

PREMIER PRESS

DECEMBER 2014

GA Dairy Conference

The GA Dairy Conference is Jan. 12-15, 2015 at the Savannah Riverfront Marriott in Savannah, GA.

For more information concerning the agenda, cost and list of speakers, go to www.gamilk.org.

2015 Southern Dairy Conference

The 2015 Southern Dairy Conference will be held in Atlanta at the Hilton Garden Inn by the Atlanta Airport on January 20 – 21, 2015.

The agenda, list of speakers, registration and hotel information can be found at www.southerndairyconference.com.

2015 IDFA Dairy Forum

2015 International Dairy Foods Association Dairy Forum will be held January 25 – 28, 2015 at the Boca Raton Resort and Club in Boca Raton, FL.

For more information concerning the agenda, cost and list of speakers, go to www.idfa.org.

Milk Hauling

Here are phone numbers for you in case you need to reach Williams Dairy Trucking:

GEORGIA
Call Rick McKenzie at 912-278-0039

FLORIDA
Call Rick Hedrick at 912-253-0993

There is a 24 hour – 7 day a week dispatch line to call in case of emergencies – 877-367-9167.



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Global Milk Prices Decline

International dairy prices have plummeted and have bottomed out now, due to increased global milk production, lower import demand, Russia's ban on imports of dairy products from several major producers, and a strengthening U.S. dollar, according to USDA Foreign Agricultural Service's (FAS) biannual Dairy: World Markets and Trade report.

Without any adverse weather conditions, FAS expects a continuation of lower dairy product prices in 2015 until the oversupply imbalance is corrected. The report indicates that dairy producers will face lower margins, and milk production among the major exporting countries is forecast to expand just 1% after 2014's robust 4% increase.

An October comparison of global milk prices show that US was highest at 43.9 Euro cents per liter, EU was next at 35.0 Euro cents per liter,

then New Zealand at 26.75 Euro cents per liter. US was extremely high at that time because butter and cheese commodity prices went to record high levels.

Going into 2015, it would appear that the US price will need to move lower to properly align themselves with the rest of the world. It would appear that a range of 30 – 32 Euro cents per liter would be appropriate for US milk prices. This would translate to a US All Milk price of \$15.90 - \$17.00/cwt. Converting it to FL milk prices, this would give FL producers a base milk price of \$17.00 – 18.25/cwt based on current marketing conditions before premiums. This next year is going to be a low milk price year as compared to this past year. Grain prices are lower than they have been in the last 5 years, but no low enough to keep dairies profitable at the upcoming milk prices. The updated milk price forecast is on the backside of this newsletter.

Sustainability Program

Starting in January, Premier Milk Inc. will start on farm evaluations by Dairy Performance Solutions. These on farm evaluations will include FARM animal husbandry monitoring, compliance of beef and dairy drug residue program, milk quality reviews, truck driver monitoring program, product traceability and environmental programs.

These evaluations will educate you with the new changes in the regulations in the above mentioned areas. This program is set up to help keep you informed of the all changes from government agencies and when properly followed, it should

help keep you from getting into trouble with different agencies that are monitoring your operation.

The PMI board felt it was important to implement this program to help keep a strong and viable market for our milk. Your cooperation in the implementation of the program will be greatly appreciated.

