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Kentucky Milk Matters produced by Carey Brown

President's Corner Freeman Brundige



The holiday season in Kentucky has been overshadowed by the devastation of the tornados in several parts of the state. It has also shown us the true meaning of the season. Unprecedented support, both financially and through volunteer work, has shown up at these areas. It seems when we are close to giving up on our country ever being the same again, something comes along and shows us that we may still have a pretty good thing going here.

As far as dairy farmers are concerned, looks like we currently are looking at better prices in the new year. Hopefully, these can be sustained for a long enough time for producers to replenish equity that has ended over years of sub-par prices. Input costs are going to eat up part of it, but still there should be a little more profit. I wish the money that we were supposed to have gotten to help with losses during the early stages of the pandemic, could have been received in a far more timely manner. Why are dairy farmers always the last to finally receive help when it already has been legislated to happen?! Maybe the organizations that take their salary from our milk checks should get paid according to how we get paid?

Although prices look better, it is no time to let up on trying to achieve better and more equitable pricing methods. Transparency and fairness are still lacking in our industry, along with the absence of competition for handlers, are areas of concerns.

We at KDDC are here to support you in this New Year and further down the road.



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Executive Director Comments

H H Barlow



It's January 6th and it's snowing! It's pure, beautiful, and cleansing. It's like the whole world is covered in a white fluffy blanket. As a dairyman, I've always considered snow no big deal except when we get a lot of inches and travel is affected. Ice storms are the worst for all of us. The blizzard of 1977 will always be the gold standard of snowstorms for me. Six feet snowdrifts and no milk trucks for 3 days left a lasting impression.

The big newsmaker since the last newsletter are the tornados. I traveled to west Kentucky and viewed the devastation, and it was incredibly sad. The fact and realization that everything is normal and then 30 seconds later, reality is completely changed. I visited a longtime friend of mine, Larry Pitts in northwest Logan County who had just exited the dairy business over the past few months. The last of the 250-cow herd had only left the farm a couple of weeks before the tornado hit. He lost his milk parlor, 6 barns, 5 houses on the property where his children and grandchildren lived. His home survived. He also had 4 tractors and 5 trucks destroyed.

When visiting him, he first said how thankful he was no one was hurt but his next sentence was haunting. He said, "I came here in 1982 and built everything here over the last 40 years and today it's ALL gone". That is heartbreaking, and how do you process that much loss.

The scene was repeated for so many folks and I know they all experienced the same sense of loss. The total number of dairies seriously damaged was around 40, with all but a few concentrated in the Amish/Mennonite community in west Kentucky.

Eunice Schlappi, longtime dairy supporter, started a Tornado Relief Fund under the KDDC umbrella and at this writing over \$100,000 has been given from hundreds of donors. In addition, hay, straw, supplies and even a load of heifers have been given to support the relief effort. We are truly a blessed fraternity of dairy producers, and we take care of each other.

Along with the Relief Fund, we've been working with our

wonderful friends from Rockingham Coop of Virginia. They have coordinated and given so much to our damaged community. There's an article in this newsletter that outlines their support. Their spirit of giving and generosity defies description.

During this extreme situation, I believe it is critical we do one more thing for anybody you know who suffered loss during the tornados. Please be cognizant of the mental health and attitude of everyone affected. It is imperative that we continue to be involved in our friend's lives who suffered loss.

The KDDC staff and some board members recently attended a mental health/suicide prevention training. It really highlighted how easy it is to have a mental downward spiral when traumatic events hit your life. The other essential we can do is pray diligently for one another.

The last KDDC newsletter had a significant section reporting on the potential of much improved prices as we head into 2022. The January Dixie Dairy Report is predicting February and March 3.5 blend price at \$24. These prices are welcome and a huge improvement over the 2021 prices. The higher prices seem to have underlying factors that will support them for several months.

Butter closed at \$2.74/lb. on January 7th. Demand is very strong worldwide for powder and production is down particularly in Europe. Exports have set a record in 2021 and predictions are very strong for 2022. History has shown that high prices can be short lived. We must be wise with our improved income and pray it continues for a while.

Please join us for our 2022 annual Dairy Partners Meeting February 22-23 in Bowling Green. We have a great program planned and we'll pass out our annual awards at our banquet Tuesday night. It should be a great time of education and fellowship.

We welcome Patty Holbert to the KDDC team and know she will be a real asset for our producers. Winter will soon pass, so eat lots of cheese dip while watching UK basketball games and the Super Bowl.

VIRTUAL OPTION AVAILABLE



College of Agriculture,
Food and Environment
Cooperative Extension Service



**Kentucky Dairy Partners
Annual Meeting**

February 22 & 23, 2022

Sloan Convention Center, 1021 Wilkinson Trace, Bowling Green, Kentucky



**KDDC Young Dairy Producers Meeting
Tuesday, February 22 (All Times are Central Time)**

- 8:30 Registration for KDDC Young Dairy Producers Conference
- 9:00 AM-11:00AM Trade Show Set up
- 9:30-10:15 "Dairy Gauge-Focusing on Understanding Cost of Production, Identifying Areas of Financial Strength and Opportunities to Gain Efficiency" – David Bilderback, Manage Agent, University of Tennessee
- 10:15-11:00 "Animal Care Plans-What's on the Horizon for Producers" – Dr. Karen Jordan, DVM, Brush Creek Swiss, Siler City, NC
- 11:00 Break
- 11:15-12:00 "Genomics Advantages-One Producer to another Producer" – Loyd Holterman, Rosy-Lane Holsteins, Watertown, WI
- 12:00-1:30 PM Lunch and Trade Show Opens
- 1:00 - 5:00 ADA of Kentucky Board Meeting
- 1:30-2:30 "Data Driven Dairying-A Producer's Perspective of Innovating and Advancing in Technology for the Betterment of Dairy Cattle" – Mack Drees, Drees Dairy Farm, LLC, Peshtigo, WI
- 2:30-3:15 "Marketing Positivity-Bringing People Back to Milk, Dairy Products-Innovative Ideas to Sell More" – Bill Gutrich,
- 3:15 Break
- 3:45-4:30 "Bovine Herd Hoof Health Goals and Strategies to Achieve Them: -Karl Burgi, Comfort Hoof Care, Baraboo, WI
- 4:30- 6:00 Visit Trade Show
- 6:00 - 8:00 Dairy Awards Dinner

