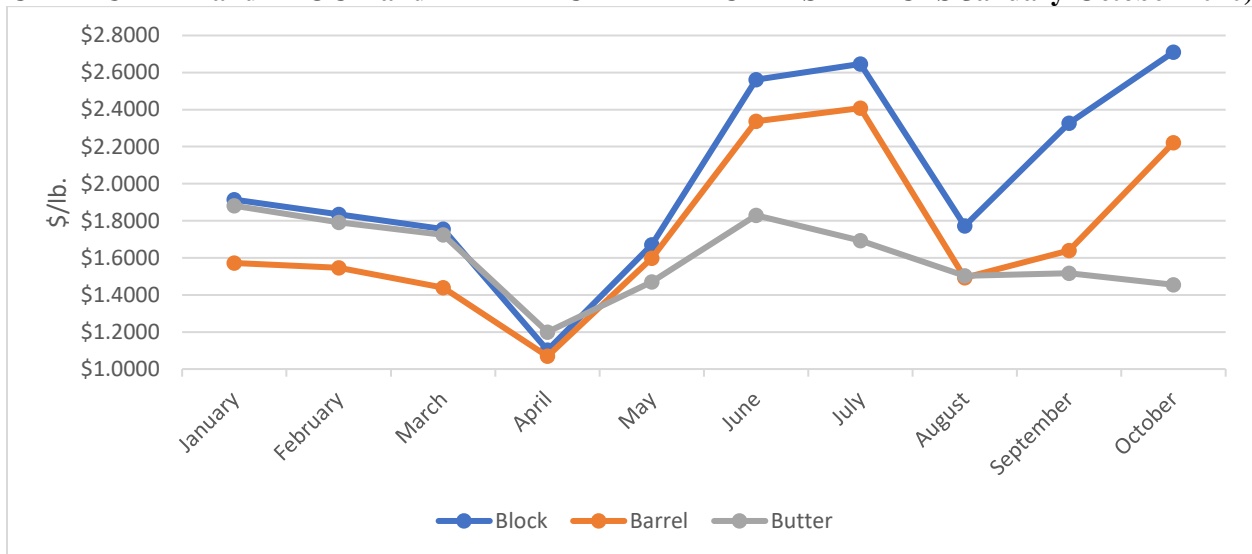


## DIXIE DAIRY REPORT November 2020

**Another record high for cheese prices.** Both barrel and block cheddar cheese at the CME were record high prices for the month of October. As the graph below shows, October is the second “price run-up” this year. Record cheese prices are not supported by commercial cheese disappearance only up 1.5%, and strong monthly cheese production in recent months. USDA purchases for food donation programs is the reason for record high cheese prices. Based on trading last week at the CME, high cheese prices are coming to a close. During the first week of November, blocks declined \$0.44/lb. to close at \$2.3425/lb. Barrels closed at \$2.3175/lb., down \$0.2125/lb. for the week. Current USDA dairy donation purchases are estimated at about one-half of what they were earlier in the year. Plus, the donation program is currently due to expire at year-end. *Dairy Market News* reports the spot milk price in the Midwest, \$2.00 below and in some cases \$4.00/cwt. below class. These low milk prices are a bellwether for lower cheese prices. Over the past five months there were record Class III milk prices. However, unless USDA purchases are extended, food service sales rebound, and/or milk production declines; cheese prices are headed lower.

**CME BUTTER and BLOCK and BARREL CHEDDAR CHEESE PRICES January-October 2020)**



**Butter, powder, and whey.** Turning to the other three dairy products that determine federal order milk prices; butter, nonfat dry milk powder (NDM) and dry whey. As the graph above shows, butter has struggled since the middle of the year. The October CME butter price was \$1.4550/lb. The price is over \$0.65/lb. lower than a year ago, and the lowest October butter price since 2009. Supply is overwhelming demand. August butter disappearance is 9.2% lower than last August while butter production is up 7.8%. Dairy farmers continue to produce more butterfat. Through the first eight months of this year compared to 2019, butterfat production is 2.3% higher. In addition, the butter inventory is about 18% higher than a year ago. Unless something out the ordinary happens, it will be some time before butter gets back over \$2.00/lb. Increased export demand is lifting NDM and dry whey prices. The October DPSR NDM price of \$1.0670/lb. was about a nickel higher than September. Dry whey was almost \$0.03/lb. higher at \$0.3480/lb. Through September NDM exports are 25% and dry whey exports are 31% higher than a year ago. Re-building of the Asian swine industry is responsible for higher dry whey exports. So far this year, dry whey exports to China and Indonesia are up 173% and 74%, respectively. Higher NDM prices will result in improved Class IV prices in 2021. And, stronger dry whey prices will help offset some of the decline in the Class III price due to lower cheese prices.