Premier
MILK INC.
Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	April	May	June	July	Aug	Sept	Oct	Nov	Current
Cheese - World Market	\$ 2.2113	\$ 2.0865	\$ 2.1092	\$ 2.0374	\$ 1.8597	\$ 1.8030	\$ 1.8030	\$ 1.7463	\$ 1.6783
Cheese - CME Block	\$ 2.2439	\$ 2.0155	\$ 2.0238	\$ 1.9870	\$ 2.1820	\$ 2.3499	\$ 2.1932	\$ 1.9513	\$ 1.5325
Cheese - CME Barrel	\$ 2.1842	\$ 1.9985	\$ 1.9380	\$ 1.9970	\$ 2.1961	\$ 2.3663	\$ 2.0782	\$ 1.9326	\$ 1.4700
Cheese - NASS	\$ 2.3547	\$ 2.1703	\$ 2.0358	\$ 2.0482	\$ 2.1074	\$ 2.3472	\$ 2.2914	\$ 2.1305	\$ 1.6521
Butter - World Market	\$ 2.0369	\$ 1.9614	\$ 1.9660	\$ 1.8994	\$ 1.6939	\$ 1.5365	\$ 1.4969	\$ 1.4926	\$ 1.5564
Butter - CME Cash	\$ 1.9357	\$ 2.1713	\$ 2.2630	\$ 2.4624	\$ 2.5914	\$ 2.9740	\$ 2.3184	\$ 1.9968	\$ 1.5750
Butter - NASS	\$ 1.9227	\$ 2.0477	\$ 2.1874	\$ 2.3473	\$ 2.5206	\$ 2.8525	\$ 2.5255	\$ 1.9891	\$ 1.9169
NFDM - World Market	\$ 1.9263	\$ 1.8214	\$ 1.7548	\$ 1.7218	\$ 1.4487	\$ 1.2190	\$ 1.1978	\$ 1.1141	\$ 1.0631
NFDM - Central A.O.M.	\$ 2.0340	\$ 1.8600	\$ 1.8163	\$ 1.8198	\$ 1.5775	\$ 1.4891	\$ 1.4293	\$ 1.3113	\$ 1.1125
NFDM - NASS	\$ 2.0191	\$ 1.8768	\$ 1.8633	\$ 1.8617	\$ 1.7887	\$ 1.4718	\$ 1.4900	\$ 1.3902	\$ 1.2518
Whey - Central A.O.M.	\$ 0.6468	\$ 0.6653	\$ 0.6610	\$ 0.6590	\$ 0.6550	\$ 0.6428	\$ 0.6120	\$ 0.5869	\$ 0.5625
Whey - NASS	\$ 0.6774	\$ 0.6745	\$ 0.6789	\$ 0.6890	\$ 0.6880	\$ 0.6725	\$ 0.6525	\$ 0.6365	\$ 0.5943
F. O. 6 Class I @ Tampa	\$ 29.05	\$ 29.87	\$ 28.26	\$ 28.42	\$ 29.27	\$ 29.03	\$ 29.59	\$ 29.46	\$ 27.93
Net Cl. I Prem. @ Tampa	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.09	\$ 3.09
F.O. 6 Class I Utilization	84.3%	86.9%	80.6%	84.7%	84.7%	86.9%	85.5%	84.5%	
F. O. 6 Blend @ Tampa	\$ 28.45	\$ 29.25	\$ 27.53	\$ 27.95	\$ 28.84	\$ 29.29	\$ 28.10	\$ 26.64	
PMI - Average SCC	283,318	293,490	325,933	373,786	388,539	394,220	364,646	309,232	
PMI - Average SPC	8,115	7,215	9,824	11,402	13,379	15,001	12,446	7,125	
PMI - Average PIC	11,964	16,514	14,156	19,550	21,137	31,440	29,569	14,173	
Premiums Paid - PMI	\$ 0.49	\$ 0.53	\$ 0.42	\$ 0.21	\$ 0.17	\$ 0.13	\$ 0.16	\$ 0.42	

Class III Milk Futures	Aug	Sept	Oct	Nov	Current
Dec-14	\$ 19.80	\$ 19.65	\$ 19.00	\$ 18.00	\$ 17.73
Jan-15	\$ 18.60	\$ 18.65	\$ 17.85	\$ 16.80	\$ 15.86
Feb-15	\$ 18.21	\$ 17.70	\$ 17.42	\$ 16.49	\$ 15.15
Mar-15	\$ 18.10	\$ 17.65	\$ 17.07	\$ 16.51	\$ 14.90
Apr-15	\$ 18.04	\$ 17.54	\$ 16.90	\$ 16.52	\$ 14.83
May-15	\$ 18.00	\$ 17.46	\$ 16.90	\$ 16.59	\$ 14.98
Jun-15	\$ 18.05	\$ 17.45	\$ 17.00	\$ 16.74	\$ 15.46
Jul-15	\$ 18.04	\$ 17.73	\$ 17.10	\$ 16.83	\$ 15.88
Aug-15	\$ 18.00	\$ 17.75	\$ 17.29	\$ 17.10	\$ 16.05
Sept-15		\$ 17.55	\$ 17.36	\$ 17.28	\$ 16.33
Oct-15			\$ 17.42	\$ 17.18	\$ 16.50
Nov-15				\$ 17.06	\$ 16.34

Mailbox Price Comparison		
FL	USDA	PMI
Nov-14		\$ 27.44
Oct-14		\$ 28.59
Sep-14		\$ 29.38
Aug-14	\$ 28.67	\$ 29.21
Jul-14	\$ 27.40	\$ 27.96
Jun-14	\$ 25.78	\$ 27.28
May-14	\$ 27.41	\$ 29.09
Apr-14	\$ 27.13	\$ 27.91
Mar-14	\$ 27.27	\$ 28.17
Feb-14	\$ 26.77	\$ 26.73
Jan-14	\$ 25.33	\$ 26.01
Dec-13	\$ 24.68	\$ 24.66

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