Wednesday, February 23 (All Times are Central Time)

- 8:00 AM Registration & Trade Show Open
- 8:20 Welcome –
- 8:30-9:15 Lisa McClintock, Dairy Management Inc.
- 9:15-10:00 "Refining Reproductive Programs for Improving Fertility"- Dr. Ronaldo Cerri, University of British Columbia
- 10:00 Break
- 10:30-11:15 "Dairy Markets and Farm Bill" – John Newton, American Farm Bureau Federation Chief Economist, Washington D. C.
- 11:15-12:00 "Monitoring Behavior to Improve Fertility"- Dr. Ronaldo Cerri, University of British Columbia
- 12:00-12:45 Al Dejewski, Vice President, Marketing, Milk Pep
- 12:45 – 2:00 PM Lunch - KDDC Annual Business Meeting – Trade Show Exhibits (Bidding Ends on Silent Auction Items)
- 2:00 – 2:45 "Smart Holstein Lab-Experience the Data" – WKU Panel, Adam Blessinger, Fred DeGraves, Gretchen Colon-Suau and Dr. Jeffrey Bewley, WKU and Holstein Association
- 2:45-3:00 Wrap up and Evaluations

**Holiday Inn Hotel room rate is \$109 and room block ends February 10, 2022
Call 270-745-0088 under KY Dairy Partners**

Tornadoes Damage Kentucky Dairies

Dave Roberts

Several days before December 10th meteorologists warned that conditions looked favorable for severe storms. That was not something that residents hadn't heard before, so day to day tasks continued and fear of possible massive destruction wasn't anything that demanded much concern. But as morning broke on December 11th the extent of destruction from the massive tornadoes left large parts of Kentucky unrecognizable to most folks.

As a Kentucky Dairy Development Council consultant, I cover much of the western part of the state. Trigg, Christian and Todd counties has the highest concentration of dairies in the state and are all from the Plain Community (Amish and Mennonite). The first information I received was that Joseph and Rachael Stoltzfus's dairy was hit by a tornado once again. I say once again because Joseph's Oak Grove Ky. dairy was hit about nine years ago and was badly damaged then. As I drove down Rt. 117 to Joseph's there was an endless row of snapped off electric poles and crews attempting to sort out the mess and reset poles. Several vintage tobacco barns were strewn across fields with their metal roofs hanging in the tree line and beyond. As I turned into Joseph's driveway, there were no words that could adequately describe the destruction. All the barns and outbuildings were destroyed or no longer there. The only structures left were part of two silos and the first two stories of the family's home. The dairy barn and milkhouse were gone with only the tie stalls left to mark where the barn had been. Miraculously only two cows had to be put down, but the horse stable was destroyed along with nine of Joseph's work horses. Most importantly, somehow, the Stoltzfus family made it through safe and uninjured. The cows and heifers were moved to an empty dairy a few miles away where Joseph and family are now milking.

From Joseph's the tornado tracked northeast to Miller's Mill Rd. where it slammed into John and Nancy Stoltzfus's and David and Barbara Stoltzfus's dairies. Through the grace of God these



families were also spared injury, but their homes and barns were not so lucky.

Other dairies and homes on Millers Mill Rd., Fidelio Rd. and Long Pond Rd. also sustained significant damage. Then as the tornado clipped the edge of Pembroke it continued and hit several more dairies from there to Elkton and on to destroy a



dairy in northeast Logan County.

Of the many tornados that night, the long distance they travelled and the massive amount of destruction and loss of life, God's hand spared Kentucky's dairy community any human loss or serious injury.

After the initial concern of the well-being of their neighbors the Amish and Mennonites went to work, moving cattle and horses to other facilities and beginning the cleanup. Within a day men, women and children from neighboring communities along with busloads of help arrived from Pennsylvania, Indiana, Illinois and several other states. On Monday cement trucks were arriving to pour footers for new homes and barns as other trucks off loaded lumber. A large tent was put up in a pasture field for a place to feed workers. Food was donated by local Amish and English to help the cause. The ladies planned and prepared meals in a neighbor's kitchen to feed the masses of volunteers. This very same scenario was repeated in all the damaged areas of Christian and Todd counties as neighbors were helping neighbors.

On Monday December 13th Eunice Schlappi suggested the Kentucky Dairy Development Council (KDDC) start a fund raiser to help Kentucky's dairy community damaged by the tornados. Eunice posted it to her many friends on Facebook and KDDC consultant Beth Cox added it to the website with a link to contribute. Not long after the word went out the contributions began coming in. Contributions came in from all parts and corners of the United States and one from the United Kingdom. Monetary donations range from ten dollars to ten thousand dollars. As of the writing of this article there has been over \$100,000.00 dollars contributed for Kentucky dairies. Other donations sent have been seventeen springer heifers, several loads of hay and household goods.

Watching the evening news over the past year could make you think the goodness of America could be waning. But observing the last month's heartfelt charity to fellow citizens in need has restored my belief in America's goodness. Lesson learned is, "never underestimate the power of God's mercy or the goodness of your fellow man."



Tornado Relief Efforts

Dave Roberts

What began as an effort by Wayne Martin of Fleming County to share a Ministry of Hope with his fellow dairy producers has resulted in a huge helping hand for tornado victims in rural Kentucky.

