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Field Facts

October 2nd, 2019

Field Facts focuses on subjects that have arisen as a result of speaking with our customers and prospective customers, visiting trade shows, and feedback from our reps all over the globe.

World Dairy Expo, Madison, WI - "The Makeup of your Milk Check"

Earlier this month, Calvin Covington, a nationally recognized expert in milk pricing, made a presentation, which we sponsored, highlighting ways that dairy farmers could get the most out of their milk checks. Mr. Calvin is a 4th generation dairy farmer who currently manages his family's Century farm in North Carolina. Having studied at the North Carolina State University, earning his B.S. and the Ohio State University where he earned a Master's Degree, he moved on to join the American Jersey Cattle Association. While there he was driving force in gaining multiple milk component payment put in place on a nation-wide basis!

Then Mr. Calvin took on responsibilities as CEO of Southeast Milk Cooperative. There, his responsibilities included milk marketing, management of a processing plant, milk transportation and even the feed mill (it was full-service coop). Bringing his experience from throughout the dairy supply chain together with a vision, Calvin left a number of worthwhile 'take home' messages with the dairy farmers who attended, including:

1. Ask questions when you sell your milk. Why aren't you getting the full Federal Order minimum price?
2. Select the Buyer of your milk based upon what they are willing to pay (i.e. only regulated plants are required to pay a minimum order price - not your local co-op).
3. Be aware of the 'going price' for your milk on a Federal level and aim to get that price. [Benchmark yr milk price to the Federal order price in yr area [check the Chicago Mercantile Exchange (CME) and the National Dairy Products Sales Report monthly]!
4. Keep your eye on bonuses! It is not just about volume/yield any more. Composition plays an increasingly significant part in the milk check as does quality (i.e. low somatic cell counts).