**Strong third quarter milk production.** Third quarter milk production was 2.0% higher than a year ago. More milk was due to 33,000 more cows, and milk per cow up 1.6%. Looking at the nation’s largest milk producing states, third quarter production was up 2.3% in California, 0.2% in Wisconsin, 3.3% in Idaho, 2.6% in Michigan, 2.4% in Pennsylvania, and 1.1% in New York. Of the 24 milk reporting states, production was higher in 16 and lower in 8 states. Turning to the ten (10) Southeast states, third quarter production was 0.7% lower than the same period a year ago. Lower production is primarily due to 14,000 less cows. As of September 30, the Southeast States dairy cow population was estimated at 412,000 head. Looking at individual states, third quarter production was 4.1% lower in Florida and 0.2% lower in Georgia. Compared to a year earlier, Florida has 5,000 fewer cows and Georgia 1,000. Virginia’s production was up 2.6% due to steady cow numbers and more milk per cow. Third quarter production was 1.4% higher in Kentucky.

**Class I Producer Milk.** In the three Southeastern federal orders, average daily Class I producer milk for the third quarter of the year was 24.2 million lbs. This is about 1 million lbs. or 20 milk tankers per day lower than last year. As shown below, Class I was higher in the Appalachian order, but lower in the other two orders. Declining Class I sales is the greatest challenge facing the Southeast dairy industry.

**AVERAGE DAILY CLASS I PRODUCER MILK – 3<sup>rd</sup> Quarter (2018-2020)**

| Federal Order      | 2018           | 2019 | 2020 | Change 2020 vs. 2019 |
|--------------------|----------------|------|------|----------------------|
|                    | (million lbs.) |      |      | (%)                  |
| <b>Appalachian</b> | 10.4           | 10.3 | 10.5 | 1.1%                 |
| <b>Florida</b>     | 5.5            | 5.6  | 5.2  | -6.3%                |
| <b>Southeast</b>   | 9.8            | 9.3  | 8.5  | -8.5%                |
| <b>Total</b>       | 25.8           | 25.2 | 24.2 | -4.1%                |

**Blend Prices.** There will be another price inversion (Class III price higher than blend price) in October. The October Class III price is \$21.61, propelled by record high cheese prices. As shown below, we project October blend prices in all three orders lower than the Class III price. November blend prices are projected about \$2.00/cwt. higher than October, due to the Class I market receiving some benefit from higher October cheese prices. Blend prices are projected to increase further in December. Our current projection for 2021 show blend prices (see price sheet) about \$0.30/cwt. lower than 2020. USDA’s October projections show the 2021 all milk price \$0.40/cwt. lower than 2020.

**PROJECTED\* BLEND PRICES – Base Zones – SOUTHEASTERN FEDERAL ORDERS**

| Month               | Appalachian                             | Florida        | Southeast      |
|---------------------|---|----------------|----------------|
|                     | (\$/cwt. at 3.5% butterfat – base zone) |                |                |
| September 2020      | \$19.68                                 | \$21.85        | \$19.62        |
| <b>October</b>      | <b>\$18.08</b>                          | <b>\$19.54</b> | <b>\$17.70</b> |
| <b>November</b>     | <b>\$20.00</b>                          | <b>\$21.77</b> | <b>\$20.42</b> |
| <b>December</b>     | <b>\$20.19</b>                          | <b>\$22.49</b> | <b>\$20.64</b> |
| <b>January 2021</b> | <b>\$18.85</b>                          | <b>\$21.34</b> | <b>\$19.21</b> |
| <b>February</b>     | <b>\$18.10</b>                          | <b>\$20.99</b> | <b>\$18.48</b> |

\*Projections in bold

*Our best to everyone for a joyful Thanksgiving. May we remember the words of the Psalmist, “Enter His Gates with Thanksgiving and His courts with Praise; give thanks to Him and Praise His name. For the Lord is good and His love endures forever.”*