Three years ago, Executive Director Maury Cox read an article in the Lancaster Farmer about Martin's story of economic hope. Soon after KDDC consultant Jennifer Hickerson organized a meeting at Blue Licks State Park which started a relationship between Kentucky Dairy Development Council, Kentucky dairy producers and the Farm Ministry of Harrisonburg Virginia. The focus was to help dairy producers that were struggling financially to create a plan that would give them hope of financial success.

The meeting at Blue Licks was well attended with around seventy producers present. Wayne Martin told of how the Farm Ministry, sponsored by Rockingham Cooperative, worked with him on changes in management and the addition of a dairy/beef enterprise. These changes gave him hope and helped his cash flow. The main speaker of that meeting was Keith Turner, Feed Division Manager of Rockingham Cooperative, who had started the Farm Ministry. Keith has been personally helping struggling and distressed farmers for over 30 years. The Farm Ministry helps to determine operational challenges, offer corrective solutions, review financials, and develop a restructure and refinance plan. Education and training are important components of the Farm Ministry. Low milk prices below breakeven resulted in very large meetings in other states with several hundred farmers per meeting. The meetings offer farmers hope for a future through changes in financials which can make a difference. The Kentucky Dairy Development Council sponsored Farm Ministry meetings in Kentucky to assist our producers.

This was the beginning of the relationship between The Farm Ministry, Rockingham Cooperative, and Kentucky dairy producers. Since then, there has been a trip to Dayton, Virginia by Kentucky producers, Dr. Donna Amaral-Phillips (UK) and the KDDC consultants to learn more about the Ministry's programs. There have also been numerous virtual meetings on cooperative buying, marketing and managing a profitable dairy.

This relationship and Ministry of Hope took a new turn after the deadly tornados that ripped through massive parts of Kentucky on December 10th. On Tuesday December 14th Keith Turner texted me saying Virginia had help on the way to Kentucky. A few days later Keith called to ask if the KDDC could handle the logistics and distribution. The Rockingham Cooperative Board of Directors at the request of Jay Etzler (Kentucky's representative on the Rockingham Coop Board of Directors) voted to donate \$20,000.00 for the Cheese Ministry to benefit those in need in Kentucky. The \$20,000.00 purchased 5000 lbs. of cheese from Country View Creamery and made it

available for distribution to families in need and to help feed clean-up and work crews that have travelled to the area. That money will help in several ways. It's using local milk to make cheese in our local cheese house to feed local families in need. Keith Turner said, "We're supplying cheese that comes from cows in Kentucky, while also supporting local dairymen that were in the tornados path. That is in addition to the contributions made from across several agricultural industries in Virginia sending Virginia made products to support our fellow farmers – in the true spirit of the Farm Ministry's core principle – people helping people."

The Farm Ministry and Keith's relief efforts didn't end with the cheese donation. Keith next contacted many Virginia Ag businesses and Ag Industries to appeal for support. The support poured in with commitments and donations from many in the Virginia Ag community.

Within seven days after the tornado, a refrigerated trailer was being sought to haul donated food to West Kentucky. Then, on December 23rd, a refrigerated trailer loaded with \$177,000.00 worth of retail, pre-cooked and processed turkey and ham products donated by Dietz & Watson and Virginia Poultry Growers Cooperative rolled up to Fair View Produce Auction. It was then transferred to freezer/cooler to store for distribution. Included were a variety of 14 different processed products. This food is being used to feed those in rural areas in need and to feed the many clean-up and construction crews that have come to the area as volunteers.

In the first 30 days The Farm Ministry donations of cash and the value of donated turkey, beef, milk, meat, cheese, and food donations totals \$302,054.30. This provides the protein for over 125,000 meals for Kentucky residents.

The second load of food arrived January 14th and contained 5000 lbs. of fresh beef hamburger, stew meat and briskets, 1400 lbs. of ready-to-eat frozen turkey from Perdue, 2900 lbs. of potatoes, 800 gallons chocolate milk, 500 gallons of whole milk and 270 gallons of lemonade.

Businesses that have supported the efforts of these contributions to those affected by the tornados in Kentucky include:

- Rockingham Cooperative
- Virginia Poultry Growers Coop
- Dietz and Watson, Inc.
- Farm Credit of the Virginia's
- Homestead Creamery
- Culpeper Farmer's Cooperative
- Burner's Beef



- Simmons Heritage Farms
- Harrisonburg Baptist Church
- Antioch Church of The Brethren
- Innovative Food Specialists
- Westway Feed Product
- Churches and other businesses
- Community Organizations

The Kentucky Dairy Development Council would like to thank Keith Turner, The Farm Ministry, and Rockingham Cooperative for partnering with us in this important humanitarian effort. We would also like to thank all those who supported this effort on behalf of our producers and rural Kentuckians effected by the tornados and benefiting from the generosity of The Farm Ministry.

CLASSIFIEDS

Knight 3030/3025/3300 silage feeders • Farmco - silage and tmr feeders • John Deere 5055 - 4wd-Ldr-192 hrs - \$37,500 Stoltzfus - LIME - LITTER - FERTILIZER Spreader • 12 Silage wagons to select from • John Deere 4020 - 3 to choose from • KRONE - 1800 baler-net - super clean • Silage Carts - 5 to select from @\$3500 • Manure spreaders - 8 in stock • John Deere 5325 - 2WD drive with loader John Deere 7200 - cab - 16 speed Esch High speed Grain Drills - 7/10/12 ft in stock Horning Headers - ready to ship! • John Deere 3975 - base unit - \$32,500 • Artex SB 600 Spreader - in stock • John Deere 468 - net \$14,500 • John Deere 566- twine \$12,000 • Meyer 510 TMR mixers - In STOCK • Cloverdale 420-500 T - TMR mixers - in Stock Stoltzfus 10 ton Litter spreader \$35,000 New Holland 790 - 900 - 230 - 240 choppers Gehl 8335 feeder wagon \$7500 Artex SB 200 - vertical beater - for rental JD 6400 - loader - 4WD - open - \$25,000 Farmco feeder wagons - 5 in stock - call • John Deere 6300 - 4WD- cab - 12 speed - \$35,000 WWW.REDBARNANDASSOCIATES.COM Charlie B. Edgington 859-608-9745

