

PREMIER PRESS

AUGUST 2015

Rejected Load Policy

We wanted to offer a reminder of the rejected load policy at Premier Milk. The PMI Board of Directors have reaffirmed the policy that any producer who causes a load of milk to be rejected or his milk not taken at the bottling plant, must cover the loss associated with disposing of the affected milk. Any questions on this policy or any other policy, please contact Tom Pittman.

Milk Hauling Change

PMI Board of Directors last month approved a change in the milk hauling and milk pricing policy. Going forward, the producers will pay the full cost to get milk to the Central FL plants and also will receive the price received from that plant.

The board felt that this policy is fair and transparent to what each member should receive and pay for hauling. Any changes from the policy have to be addressed and approved by the board. More information was explained in last month's newsletter.

Important Contact Info

North & South Florida Milk Hauling
Rick Hedrick: 912-253-0993

Georgia and Florida Panhandle Milk Hauling
Kevin Mann: 877-367-9167

Milk Quality Assistance
David Sumrall: 352-283-5780



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Producer Incentive Program (PIP)

Premier Milk is again doing a fall incentive program to reward producers who increase their milk production in the fall versus the previous year's fall months' milk production. The time frame for this program is for the years 2015 & 2016. The program will operate in the months of August, September, and October and will be only in the FL & GA marketing area.

Members of Premier Milk will receive a \$1.00 per hundredweight PIP payment for the volume of increased marketed production in August that exceeds the Individual producer member's marketed production in the immediately preceding August. That is: August 2015 marketed milk production increase in excess of August 2014; and August 2016 marketed milk production increase in excess of August 2015. The same methodology will apply for the months of September and October.

Here are the rules:

1. Milk production history follows physical farms, and/or an individual producer-operator.
2. If a producer operates or operated multiple farms, the total production of all the farms will be used to establish the production in a PIP payment month, as well as the production history of the producer for determining the base month production.
3. It is the producer's responsibility to provide verifiable proof of his/her production history, and/or the farm's production history. If there are any doubts, the producer will be required to obtain and/or authorize a confidentiality release permitting the Federal Order Market Administrator to provide marketing volumes in records held by the Market Administrator.
4. A new producer, meaning a producer with zero milk production in the applicable base month, will be eligible for the PIP payment on 100% of the producer's milk production in the payment month. The producer must prove that the facility used by the producer had no milk production in the applicable base month, and the producer had no milk production at another facility inside the SMA operational area in the applicable base month.
5. An existing producer becomes a member of Premier Milk during or between applicable PIP payment periods, they will be eligible for PIP payments on production increases for that producer's farm or farms, in excess of the verified production history of that producer or the farm (s) in the applicable base month.
6. If there are differences between the production history of a farm, and the production history of an individual producer, the higher of the two production histories will be used to establish the milk production to be used for calculating any increase in production, and thus any PIP payment.
7. If a producer lost or loses his/her Grade A certification in the base period month, or loses their Grade certification in the current year PIP payment month, the producer is ineligible to receive a PIP payment in that PIP payment month.