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| Class I Mover \$ Per Cwt. (3.5% fat)   |                |                |                |                |                |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | J              | F              | M              | A              | M              | J              | J              | A              | S              | O              | N              | D              | Avg.           |
| 2019   | \$15.12        | \$15.30        | \$15.98        | \$15.76        | \$16.42        | \$17.07        | \$17.18        | \$17.89        | \$17.85        | \$17.84        | \$18.14        | \$19.33        | \$16.99        |
| 2020   | \$19.01        | \$17.55        | \$17.46        | \$16.64        | \$12.95        | \$11.42        | \$16.56        | \$19.78        | \$18.44        | \$15.20        | \$18.04        | \$19.00        | \$16.84        |
| 2021   | <b>\$17.15</b> | <b>\$16.42</b> | <b>\$15.64</b> | <b>\$15.66</b> | <b>\$15.77</b> | <b>\$15.92</b> | <b>\$16.17</b> | <b>\$16.24</b> | <b>\$16.32</b> | <b>\$16.40</b> | <b>\$16.45</b> | <b>\$16.45</b> | <b>\$16.22</b> |
| Southeast Federal Orders' Blend Prices - Base Zone at 3.5% butterfat (\$/cwt.) |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Florida - Tampa  |                |                |                |                |                |                |                |                |                |                |                |                |                |
| 2019   | \$19.78        | \$19.96        | \$20.41        | \$20.46        | \$21.13        | \$21.62        | \$21.75        | \$22.48        | \$21.85        | \$22.00        | \$22.33        | \$23.18        | \$21.41        |
| 2020   | \$23.33        | \$21.69        | \$21.64        | \$19.35        | \$17.29        | \$16.83        | \$20.80        | \$22.69        | \$21.85        | <b>\$19.54</b> | <b>\$21.77</b> | <b>\$22.49</b> | <b>\$20.77</b> |
| 2021   | <b>\$21.34</b> | <b>\$20.99</b> | <b>\$19.94</b> | <b>\$19.67</b> | <b>\$20.05</b> | <b>\$20.37</b> | <b>\$20.45</b> | <b>\$20.52</b> | \$20.62        | <b>\$20.77</b> | <b>\$21.01</b> | <b>\$20.64</b> | <b>\$20.53</b> |
| Southeast - Atlanta  |                |                |                |                |                |                |                |                |                |                |                |                |                |
| 2019   | \$18.27        | \$18.35        | \$18.70        | \$18.70        | \$19.24        | \$19.58        | \$20.25        | \$20.85        | \$20.52        | \$20.65        | \$20.98        | \$21.63        | \$19.81        |
| 2020   | \$21.32        | \$20.00        | \$19.64        | \$17.75        | \$15.39        | \$15.38        | \$18.89        | \$20.18        | \$19.62        | <b>\$17.70</b> | <b>\$20.42</b> | <b>\$20.64</b> | \$18.91        |
| 2021   | <b>\$19.21</b> | <b>\$18.48</b> | <b>\$18.09</b> | <b>\$18.31</b> | <b>\$18.28</b> | <b>\$18.11</b> | <b>\$18.80</b> | <b>\$18.61</b> | <b>\$18.88</b> | <b>\$18.96</b> | <b>\$19.40</b> | <b>\$19.06</b> | <b>\$18.68</b> |
| Appalachian - Charlotte  |                |                |                |                |                |                |                |                |                |                |                |                |                |
| 2019   | \$17.82        | \$18.00        | \$18.31        | \$18.28        | \$18.93        | \$19.44        | \$19.84        | \$20.34        | \$20.04        | \$20.17        | \$20.53        | \$21.11        | \$19.40        |
| 2020   | \$21.03        | \$19.63        | \$19.49        | \$17.49        | \$15.14        | \$15.27        | \$19.34        | \$20.25        | \$19.68        | <b>\$18.08</b> | <b>\$20.00</b> | <b>\$20.19</b> | \$18.80        |
| 2021   | <b>\$18.95</b> | <b>\$18.10</b> | <b>\$17.91</b> | <b>\$18.06</b> | <b>\$18.04</b> | <b>\$17.94</b> | <b>\$18.54</b> | <b>\$18.70</b> | <b>\$18.73</b> | <b>\$18.90</b> | <b>\$19.32</b> | <b>\$18.67</b> | <b>\$18.49</b> |
| <b>* Projections in bold</b>   |                |                |                |                |                |                |                |                |                |                |                |                |                |