COMPREHENSIVE NUTRIENT MANAGEMENT PLANS (CNMPs). Livestock manure management and water quality BMPs. KY Division of Water permitting and compliance. Ben Koostra - Professional Engineer and NRCS Technical Service Provider - Lexington - 859-559-4662





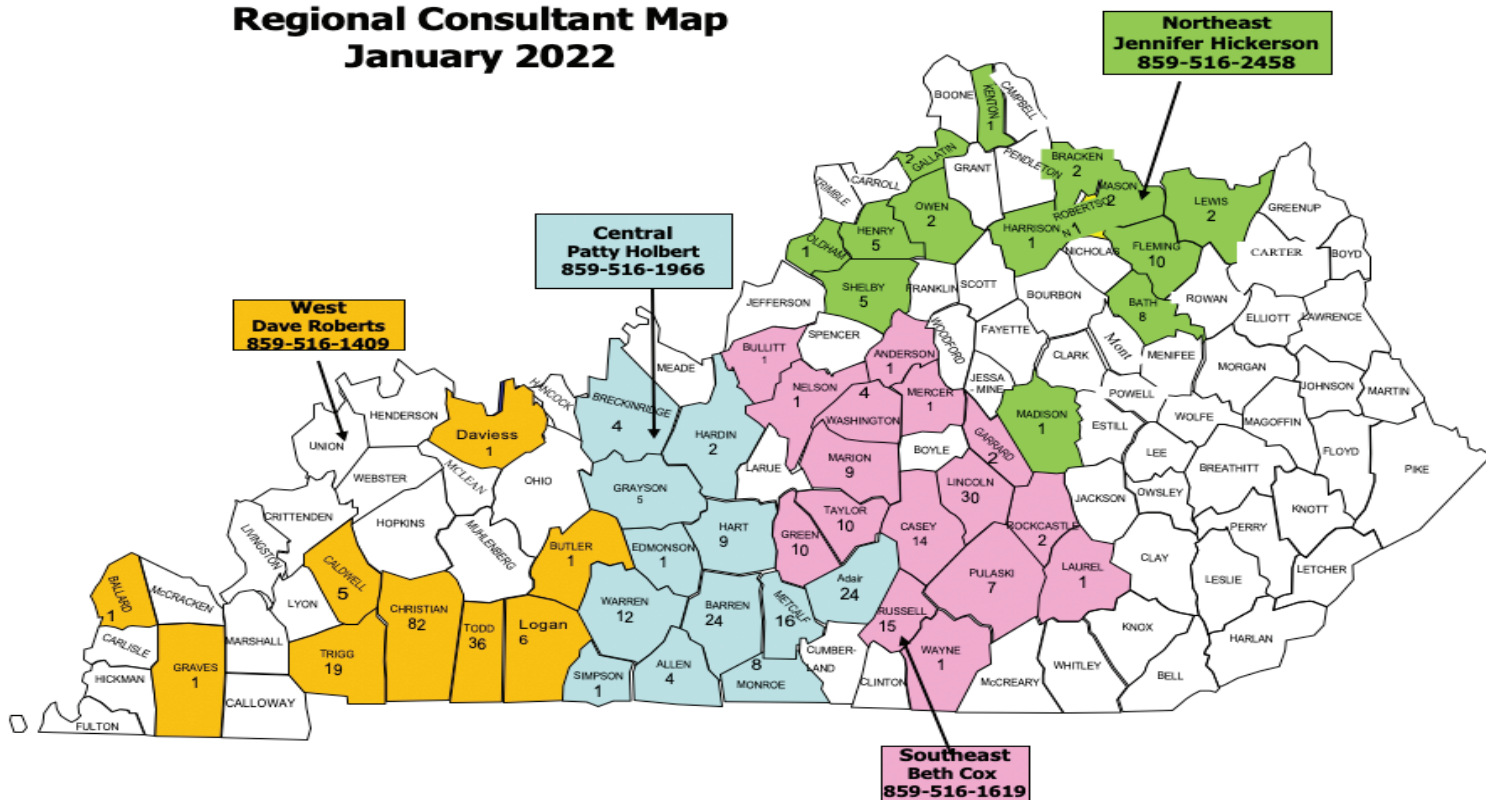
Kentucky Dairy Development Council announces the hiring of Patty McDowell Holbert as the Central Region Dairy Consultant. Patty McDowell Holbert comes to KDDC with lifelong ties to the dairy industry. She was raised on a Guernsey dairy in LaRue County. Patty purchased her grandfathers' dairy in 1989 and was in partnership with her parents and continued to milk there until 2003 where she was involved in all areas of management of the registered Guernsey herd.

In 2004 she accepted a 9 year long position with the American Jersey Association as an appraiser and later adding the additional position as area representative for Kentucky and Ohio.

Patty serves on the Board of Directors for the LaRue County Farm Bureau and The LaRue County Chamber of Commerce.

Patty enjoys spending time with her son and daughter in law, Andy and Tara and three grandchildren, Sadie, Shelby and Brayden.

Regional Consultant Map January 2022



Dixie Dairy Report

January 2022

Calvin Covington

2021 ends and 2022 starts with dairy product prices moving higher. During the past few weeks all dairy product prices, especially butter, have moved upward. For the most recent week, the CME butter price averaged \$2.6670/lb., the highest weekly butter price since the summer of 2017. A month ago, the weekly average was \$1.9850/lb., and a year ago, butter was trading around \$1.50/lb. My best explanation for the price increase is low butter production and inventory, more on this below. Turning to cheese, CME block cheddar ended the week averaging \$2.0210/lb., up from \$1.8485 just a month ago. During the same time period barrel cheddar advanced about \$0.20/lb. to \$1.8245/lb. Shifting to powder, the December DPSR nonfat dry milk powder (NDM) price was \$1.5471/lb., the highest price since 2014. December dry whey was almost \$0.65/lb., about a quarter higher than last December.

