

# PREMIER PRESS

DECEMBER 2013

## Merry Christmas

Premier Milk would like to wish you a very Merry Christmas and a Happy New Year!

## Southern Dairy Conference

40<sup>th</sup> Annual Southern Dairy Conference will be held Jan 13-15, 2014 in Atlanta, GA. This conference is planned by the land grant universities throughout the Southeast and is geared toward the dairy industry. Schedule, agenda of speakers and lodging information can be found on their website:

[www.southerndairyconference.com](http://www.southerndairyconference.com).

## Georgia Dairy Conference

The 2014 Georgia Dairy Conference will be held Jan 20 – 22 on Savannah, GA. This conference is put on by GA Milk Producers. Dairymen from all surrounding states are invited as well as dairymen from Georgia. Schedule, agenda of speakers and lodging information can be found on their website: [www.qamilk.org](http://www.qamilk.org).

## DHIA Information Pays

French and Nebel, 2003 (J. Dairy Sci. 86 (Suppl 1):54) reported that by moving your calving interval from 14.5 months to 14.0 months you save \$2.50 per day for those 15 days or \$37.50 per cow. DHIA costs about \$18.00 per cow per year. Shorten your calving interval.

With PCDART you can- Manage and Analyze: Timed AI Protocols, Breeding Efficiency by Lactation, AI Technician Efficiency, Days in Milk First Service, Bull Breeding Efficiency, and The list goes on...

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## PMI Board of Directors Meeting

The PMI Board of Directors met on Dec. 12, 2013 in Tampa at the M&B Products plant, which is owned by Dale McClellan. The big changes coming out of the meeting were changes in the hauling and quality programs starting January 1, 2014. Here are the changes in the hauling program: There will be only two factors in determining your hauling cost going forward: assembly fee – based on size of pick up and distance to market. The fuel surcharge and both volume premiums have been eliminated from the program. These moves were done to simplify the hauling costs, make it similar to what it was a year ago, and also builds in discounts for producers who produce more milk. To determine your hauling costs, please refer to PMI's new hauling chart which is available by contacting Tom Pittman.

The quality program was also changed, with premiums and penalties enhanced to help encourage more producers to focus on quality. Somatic cell counts will now have a neutral zone from 350,000 to 400,000. Counts lower than 350,000 will be paid at a linear rate of \$0.0025/1000 improvement from 350,000 and is capped at \$0.50/cwt, which is a somatic cell count of 150,000. Penalties will now be enforced starting at 400,000 and will be at the same linear rate as the premiums of \$0.0025/1000 change

in somatic cell count. Penalties will be capped at \$1.00/cwt, which is a somatic cell count of 800,000.

Preliminary incubation quality program changed also. The neutral zone for PICs is from 30,000 to 75,000. With counts below 30,000, premiums will be paid at a linear rate of \$0.02/1000 improvement in PIC's from 30,000, and is capped at \$0.50/cwt, which is a PIC of 5,000. Penalties will be enforced with counts of 75,000 and higher. These penalties will be enforced at the same linear rate as the premiums (\$0.02/1,000) and will be capped at \$1.00/cwt, which is a PIC of 125,000.

Standard plate count deductions remained unchanged. With the changes in the quality programs, on average PMI producers would have received an additional \$0.05/cwt as compared to the current program in 2013.

The one other change made is that PMI will only reimburse one (1) time per calendar of nonmarketable milk that is dumped on the farm and that PMI is notified before the milk is dumped. See the PMI quality program sheets for complete information.

## Market Update

Strong nonfat dry milk prices are pushing milk prices higher. Strong demand from China is causing the nonfat dry milk prices to go higher. As a result cheese prices have started moving higher to help draw more milk into cheese because milk sellers can get better prices from milk going into butter and powder versus cheese. This will lead to strong milk prices through the first half of 2014, with the higher milk prices in the first half of the year than the second half of the year. Milk prices will be

approximately \$3.00 – 4.00/cwt higher in first half of 2014 as compared to 2013. See price forecast on the flip side of this newsletter. With lower feed costs this next year and higher milk prices, it is hopeful that dairy producers can financially catch up from the terrible economic conditions of 2013.