| Southeastern Federal Orders Class I Producer Milk - Million lbs. |               |              |              |               |               |              |              |               |              |       |       |       |              |
|--|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|-------|-------|-------|--------------|
| Florida  | J             | F            | M            | A             | M             | J            | J            | A             | S            | O     | N     | D     | YTD Total    |
| 2018   | 198.5         | 173.8        | 194.0        | 177.3         | 177.4         | 160.9        | 160.4        | 179.6         | 167.7        | 183.1 | 186.4 | 185.3 | 1,590        |
| 2019   | 199.3         | 174.3        | 184.9        | 182.7         | 176.7         | 155.3        | 164.1        | 184.4         | 163.4        | 180.8 | 148.2 | 176.8 | 1,585        |
| 2020   | 192.6         | 175.4        | 191.0        | 167.9         | 162.9         | 160.3        | 160.2        | 160.7         | 158.9        |       |       |       | 1,530        |
| % change   | <b>-3.4%</b>  | <b>0.7%</b>  | <b>3.3%</b>  | <b>-8.1%</b>  | <b>-7.8%</b>  | <b>3.3%</b>  | <b>-2.4%</b> | <b>-12.8%</b> | <b>-2.8%</b> |       |       |       | <b>-3.5%</b> |
| Southeast  |               |              |              |               |               |              |              |               |              |       |       |       |              |
| 2018   | 345.5         | 292.3        | 323.7        | 313.3         | 309.5         | 284.8        | 289.5        | 318.4         | 294.7        | 315.4 | 319.1 | 298.3 | 2,772        |
| 2019   | 333.7         | 274.9        | 289.9        | 298.5         | 287.8         | 252.4        | 280.1        | 298.3         | 278.5        | 299.3 | 260.0 | 285.0 | 2,594        |
| 2020   | 299.4         | 259.6        | 306.6        | 268.5         | 257.1         | 256.0        | 269.2        | 250.5         | 264.5        |       |       |       | 2,431        |
| % change   | <b>-10.3%</b> | <b>-5.6%</b> | <b>5.8%</b>  | <b>-10.0%</b> | <b>-10.7%</b> | <b>1.4%</b>  | <b>-3.9%</b> | <b>-16.0%</b> | <b>-5.0%</b> |       |       |       | <b>-6.3%</b> |
| Appalachian  |               |              |              |               |               |              |              |               |              |       |       |       |              |
| 2018   | 373.9         | 314.3        | 347.3        | 326.0         | 330.2         | 299.3        | 308.5        | 343.0         | 308.6        | 348.5 | 352.8 | 331.6 | 2,951        |
| 2019   | 370.1         | 293.2        | 310.2        | 310.9         | 306.8         | 263.2        | 290.9        | 339.3         | 321.2        | 333.5 | 285.0 | 321.9 | 2,806        |
| 2020   | 344.9         | 301.4        | 349.0        | 317.7         | 317.8         | 322.8        | 319.1        | 318.1         | 324.6        |       |       |       | 2,915        |
| % change   | <b>-6.8%</b>  | <b>2.8%</b>  | <b>12.5%</b> | <b>2.2%</b>   | <b>3.6%</b>   | <b>22.7%</b> | <b>9.7%</b>  | <b>-6.2%</b>  | <b>1.1%</b>  |       |       |       | <b>3.9%</b>  |
| Total all Three Orders   |               |              |              |               |               |              |              |               |              |       |       |       |              |
| 2018   | 917.9         | 780.4        | 865.0        | 816.6         | 817.1         | 745.0        | 758.4        | 841.0         | 771.0        | 847.0 | 858.3 | 815.2 | 7,312        |
| 2019   | 903.1         | 742.4        | 785.0        | 792.1         | 771.3         | 670.9        | 735.1        | 822.0         | 763.1        | 813.6 | 693.2 | 783.6 | 6,985        |
| 2020   | 836.9         | 736.4        | 846.6        | 754.1         | 737.8         | 739.2        | 748.6        | 729.3         | 748.0        |       |       |       | 6,877        |
| % change   | <b>-7.3%</b>  | <b>-0.8%</b> | <b>7.8%</b>  | <b>-4.8%</b>  | <b>-4.3%</b>  | <b>10.2%</b> | <b>1.8%</b>  | <b>-11.3%</b> | <b>-2.0%</b> |       |       |       | <b>-1.5%</b> |