Higher dairy product prices resulted in a January Class I Mover at \$19.71/cwt., the highest January Mover since 2014, and over \$4.50/cwt. higher than last January. 2021 ended with the December Class IV price at \$19.88/cwt. Last January Class IV was only \$13.75/cwt. This is over a \$6.00/cwt. increase in 12 months, and the largest Class IV price increase in a calendar year. December saw Class III at \$18.36/cwt. Opposite of Class IV, the 2021 Class III average is \$1.08/cwt. lower than 2020. Higher dry whey prices kept the Class III price from declining further. Looking ahead, current 2022 monthly Class III futures prices average \$20.35/cwt. and the Class IV average is \$21.61/cwt. Both prices are well above 2021 actual averages.

I did not anticipate dairy product prices increasing to current levels. A combination of lower supply, both milk and products, along with strong demand proved me wrong. Let me explain further:

1. Declining milk supply. In the dairy industry a small change in milk supply, makes a much larger change in price which is happening now. Milk production is declining in the U.S., and in Oceania and European Union (EU), the world's other two major dairy exporters. USDA reports November milk production 0.4% below last November, a relatively large monthly decline. The milk production drop is due to fewer cows, and a below average increase in milk per cow. Since the peak in May, dairy cow numbers have dropped 122,000 head, a historical large decline in a short period of time. Low or negative margins forced a large exit of dairy farmers. Higher feed, labor, and other production costs, plus tight forage supplies in some areas, are lowering milk production per cow. In Oceania and the European Union, USDA projects milk production in 2021 to be flat or only slightly higher than the previous year, with little improvement in 2022.

2. Low butter and NDM inventories and production. At the end of November, the butter inventory was 15.9% below last November. Inventory of NDM was 21.4% lower, and the lowest

November inventory since 2017. On the production side, volume of butter produced has been below a year ago since July, with November production down a hefty 9.6%. Strong cream demand in products other than butter, has meant less cream churned into butter, and through October, butter disappearance is up 4.4%. Similar to butter, NDM production has been below a year ago since July. October and November production was 12.8% and 15.0%, lower than a year ago, respectively. Plus, less NDM production means less cream available for butter. Lower

ANNUAL AVERAGE ACTUAL CLASS AND DAIRY PRODUCT PRICES* (2019-2021)

CLASS PRICE OR DAIRY PRODUCT**	2019	2020	2021	2021 VS 2020
Class I Mover	\$16.99	\$16.91	\$16.38	(\$0.80)
Class II	\$16.81	\$14.29	\$16.44	\$2.15
Class III	\$16.96	\$18.16	\$17.08	(\$1.08)
Class IV	\$16.30	\$13.49	\$16.10	\$2.61
Butter	\$2.2431	\$1.5808	\$1.7325	\$0.1517
Nonfat Dry Milk Powder	\$1.0419	\$1.0417	\$1.2693	\$0.2276
Dry Whey	\$0.3799	\$0.3621	\$0.5744	\$0.2123
Cheese - Barrel	\$1.7038	\$1.7745	\$1.5956	(\$0.1789)
Cheese - Block	\$1.7826	\$2.0442	\$1.7309	(\$0.3133)
Cheese - Average Block + Barrel	\$1.7586	\$1.9236	\$1.6755	(\$0.2481)

*Dairy Product Prices used to calculate federal order prices

** Class prices (\$/cwt. @ 3.5% fat) and dairy product prices (\$/lb.)

production and inventories, support higher prices.

3. Good domestic demand, and strong export demand. Through October, combined domestic and export dairy demand (total solids basis) is 2.8% above a year ago. 2021 will end with demand increasing more than milk supply. Separately, domestic demand is up a respectful 1.3%, but export demand is up a hefty 10.8%. Through October, skim/ nonfat milk powder (SMP) exports are 10% higher than the same period in 2020. The SMP supply outside of the U.S., especially in the EU is tight, which has lifted prices and increased more export opportunities for the U.S. The U.S. is expected to pass the EU as the world’s number one SMP exporter in 2021. Even though it is only about 4.5% of total production, butter exports are up 122%. Tight global supply, plus competitive prices are making 2021 a record year for U.S. exports, responsible for 17% of total dairy demand.

The bottom line, a lower supply of milk and dairy products, especially butter and NDM, and strong demand is strengthening prices. Again, a small change in supply or demand, makes a larger change in dairy product prices.

2022 federal order blend prices. Projecting milk prices becomes more difficult when the speed and magnitude of dairy product price changes increase. Compared to last month, my 2022 blend price projections are about \$1.00/cwt. higher. However, I continue to be a conservative projector. Currently, I project 2022 blend prices, in the three Southeastern orders, averaging about \$3.00 - \$3.50/cwt. higher than 2021. My list of primary factors moving milk prices, higher or lower, in the coming year include: 1) The impact of both inflation and higher dairy product prices on domestic demand. Consumer purchasing power is expected to be lower in 2022. 2) Will exports continue at the current pace, especially to China? With over 17% of the nation’s milk production exported, volume of dairy exports has a significant impact on milk price. 3) Milk production. Will high production costs, labor challenges, supply issues, improving cull cow prices, and the use of beef semen on dairy cows continue to lower the nation’s dairy herd, or will higher milk prices stabilize cow numbers or lead to herd expansion? 4) Plant based dairy alternatives increasing market share in the dairy case. 5) On-going impact of coronavirus. 6) As history as shown, there is the potential for unexpected surprises that can sharply and quickly move milk prices up or down.

