



NEWS RELEASE

Georgia Milk Producers Inc.
1641 New High Shoals Road, Suite 5, Watkinsville, Georgia 30677
1-800-337-0555 or 1-706-310-0020, Fax 1-706-310-0025
www.gamilk.org

FOR IMMEDIATE RELEASE
Tuesday, July 21, 2009

Contact: Farrah Newberry
(706) 310-0020
georgiamilkprod@bellsouth.net

GMP Testifies To Congressional Panel, Calls For Immediate Changes To Current Milk Price System

WASHINGTON, DC – Dairy farmers across the nation are facing tremendous economic pressures and are in search for short-term and long-term solutions to help farmers survive. A representative for Georgia Milk Producers testified today at a hearing in the House of Representatives asking for possible solutions to the current economic crisis for dairy.

Everett Williams, a dairy farmer from Madison, Georgia, and President of Georgia Milk Producers Inc., requested that the House Subcommittee on Livestock and Dairy improve the current dairy price system.

He told the congressional panel that the pricing crisis is due to the failure of the USDA Dairy Product Price Support Program and lack of activity on the Chicago Mercantile Exchange.

In regards to Cheese Trading, “we know from a Government Accountability Office (GAO) report released in July 2007 (GAO-07-707), that the opportunity for price manipulation exists,” Williams said.

Williams also asked that Congress work to improve the present system of using a formula that locks Class I pricing to manufactured pricing, which has adversely affected markets that are primarily Class I.

“Over the last decade, the expansion of milk production in the West has weakened fluid milk production in the East” Williams said. “A system needs to be developed that would price fluid milk independently.”

-more-

“The Federal Milk Market Administrator’s office in Atlanta predicts that within the next decade no dairies will exist with the Southeast,” said Williams. “One reason for this is the current dairy pricing system.”

Georgia dairymen operate in an area where population growth is one of the fastest in the U.S. The milk deficit for this area grows greater each year with Georgia now importing up to 68 million pounds of milk per month.

He also pointed out that milk production in the Southeast has decreased 23 percent since 2000, while production in the Southwest has increased 44 percent.

Williams told the panel that “the end result is that we have a fluid market in the Southeast that is short of fluid milk. The money that processors pay for milk is being spent to pay for milk hauling from the Southwest to the Southeast instead of going to pay local dairymen.”

###

The **Georgia Milk Producers**, Inc., based in Watkinsville, Georgia is a non-profit, producer organization. It serves as the voice of all Georgia dairy producers. Our mission is to return Georgia dairy farming to profitability by educating dairy producers and officials on all issues affecting Georgia’s dairy industry.