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| Southeastern Federal Orders' Packaged Fluid Milk Sales - Million lbs. |              |             |              |              |              |              |              |               |     |     |     |     |              |
|---|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|-----|-----|-----|-----|--------------|
| Florida   | J            | F           | M            | A            | M            | J            | J            | A             | S   | O   | N   | D   | YTD          |
| 2018  | 247          | 216         | 242          | 223          | 226          | 203          | 208          | 229           | 215 | 233 | 226 | 235 | 1,794        |
| 2019  | 246          | 219         | 234          | 231          | 222          | 199          | 209          | 228           | 207 | 229 | 225 | 227 | 1,788        |
| 2020  | 252          | 231         | 256          | 226          | 220          | 208          | 209          | 206           |     |     |     |     | 1,808        |
| <b>% change</b>   | <b>2.4%</b>  | <b>5.5%</b> | <b>9.4%</b>  | <b>-2.2%</b> | <b>-0.9%</b> | <b>4.5%</b>  | <b>0.0%</b>  | <b>-9.6%</b>  |     |     |     |     | <b>1.1%</b>  |
| Southeast   |              |             |              |              |              |              |              |               |     |     |     |     |              |
| 2018  | 395          | 341         | 375          | 356          | 355          | 324          | 331          | 376           | 348 | 374 | 372 | 361 | 2,853        |
| 2019  | 386          | 325         | 343          | 346          | 334          | 306          | 327          | 366           | 339 | 362 | 352 | 346 | 2,733        |
| 2020  | 372          | 337         | 386          | 338          | 327          | 313          | 320          | 318           |     |     |     |     | 2,711        |
| <b>% change</b>   | <b>-3.6%</b> | <b>3.7%</b> | <b>12.5%</b> | <b>-2.3%</b> | <b>-2.1%</b> | <b>2.3%</b>  | <b>-2.1%</b> | <b>-13.1%</b> |     |     |     |     | <b>-0.8%</b> |
| Appalachian   |              |             |              |              |              |              |              |               |     |     |     |     |              |
| 2018  | 298          | 252         | 277          | 261          | 269          | 249          | 253          | 273           | 261 | 277 | 279 | 268 | 2,132        |
| 2019  | 287          | 240         | 268          | 261          | 265          | 232          | 250          | 267           | 256 | 273 | 271 | 271 | 2,070        |
| 2020  | 280          | 252         | 299          | 272          | 274          | 268          | 278          | 283           |     |     |     |     | 2,206        |
| <b>% change</b>   | <b>-2.4%</b> | <b>4.9%</b> | <b>11.7%</b> | <b>4.1%</b>  | <b>3.4%</b>  | <b>15.5%</b> | <b>11.1%</b> | <b>6.0%</b>   |     |     |     |     | <b>6.5%</b>  |
| Total all Three Orders  |              |             |              |              |              |              |              |               |     |     |     |     |              |
| 2018  | 940          | 809         | 894          | 840          | 850          | 776          | 792          | 878           | 824 | 884 | 877 | 864 | 6,779        |
| 2019  | 919          | 784         | 845          | 838          | 821          | 737          | 786          | 861           | 802 | 864 | 848 | 844 | 6,591        |
| 2020  | 904          | 820         | 941          | 836          | 821          | 789          | 807          | 807           |     |     |     |     | 6,725        |
| <b>% change</b>   | <b>-1.6%</b> | <b>4.6%</b> | <b>11.4%</b> | <b>-0.3%</b> | <b>0.0%</b>  | <b>7.0%</b>  | <b>2.7%</b>  | <b>-6.3%</b>  |     |     |     |     | <b>2.0%</b>  |

| U.S. Estimated Fluid Milk Sales - million lbs. |              |             |             |              |              |             |             |              |       |       |       |       |             |
|--|--------------|-------------|-------------|--------------|--------------|-------------|-------------|--------------|-------|-------|-------|-------|-------------|
| 2018   | 4,231        | 3,720       | 4,101       | 3,856        | 3,932        | 3,593       | 3,614       | 3,950        | 3,788 | 4,121 | 4,125 | 4,046 | 30,997      |
| 2019   | 4,210        | 3,650       | 3,917       | 3,866        | 3,911        | 3,446       | 3,620       | 3,889        | 3,756 | 4,042 | 4,008 | 3,953 | 30,509      |
| 2020   | 4,071        | 3,704       | 4,242       | 3,864        | 3,803        | 3,631       | 3,707       | 3,663        |       |       |       |       | 30,685      |
| <b>% change</b>                                | <b>-3.3%</b> | <b>1.5%</b> | <b>8.3%</b> | <b>-0.1%</b> | <b>-2.8%</b> | <b>5.4%</b> | <b>2.4%</b> | <b>-5.8%</b> |       |       |       |       | <b>0.6%</b> |