PROJECTED* BLEND PRICES SOUTHEASTERN FEDERAL ORDERS

MONTH	APPALACHIAN	FLORIDA	SOUTHEAST
	(\$/cwt. at 3.5% butterfat – base zone)		
OCTOBER 2021	\$19.70	\$21.55	\$19.86
NOVEMBER	\$21.13	\$22.93	\$21.22
DECEMBER	\$22.14	\$23.88	\$22.12
JANUARY 2022	\$23.36	\$25.00	\$23.35
FEBRUARY	\$24.06	\$25.99	\$24.02
MARCH	\$23.78	\$25.92	\$23.53

**projections in bold*

Milk Prices

FMMO 5

www.malouisville.com

January 2022

Class 1 Advanced

Price

(@3.5%BF)

\$23.11

February 2022

Class 1 Advanced

Price

(@3.5%BF)

\$25.04

FMMO 7

www.fmmlanta.com

January 2022

Class 1 Advanced

Price

(@3.5%BF)

\$23.51

February 2022

Class 1 Advanced

Price

(@3.5%BF)

\$25.44

Trade Dispute Ruled in Favor of the U.S. Dairy Industry

Renee Carrico Livestock & Environmental Field Specialist
Commodity Division, Kentucky Farm Bureau Federation

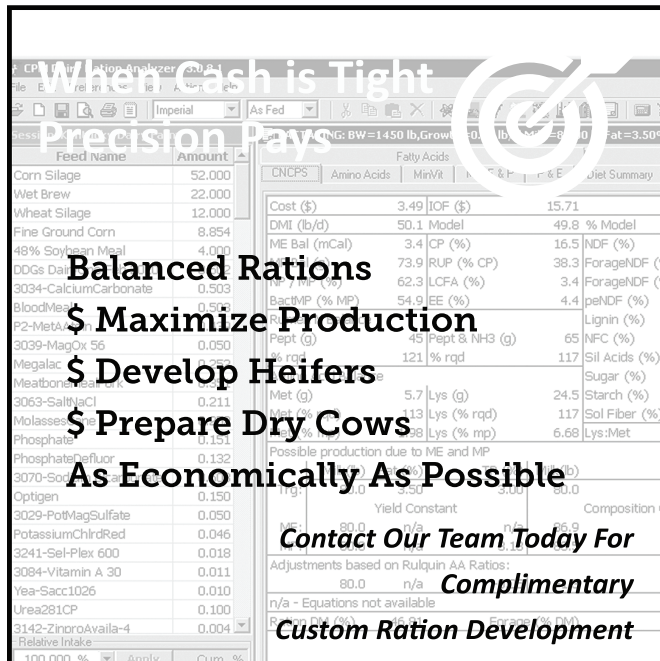
Many times, when we see news dealing with trade and exports it seems to be focused outside of North America. Discussion seems centered on Asian markets, regulations in Europe, or effects of drought or disease outbreak in South America. However, 2022 started with not only a story in North America, but a win for the U.S. dairy industry. The first official dispute under the U.S.-Mexico-Canada Agreement (USMCA) ended with a 3-person panel agreeing that Canada had not fulfilled its dairy quota pledge.

For those of us that don't eat, sleep, and breathe trade agreements, here's a bit of background. The USMCA establishes tariff-rate quotas (TRQs) which gives preferential rate of duty (lower tariff rates) to all "in-quota" quantity of imports (a set amount of product) to that country. As imports exceed that quota, the tariff rate increases. For this situation, Canada agreed to maintain 14 TRQs on dairy products that include milk, cream, butter and cream powder, cheeses, milk powders, yogurt and buttermilk, and ice cream, to name a few.

So where is the issue? Reports out of Canada from the end of 2020 and beginning of 2021 caused many in the dairy industry

to question if they were truly fulfilling their commitment as there seemed to be a reserved percentage of the quotas held for "further processors". There was concern that this reserved space was used to ensure Canadian retailers and restaurants purchased high priced dairy products domestically instead of allowing U.S. product of the same quality and price range to truly compete in that space. In May 2021, United States Trade Representative Katherine Tai requested that a USMCA panel investigate and establish a ruling on whether Canada was in violation of the agreement. That panel met at the end of 2021 and announced their ruling right after the first of the year, that they agreed with the U.S., Canada had lowered the value of USMCA quotas which inhibited U.S access to compete in Canada's dairy products market.

Although this may not seem like something that affects the average Kentucky dairy producer, as a perishable product, North American trade is critical for continued export opportunities for U.S. dairy products. Many in the industry see this as the first win, of many battles ahead, working to expand market options for U.S. Dairy.



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2022 KDDC Board Meeting Dates

Please see below the 2022 scheduled KDDC board meeting dates. All board meetings are open to producers.