*Premier*  
MILK INC.  
*Where Premium Quality Comes Standard.*



# Premier Milk MARKET MINUTE

Commodity Prices	April	May	June	July	August	Sept	Oct	Nov	Current
Cheese - World Market	\$ 2.0411	\$ 2.0865	\$ 2.0355	\$ 1.9675	\$ 1.9920	\$ 2.0185	\$ 1.9958	\$ 2.0525	\$ 2.1546
Cheese - CME Block	\$ 1.8225	\$ 1.8052	\$ 1.7140	\$ 1.7072	\$ 1.7493	\$ 1.7956	\$ 1.8236	\$ 1.8478	\$ 1.9725
Cheese - CME Barrel	\$ 1.7126	\$ 1.7251	\$ 1.7184	\$ 1.6919	\$ 1.7425	\$ 1.7688	\$ 1.7714	\$ 1.7833	\$ 1.8900
Cheese - NASS	\$ 1.7310	\$ 1.8274	\$ 1.7810	\$ 1.7142	\$ 1.7731	\$ 1.7961	\$ 1.8025	\$ 1.8612	\$ 1.8775
Butter - World Market	\$ 2.2000	\$ 2.1248	\$ 2.1078	\$ 2.1617	\$ 2.1631	\$ 2.1701	\$ 2.2226	\$ 2.1432	\$ 2.2226
Butter - CME Cash	\$ 1.7197	\$ 1.5997	\$ 1.5103	\$ 1.4751	\$ 1.4013	\$ 1.5233	\$ 1.5507	\$ 1.6126	\$ 1.5500
Butter - NASS	\$ 1.6766	\$ 1.6483	\$ 1.5422	\$ 1.4674	\$ 1.4187	\$ 1.4263	\$ 1.5454	\$ 1.5205	\$ 1.6318
NFDM - World Market	\$ 2.1631	\$ 1.9944	\$ 1.9278	\$ 1.9590	\$ 2.0223	\$ 2.0284	\$ 1.9760	\$ 2.0213	\$ 2.0667
NFDM - Central A.O.M.	\$ 1.6228	\$ 1.7091	\$ 1.7091	\$ 1.7556	\$ 1.7850	\$ 1.8300	\$ 1.8888	\$ 1.9300	\$ 1.9900
NFDM - NASS	\$ 1.5312	\$ 1.6374	\$ 1.6878	\$ 1.7272	\$ 1.7706	\$ 1.8085	\$ 1.8366	\$ 1.8892	\$ 1.9472
Whey - Central A.O.M.	\$ 0.5400	\$ 0.5397	\$ 0.5435	\$ 0.5444	\$ 0.5415	\$ 0.5388	\$ 0.5400	\$ 0.5450	\$ 0.5538
Whey - NASS	\$ 0.5741	\$ 0.5765	\$ 0.5738	\$ 0.5804	\$ 0.5778	\$ 0.5791	\$ 0.5731	\$ 0.5831	\$ 0.5742
F. O. 6 Class I @ Tampa	\$ 23.06	\$ 23.16	\$ 24.33	\$ 24.31	\$ 24.28	\$ 24.56	\$ 24.60	\$ 25.60	\$ 25.77
Net Cl. I Prem. @ Tampa	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	84.0%	83.8%	82.4%	86.0%	87.9%	86.5%	87.1%	87.4%	
F. O. 6 Blend @ Tampa	\$ 22.50	\$ 22.47	\$ 23.27	\$ 23.44	\$ 23.56	\$ 23.86	\$ 24.28	\$ 24.92	
PMI - Average SCC	240,765	242,845	274,724	325,716	377,036	387,062	338,980	301,012	
PMI - Average SPC	5,446	4,964	8,281	9,583	11,268	11,065	6,949	7,306	
PMI - Average PIC	8,368	10,612	17,077	11,844	13,966	13,281	11,316	10,276	
Premiums Paid - PMI	\$ 0.54	\$ 0.54	\$ 0.49	\$ 0.46	\$ 0.35	\$ 0.33	\$ 0.40	\$ 0.49	

Class III Milk Futures	August	Sept	Oct	Nov	Current
Dec-13	\$ 16.90	\$ 17.16	\$ 18.33	\$ 18.47	\$ 18.98
Jan-14	\$ 16.51	\$ 16.79	\$ 17.40	\$ 17.72	\$ 19.17
Feb-14	\$ 16.41	\$ 16.56	\$ 16.96	\$ 17.28	\$ 18.54
Mar-14	\$ 16.40	\$ 16.58	\$ 16.77	\$ 17.00	\$ 18.37
Apr-14	\$ 16.35	\$ 16.53	\$ 16.71	\$ 16.91	\$ 18.04
May-14	\$ 16.40	\$ 16.57	\$ 16.73	\$ 16.84	\$ 17.85
Jun-14	\$ 16.69	\$ 16.66	\$ 16.89	\$ 16.92	\$ 17.71
Jul-14	\$ 16.99	\$ 17.03	\$ 17.10	\$ 17.17	\$ 17.49
Aug-14	\$ 17.16	\$ 17.08	\$ 17.15	\$ 17.20	\$ 17.45
Sep-14		\$ 17.10	\$ 17.20	\$ 17.22	\$ 17.43
Oct-14			\$ 17.13	\$ 17.24	\$ 17.45
Nov-14				\$ 17.34	\$ 17.47

Mailbox Price Comparison		
FL	USDA	PMI
Nov-13		\$ 24.66
Oct-13		\$ 23.21
Sep-13		\$ 22.99
Aug-13	\$ 23.39	\$ 23.05
Jul-13	\$ 22.86	\$ 23.05
Jun-13	\$ 22.30	\$ 22.05
May-13	\$ 21.67	\$ 21.43
Apr-13	\$ 21.73	\$ 20.97
Mar-13	\$ 21.96	\$ 20.90
Feb-13	\$ 22.60	\$ 22.40
Jan-13	\$ 23.22	\$ 23.14
Dec-12	\$ 24.04	\$ 24.87

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