Premier
MILK INC.
Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	Dec	Jan	Feb	March	April	May	June	July	Current
Cheese - World Market	\$ 1.6900	\$ 1.6783	\$ 1.6783	\$ 1.6216	\$ 1.5876	\$ 1.5762	\$ 1.5365	\$ 1.4572	\$ 1.3154
Cheese - CME Block	\$ 1.5938	\$ 1.5218	\$ 1.5382	\$ 1.5549	\$ 1.5890	\$ 1.6308	\$ 1.7052	\$ 1.6659	\$ 1.6900
Cheese - CME Barrel	\$ 1.5305	\$ 1.4995	\$ 1.4849	\$ 1.5290	\$ 1.6135	\$ 1.6250	\$ 1.6690	\$ 1.6313	\$ 1.6600
Cheese - NASS	\$ 1.7362	\$ 1.5807	\$ 1.5446	\$ 1.5750	\$ 1.6122	\$ 1.6557	\$ 1.7222	\$ 1.6997	\$ 1.7407
Butter - World Market	\$ 1.5380	\$ 1.5579	\$ 1.6698	\$ 1.6547	\$ 1.5139	\$ 1.4770	\$ 1.4231	\$ 1.3778	\$ 1.2644
Butter - CME Cash	\$ 1.7633	\$ 1.5714	\$ 1.7293	\$ 1.7166	\$ 1.7937	\$ 1.9309	\$ 1.9065	\$ 1.9056	\$ 2.2700
Butter - NASS	\$ 1.9049	\$ 1.5633	\$ 1.6823	\$ 1.6945	\$ 1.7355	\$ 1.8725	\$ 1.9065	\$ 1.9159	\$ 1.9853
NFDM - World Market	\$ 1.0645	\$ 1.0306	\$ 1.1283	\$ 1.1668	\$ 1.0234	\$ 0.9497	\$ 0.9171	\$ 0.8477	\$ 0.7484
NFDM - Central A.O.M.	\$ 1.1575	\$ 1.0358	\$ 1.0750	\$ 1.0788	\$ 1.0059	\$ 0.9735	\$ 0.9414	\$ 0.8583	\$ 0.7450
NFDM - NASS	\$ 1.2554	\$ 1.0202	\$ 1.0308	\$ 1.0217	\$ 0.9684	\$ 0.9464	\$ 0.9283	\$ 0.8366	\$ 0.7582
Whey - Central A.O.M.	\$ 0.5690	\$ 0.5305	\$ 0.4782	\$ 0.4416	\$ 0.4251	\$ 0.4129	\$ 0.3773	\$ 0.3364	\$ 0.2400
Whey - NASS	\$ 0.5871	\$ 0.5875	\$ 0.5169	\$ 0.4824	\$ 0.4610	\$ 0.4450	\$ 0.4245	\$ 0.3937	\$ 0.3439
F. O. 6 Class I @ Tampa	\$ 27.93	\$ 23.98	\$ 21.64	\$ 20.96	\$ 20.90	\$ 21.23	\$ 21.54	\$ 21.93	\$ 21.68
Net Cl. I Prem. @ Tampa	\$ 3.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F.O. 6 Class I Utilization	84.7%	86.2%	84.8%	82.7%	83.3%	83.0%	84.0%	86.8%	
F. O. 6 Blend @ Tampa	\$ 26.45	\$ 22.21	\$ 220.84	\$ 19.93	\$ 19.98	\$ 20.36	\$ 20.62	\$ 21.05	
PMI - Average SCC	324,799	336,000	311,000	316,000	314,000	255,000	327,000	370,000	
PMI - Average SPC	9,908	9,872	10,125	12,541	13,521	12,682	10,051	20,965	
PMI - Average PIC	35,332	36,320	31,514	33,215	32,637	29,203	22,893	25,224	
Premiums Paid - PMI	\$ 0.24	\$ 0.20	\$ 0.26	\$ 0.24	\$ 0.22	\$ 0.32	\$ 0.29	\$ 0.21	

Class III Milk Futures	April	May	June	July	Current
Aug-15	\$ 16.72	\$ 17.42	\$ 16.50	\$ 16.41	\$ 16.41
Sep-15	\$ 17.10	\$ 17.56	\$ 16.61	\$ 16.56	\$ 16.75
Oct-15	\$ 17.21	\$ 17.56	\$ 16.70	\$ 16.36	\$ 16.91
Nov-15	\$ 17.26	\$ 17.51	\$ 16.81	\$ 16.07	\$ 16.62
Dec-15	\$ 17.26	\$ 17.31	\$ 16.81	\$ 15.90	\$ 16.26
Jan-16	\$ 16.96	\$ 16.84	\$ 16.50	\$ 15.58	\$ 15.75
Feb-16	\$ 16.94	\$ 16.86	\$ 16.43	\$ 15.46	\$ 15.49
Mar-16	\$ 16.83	\$ 16.89	\$ 16.48	\$ 15.39	\$ 15.50
Apr-16	\$ 16.68	\$ 16.86	\$ 16.46	\$ 15.50	\$ 15.56
May-16			\$ 16.53	\$ 15.80	\$ 15.98
Jun-16				\$ 16.12	\$ 16.30
Jul-16				\$ 16.48	\$ 16.53

Mailbox Price Comparison		
FL	USDA	PMI
Jul-15		\$ 19.26
Jun-15		\$ 17.47
May-15		\$ 17.95
Apr-15	\$ 17.75	\$ 17.55
Mar-15	\$ 17.98	\$ 17.42
Feb-15	\$ 19.55	\$ 17.95
Jan-15	\$ 21.33	\$ 21.11
Dec-14	\$ 25.98	\$ 27.24
Nov-14	\$ 26.43	\$ 27.44
Oct-14	\$ 28.10	\$ 28.59
Sep-14	\$ 29.25	\$ 29.38
Aug-14	\$ 28.67	\$ 29.21

Note: Class III milk futures prices are quoted at the close on the last day of the month.