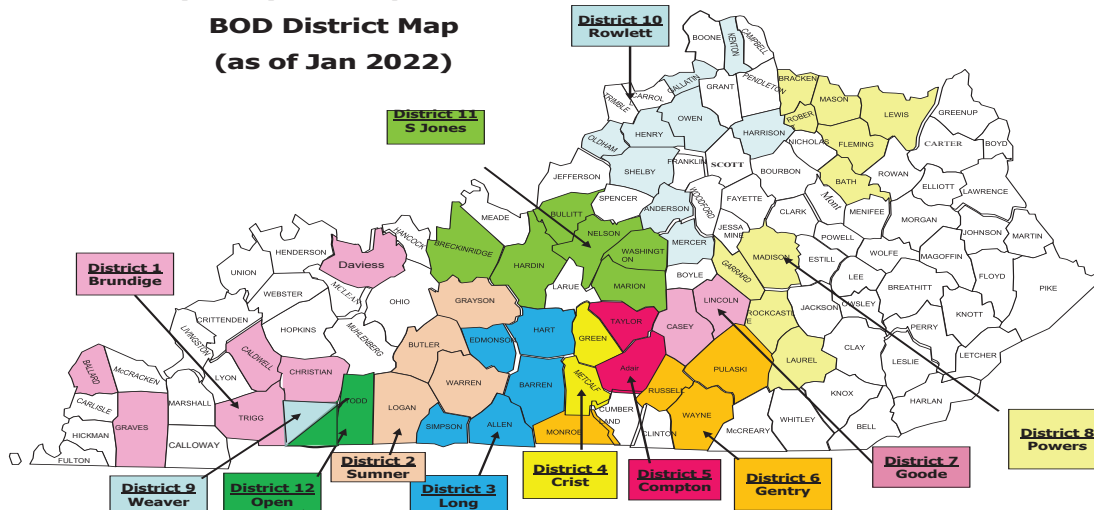
January 27, 2022	Regular	10:00 CT	Taylors Co Ext Office, 1143 S Columbia Avenue, Campbellsville, KY 42718
February 23, 2022	**Board Members Only **Installation of new board members	During Annual Meeting	Sloan Convention Center, 1021 Wilkinson Trace, Bowling Green, KY 42103
March 24, 2022	Regular	10:00 ET	Nelson Co Ext Office, 317 S Third Street, Bardstown, KY 40004
May 19, 2022	Regular	10:00 ET	Taylors Co Ext Office, 1143 S Columbia Avenue, Campbellsville, KY 42718
July 14, 2022	Regular	10:00 CT	Barren Co Extension Office, 1463 W Main St., Glasgow, KY 42141
September 22, 2022	Regular	10:00 CT	Adair Co Ext. Office, 409 Fairgrounds St, Columbia, KY 42728
November 17, 2022	Regular	10:00 CT	Country View Creamery, 1290 Watts Rd, Trenton, KY 42286
December 15, 2022	Yearly Planning	10:00 ET	Taylors Co Ext Office, 1143 S Columbia Avenue, Campbellsville, KY 42718

2022 KDDC Milk Matters Newsletter Articles

EDITION	SUBMISSION DATE @ 9:00 ET
January/February	1/10/22
March/April	2/28/22
May/June	4/25/22
July/August	6/27/22
September/October	8/22/22
November/December	10/24/22
January/February 2023	1/3/23

Kentucky Dairy Development Council

**BOD District Map
(as of Jan 2022)**





Wildcat Wisdom

Donna Amaral-Phillips

UK Dairy Extension Group

Fresh Cows Need a Little More TLC

Getting recently fresh dairy cows off to a sound, eventless start to this lactation pays dividends in improved milk production, reproductive performance, and profit. Research continues to show that management and feeding practices within the first 2 to 4 weeks after calving have a long-term positive or negative impact on not only milk production and health of cows throughout the lactation, but as importantly on fertility and early embryo survival. Throughout the year, one should review management and feeding programs for these cows to avoid compromising their performance, especially when larger numbers of cows are fresh than on the average. Areas to evaluate include the following:

Plan and Correct Housing When More Cows Are Calving

Minimize overcrowding, and added stress on recently fresh cows, especially the first 2 to 3 weeks after calving. Bunk (\geq 30 inches per cow, 1 headlock per cow) and resting (1 stall or >100 sq. ft/cow) space should not be limited so as to allow for maximum feed intake and time available for rest and rumination. Particular attention should be paid to providing adequate bunk and resting space when flushes of cows are calving, i.e. more cows calving for “base building” production programs. Don’t forget to reduce stresses on these cows pre-calving also.

Watch Body Condition in the Previous Lactation

Cows should freshen with a body condition score of 3.0, not 3.5 or higher. This target is thinner than many farmers identify in cows having adequate condition at dry off or freshening. To achieve this goal, cows must be fed adequate, but not excessive, amounts of energy during the previous late lactation and dry period. Cows with long days open the previous lactation are one reason for overconditioned dry cows.

Watch Body Condition Losses in Early Lactation

Feeding and management programs should be designed and implemented that minimize losses of body condition or weight during early lactation. Cows in a study that lost 8% of their body weight during the first 3 weeks of lactation had poorer

quality embryos with less embryos being viable. Not all cows lose weight or body condition in the first 21 days after calving. In a Wisconsin study on two commercial dairies (a total of 1,887 Holstein cows), 42 % of the fresh cows lost body condition the first 21 days of lactation, but 36% of cows maintained body condition with the remaining 22% of cows gained body condition. Milk production across the groups was not different. Another study showed similar trends in the percentages of cows losing, maintaining or gaining body condition. The group that lost body condition had more health events and less cows pregnant after timed AI, again with no difference in milk production between the groups.

Target Expensive Additives to Fresh Cows

Fresh cows should be housed in a separate group of cows, when possible. This management practice allows one to target specific feeds and additives to this group of cows. For example, feeding ruminally protected choline during the close-up dry and fresh period increased milk production by an average of 3.5 lbs/day over 21 research studies.

Take Time to Observe Fresh Cows

At least daily, the behavior (i.e. rumination, eating feed) and overall health of recently fresh cows should be observed and corrective measures taken as needed. One should take time to observe these cows at a time(s) outside of those associated with milking practices and not to solely rely on the use of technology or other workers/family members to detect changes from normal behavior.

Keep Fresh Cows in a Clean Area

Fresh cows should not be housed with “sick” cows. A cow’s immune system is less responsive to disease challenges the first 10 days after calving. An increase in exposure to disease-causing agents (i.e. sick cows with mastitis) can increase the chances of disease. At the same time, fresh cows should not be vaccinated at this time since their immune system is compromised naturally.