| Southeast Federal Orders' Class I Utilization % |     |     |     |     |     |     |     |     |     |     |     |     |      |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| Florida   | J   | F   | M   | A   | M   | J   | J   | A   | S   | O   | N   | D   | Avg. |
| 2018  | 82% | 85% | 85% | 84% | 85% | 85% | 81% | 84% | 82% | 84% | 85% | 81% | 83%  |
| 2019  | 86% | 84% | 82% | 85% | 86% | 82% | 83% | 86% | 80% | 83% | 82% | 80% | 83%  |
| 2020  | 86% | 82% | 82% | 78% | 82% | 84% | 83% | 82% | 81% |     |     |     | 82%  |
| Southeast                                       |     |     |     |     |     |     |     |     |     |     |     |     |      |
| 2018  | 73% | 68% | 65% | 65% | 68% | 68% | 74% | 76% | 75% | 79% | 78% | 70% | 69%  |
| 2019  | 76% | 70% | 65% | 67% | 66% | 57% | 70% | 74% | 73% | 78% | 77% | 73% | 70%  |
| 2020  | 71% | 73% | 66% | 69% | 68% | 70% | 69% | 68% | 67% |     |     |     | 69%  |
| Appalachian                                     |     |     |     |     |     |     |     |     |     |     |     |     |      |
| 2017  | 71% | 69% | 67% | 66% | 68% | 67% | 69% | 72% | 69% | 75% | 75% | 67% | 69%  |
| 2018  | 76% | 72% | 65% | 66% | 67% | 63% | 71% | 73% | 73% | 75% | 74% | 70% | 70%  |
| 2020  | 74% | 70% | 70% | 71% | 69% | 83% | 85% | 71% | 72% | 75% | 75% | 70% | 74%  |

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| U.S. Milk Production - Million lbs. |             |             |             |             |              |             |             |             |             |        |        |        | YTD Total   |
|-------------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------|--------|--------|-------------|
|                                     | J           | F           | M           | A           | M            | J           | J           | A           | S           | O      | N      | D      |             |
| 2018                                | 18,437      | 16,973      | 18,989      | 18,412      | 19,131       | 18,288      | 18,329      | 18,245      | 17,395      | 17,873 | 17,348 | 18,155 | 164,199     |
| 2019                                | 18,612      | 16,966      | 18,845      | 18,433      | 19,058       | 18,225      | 18,375      | 18,267      | 17,595      | 18,135 | 17,506 | 18,365 | 164,376     |
| 2020                                | 18,860      | 17,886      | 19,375      | 18,653      | 18,955       | 18,367      | 18,735      | 18,595      | 18,008      |        |        |        | 167,434     |
| <b>% change</b>                     | <b>1.3%</b> | <b>5.4%</b> | <b>2.8%</b> | <b>1.2%</b> | <b>-0.5%</b> | <b>0.8%</b> | <b>2.0%</b> | <b>1.8%</b> | <b>2.3%</b> |        |        |        | <b>1.9%</b> |

| U.S. Dairy Cows - 1,000 head |          |           |           |           |           |           |           |           |           |       |       |       | YTD Total |
|------------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|-------|-------|-----------|
|                              | J        | F         | M         | A         | M         | J         | J         | A         | S         | O     | N     | D     |           |
| 2018                         | 9,438    | 9,436     | 9,430     | 9,418     | 9,422     | 9,414     | 9,392     | 9,389     | 9,368     | 9,367 | 9,358 | 9,353 | 9,399     |
| 2019                         | 9,354    | 9,352     | 9,333     | 9,332     | 9,333     | 9,327     | 9,315     | 9,318     | 9,333     | 9,347 | 9,345 | 9,343 | 9,336     |
| 2020                         | 9,361    | 9,375     | 9,385     | 9,381     | 9,360     | 9,350     | 9,360     | 9,361     | 9,366     |       |       |       |           |
| <b>Change</b>                | <b>7</b> | <b>23</b> | <b>52</b> | <b>49</b> | <b>27</b> | <b>23</b> | <b>45</b> | <b>43</b> | <b>33</b> |       |       |       |           |

