018, on their Multi-Year Nutrition Innovation Strategy which includes their enforcement of the standards of identity for milk and dairy products.

For decades, many U.S. dairy groups, including the Georgia Milk Producers, have urged FDA to stop allowing the wrongful use of the word “milk” on non-milk, plant-based alternative products. This practice of mislabeling is misleading and often confusing to consumers. It’s time to take a stand and stress that the nutritional value of many plant-based “milks” **DOES NOT** compare to real milk.

Georgia Milk Producers has submitted comments to FDA and would like to encourage our dairy farmers to send in a letter as well. Please feel free to copy our letter if needed; it can be found online at www.gamilk.org. Dairy farmers must flood FDA with letters showing the importance of this issue to our industry.

All letters need to have the following at the top of the page:

*Dockets Management Staff (HFA-305),
Food and Drug Administration,
5630 Fishers Lane, Rm. 1061,
Rockville, MD 20852*

RE: Docket No. FDA-2018-N-2381 - FDA’s Comprehensive, Multi-Year Nutrition Innovation Strategy

Envelopes to FDA should also be addressed as: Dockets Management Staff (HFA-305), Food and Drug Administration 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852

Please feel free to call our office with any questions or concerns on this matter. All information regarding this comment period and talking points to include in letters can be found on the American Dairy Coalition's Integrity Initiative page online at: <http://www.americandairycoalitioninc.com/the-integrity-initiative.html>

National milk production is up, but down in the Southeast

From Calvin Covington, Dixie Dairy Report

For the first half of 2018, U.S. milk production is 1.1% higher than the first half of 2017. Cow numbers are remaining constant at about 9.4 million head. As shown below, most of the production increase is west of the Mississippi River. The Northwest and Southwest lead the increase, with production up 3.8% in both regions. Even though cow numbers are down in California, production is up 1.6% due to more milk per cow. Production is almost flat in the Midwest and down 1.2% in the Northeast, primarily due to fewer cows.

In the Southeast, the production decline accelerated during the second quarter. First quarter production was down 2.15%, and second quarter production was down 4.10%. Combined, production is down 3.1% for the first half of the year. Most of the Southeast production decline is due to slightly over one pound of milk per cow per day less this year, compared to a year ago. Cow numbers are down about 5,000 head. The Southeast production decline equates to about 17

less tankers loads of milk per day this year compared to last year. Of the ten Southeast states, production is only higher in one state, Kentucky, up 0.2%. Production is down 3.0% in Florida and down 5.6% in Georgia.

U.S. MILK PRODUCTION by REGION – 1st Half 2018 versus 1st Half 2017

Region	2017	2018	Change
	(million lbs.)		(%)
Southeast	4,999	4,843	-3.1
Midwest	34,323	34,380	0.2
California	20,281	20,601	1.6
Northwest	15,412	15,991	3.8
Northeast	15,955	15,755	-1.2
Southwest	13,316	13,823	3.8
Plains	4,599	4,742	3.1
Alaska + Hawaii	21.7	22.3	2.8
Total	108,906	110,157	1.1

Dixie Dairy Report – August 2018

Calvin Covington

Lower commodity prices. July DPSR prices for all commodities, except dry whey, are lower than June and, all prices are lower than a year ago. Lower commodity prices have resulted in lower federal class prices. The August Class I Mover (set in July) is \$14.15/cwt., \$1.21/cwt. lower than July. The Class III price declined from \$15.21/cwt. in June to \$14.10/cwt. in July. For the first time since last September, the Class IV price is higher than the Class III price. The July Class IV price is \$14.14/cwt. a drop of \$0.77/cwt. compared to June. So far in August, commodity prices are improving. Small increases are projected for the September Class I Mover, and August Class III and IV prices.

DAIRY PRODUCTS SALES REPORT (DPSR) PRICES

Product	July 2017	June 2018 (\$/lb.)	July 2018
Butter	\$2.6039	\$2.3756	\$2.2596
Cheese (block & barrel)	\$1.5430	\$1.6150	\$1.4868
Nonfat Dry Milk Powder	\$0.8991	\$0.8150	\$0.7824
Dry Whey	\$0.4514	\$0.3086	\$0.3372

Sales and inventories. Through the first five months of 2018, domestic sales (total solids basis) are about even with the same period a year ago. However, for the past three months domestic sales were below a year ago. Domestic sales were down 1.4% in March, down 0.7% in April, and down 2.1% in May. At the end of June, the butter inventory was almost 8.5% higher than last June. Total cheese inventory of about 1.4 billion lbs. on June 30 is another record high, and is 6% higher than a year ago. NFDM inventory is only 1.4% higher than last year. Through May, exports sales are setting records with sales up over 21% compared to last year. Currently, exports are over 16.5% of total dairy sales. The next few months will tell us the impact of higher tariffs on dairy exports. Dairy Market News reports tariff related effects, at least in the short term, are less impactful than some contacts had expected.

Southeastern Class I sales. For the first half of 2018, total Class I utilization in the three southeastern orders is down 0.4%, compared to the first half of 2017. Class I utilization is down 2.9% in the Florida order and down 1.5% in the Southeast order, and 2.1% higher in the Appalachian order. Higher Class I in the Appalachian order is due to an increase in sales previously reported, in other orders or unregulated

SOUTHEASTERN FEDERAL ORDERS DAILY AVERAGE POOL PLANT CLASS I UTILIZATION - 1st Half 2018 versus 1st Half 2017

Order	2017	2018	Change %
	(pounds)		
Appalachian	11,728,417	11,974,456	2.1%
Florida	6,503,830	6,318,121	-2.9%
Southeast	11,331,254	11,156,089	-1.5%
Total	29,563,500	29,448,666	-0.4%

PROJECTED BLEND PRICES—BASE ZONES – SOUTHEASTERN FEDERAL ORDERS

Month	Appalachian	Florida	Southeast
	(\$ /cwt.) – 3.5% butterfat		
July 2018	\$17.45	\$19.66	\$17.82
August	\$16.92	\$18.90	\$17.30
September	\$17.08	\$18.82	\$17.34
October	\$17.70	\$19.22	\$17.96
November	\$18.07	\$20.16	\$18.55

Lower blend prices. July blend prices in the three southeastern federal orders are projected about \$0.30/cwt. lower than June. As shown below, blend prices are currently projected to decline again in August due to a lower Class I Mover. Little change is projected in the September blend price compared to August. Prices are projected to start moving higher in October.