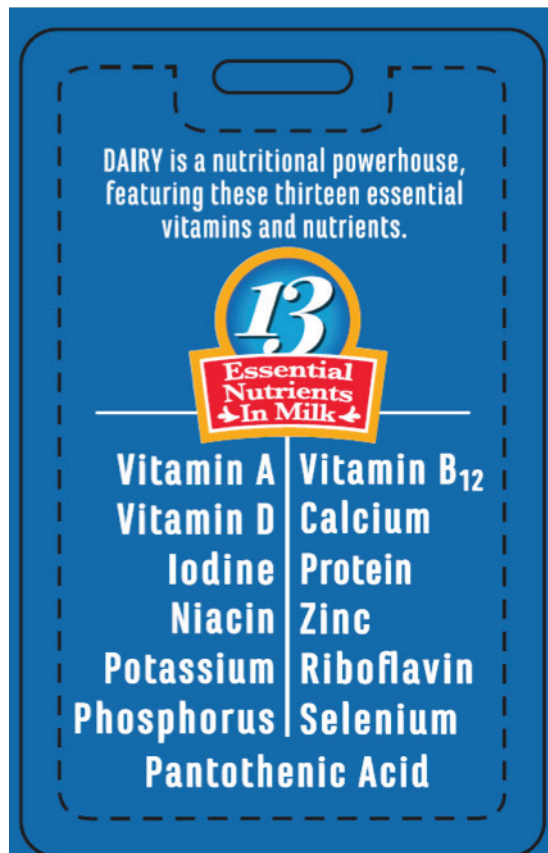
Milk. A part of everything that's good.

Southland Dairy Farmers is continuously looking for ways to spread the message of dairy nutrition in Kentucky. With our agreement with Western Kentucky University athletics, we have worked through various WKU athletic venues to promote our dairy interests to students and fans of all ages. In the fall of 2021, we developed an opportunity to expand that message and entered into an agreement to work with the Kentucky High School Athletic Association (KHSAA) and reach a new market with the same great message.

The Southland Dairy Farmers now have a year-round presence with the KHSAA that includes presence in-person and on-air radio messaging. Year-round sponsorship opportunities

include social message posts, dairy product giveaways, and backpack tags for all state qualifier athletes. These bag tags will be specific to the particular sport and feature the Southland logo on the front with the back highlighting the 13 essential nutrients in milk. Southland Dairy Farmers will also feature the "Nutrients of the Game" segment on the statewide radio network featuring the pre-game breakdown of the game as well as promoting dairy's nutrients.

This partnership is off to a great start, and we are looking forward to showcasing the importance of dairy with Kentucky High School Athletics!



Moo Brew Available in More Kentucky Schools

The Dairy Alliance's Moo Brew is seeing tremendous growth as more schools learn about the program and its appeal to students. The Dairy Alliance staff is helping introduce the program to schools across Kentucky through conferences and promotions, as well as assisting schools in the implementation of the program through staff trainings and providing opportunities for students to sample the dairy-based offerings.

Moo Brew is a program where students enjoy dairy-filled iced coffee options, appealing to students who enjoy ordering complex drinks from coffee shops. High school students who might not otherwise pair school meals with milk can choose sugar-free syrup flavors to add to an 8 oz milk and 2 oz iced coffee beverage as an attractive alternative.

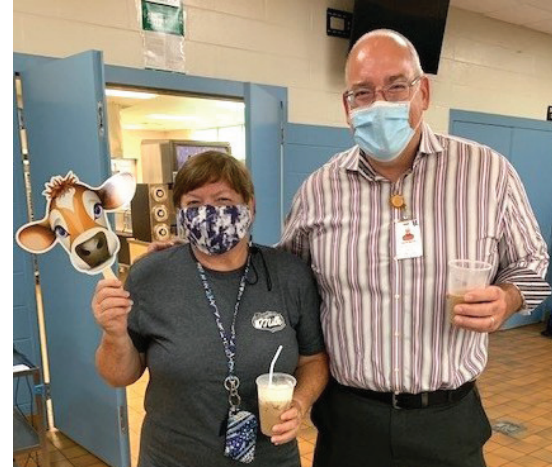
The Moo Brew program can further promote school breakfast programs for students who prefer the convenience of their favorite orders being available at school rather than stopping at the drive-thru each morning.

To prepare, staff simply add coffee to a brew basket before pouring in water and covering overnight to steep. The next day,

the cold brew coffee is added to the dispenser, ready to serve with the 2 pumps of a syrup of the student's choosing, milk and ice. To provide drink suggestions to students, The Dairy Alliance has different cold brew recipes available to use on a seasonal or year-round basis, like the Peppermint Mocha perfect for the winter months.

The pilot program began in three Whitfield County Schools in Georgia in 2019, with students eager for customizable beverage options. Since then, the program has expanded throughout The Dairy Alliance's 8-state region. Kentucky school systems with a Moo Brew program in their middle and/or high schools include Cumberland County, McLean County, Laurel County, Union County, and more.

The Dairy Alliance staff have traveled across the state to promote the program at school nutrition conferences and to provide training on the equipment to schools implementing the program to ensure that students receive great tasting iced coffee made with real milk. Through the implementation of dairy optimization programs like Moo Brew, schools can better promote milk consumption to students and their changing views on food.



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- Kentucky Corn Growers Association
- Limestone & Cooper
- Mammoth Cave Dairy Auction
- QMI Quality Mgt Inc.
- Smith Creek Inc
- Wilson Trucking

Calendar of Events

FEB 07 Center of KY Dairy Shortcourse, Adair County Extension Office, 10 A.M.CT, Columbia

FEB 22 KDDC Young Dairy Producers Conference 9:00am, Sloan Convention Center, Bowling Green

FEB 22 Kentucky Dairy Awards Banquet 6:00pm, Sloan Convention Center, Bowling Green

FEB 23 Kentucky Dairy Partners Conference, Sloan Convention Center, Bowling Green

MAR 1 Commodity Breakfast 7:00am, Capital Annex, Frankfort

MAR 15-18 KDDC Young Dairymen Luncheon, Locations to be announced

MAR 24 KDDC Board meeting , Nelson County Extension Office, Bardstown