| Florida Milk Production - Million lbs. |             |             |              |              |             |              |              |              |              |     |     |     | YTD Total    |
|--|-------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|-----|-----|-----|--------------|
|  | J           | F           | M            | A            | M           | J            | J            | A            | S            | O   | N   | D   |              |
| 2018                                   | 220         | 211         | 233          | 217          | 223         | 201          | 188          | 180          | 163          | 170 | 182 | 193 | 1,836        |
| 2019                                   | 210         | 197         | 218          | 207          | 213         | 199          | 192          | 181          | 164          | 179 | 184 | 195 | 1,781        |
| 2020                                   | 215         | 205         | 216          | 205          | 213         | 186          | 183          | 174          | 158          |     |     |     | 1,755        |
| <b>Change %</b>                        | <b>2.4%</b> | <b>4.1%</b> | <b>-0.9%</b> | <b>-1.0%</b> | <b>0.0%</b> | <b>-6.5%</b> | <b>-4.7%</b> | <b>-3.9%</b> | <b>-3.7%</b> |     |     |     | <b>-1.5%</b> |

| Georgia Milk Production - Million lbs. |             |             |             |              |              |              |              |             |              |     |     |     | YTD Total    |
|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|-----|-----|-----|--------------|
|  | J           | F           | M           | A            | M            | J            | J            | A           | S            | O   | N   | D   |              |
| 2018                                   | 161         | 150         | 168         | 157          | 156          | 141          | 143          | 139         | 129          | 135 | 140 | 147 | 1,344        |
| 2019                                   | 159         | 148         | 165         | 157          | 155          | 145          | 143          | 135         | 131          | 139 | 142 | 148 | 1,338        |
| 2020                                   | 161         | 152         | 166         | 155          | 152          | 143          | 142          | 136         | 130          |     |     |     | 1,337        |
| <b>Change %</b>                        | <b>1.3%</b> | <b>2.7%</b> | <b>0.6%</b> | <b>-1.3%</b> | <b>-1.9%</b> | <b>-1.4%</b> | <b>-0.7%</b> | <b>0.7%</b> | <b>-0.8%</b> |     |     |     | <b>-0.1%</b> |

| Virginia Milk Production - Million lbs. |             |             |             |             |             |             |             |             |             |     |     |     | YTD Total   |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----|-----|-----|-------------|
|   | J           | F           | M           | A           | M           | J           | J           | A           | S           | O   | N   | D   |             |
| 2018                                    | 148         | 137         | 152         | 146         | 148         | 135         | 134         | 132         | 123         | 128 | 124 | 128 | 1,255       |
| 2019                                    | 132         | 121         | 134         | 131         | 133         | 122         | 118         | 118         | 115         | 119 | 117 | 124 | 1,124       |
| 2020                                    | 134         | 127         | 137         | 132         | 133         | 126         | 123         | 121         | 117         |     |     |     | 1,150       |
| <b>Change %</b>                         | <b>1.5%</b> | <b>5.0%</b> | <b>2.2%</b> | <b>0.8%</b> | <b>0.0%</b> | <b>3.3%</b> | <b>4.2%</b> | <b>2.5%</b> | <b>1.7%</b> |     |     |     | <b>2.3%</b> |

| Total above Three States* Milk Production - Million lbs. |             |             |             |              |              |              |              |              |              |     |     |     | YTD Total   |
|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|-----|-----|-----|-------------|
|  | J           | F           | M           | A            | M            | J            | J            | A            | S            | O   | N   | D   |             |
| 2017   | 529         | 498         | 553         | 520          | 527          | 477          | 465          | 451          | 415          | 433 | 446 | 468 | 4,435       |
| 2018   | 501         | 466         | 517         | 495          | 501          | 466          | 453          | 434          | 410          | 437 | 443 | 467 | 4,243       |
| 2020   | 510         | 484         | 519         | 492          | 498          | 455          | 448          | 431          | 405          |     |     |     | 4,242       |
| <b>Change %</b>  | <b>1.8%</b> | <b>3.9%</b> | <b>0.4%</b> | <b>-0.6%</b> | <b>-0.6%</b> | <b>-2.4%</b> | <b>-1.1%</b> | <b>-0.7%</b> | <b>-1.2%</b> |     |     |     | <b>0.0%</b> |

\* Florida, Georgia, and Virginia account for about two-thirds of the Southeastern States Milk Production  
 These are the only three southeastern states USDA reports monthly milk production.