

# PREMIER PRESS

FEBRUARY 2012

## PMI's 3rd Annual Meeting

Premier Milk will hold its 3<sup>rd</sup> Annual Meeting on Tuesday, April 3, 2012 beginning at 10:30 a.m. The meeting will be held at the Best Western Gateway Grand Hotel in Gainesville. The meeting will conclude with lunch served on site. Members are encouraged to come and find out what Premier is doing for its members and give their input to the cooperative.

## US Dairy Exports Growing

In 2011, US dairy exports represented 13.3% of total milk solids produced in the US, compare to only 5.2% of the milk solids produced in 2010. The primary dairy products exported are nonfat dry milk powder and whey powder. The amount of cheese and butter exported is much lower, but it is growing. For butter in 2011, 140 million pounds were exported, or approximately 8% of production. In 2000, only 18 million pounds were exported or 1.5% of total production. CWT money is used to help move additional exports of butter and cheese. If we can continue to increase our exports, it will keep the dairy commodity markets tighter and prices higher. This will help increase the milk prices.



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## PMI Board Changes

The PMI Board of Directors reluctantly accepted the resignation of David Sumrall as director and board president of PMI. We thank David for his leadership and guidance in the founding of Premier Milk and turning it into a successful dairy cooperative. We wish David well in his future endeavors. His leadership will be missed. Pete Wright, vice-president of the board, assumed the president's position in the interim between now and the upcoming annual meeting.

In other action, the board made the decision not to take part in the request from GA Milk Pro-

ducers to contribute \$0.01/CWT check-off for university research and dairy promotion. However, the board did leave the option open for a potential \$.01/CWT check-off to be used at the general membership's discretion for purposes the membership would determine (charity, scholarship or other ideas). The membership will have the final say on the potential deduction and its future use. Finally, the board decided to terminate the seat vacated by David Sumrall's resignation.

## Upcoming Events by UF Extension Service

**March 8** – Do you grow winter forages to graze, green chop or ensile? If so, come see the **trial plots of triticale, wheat, oats, rye, ryegrasses and mixes** UF researchers Ann Blount and Cheryl Mackowiak have growing at **Shenandoah Dairy**, 16540 68<sup>th</sup> Place, Live Oak, FL, from 1:30 – 2:30 PM. They have sample plots of many popular and experimental varieties side-by-side and surprisingly effective mixes which seemed to fair better through freezes and other environmental insults. They also have plots that were cut once or twice next to those only cut once for observation. Go see them all and make your own conclusions!

**March 13** – **Risk Management Outlook meeting** at Suwannee Valley Feeds, 617 NE Lancaster St., Trenton, FL, 7-9 PM. Using futures and options may not be for you, but go learn how the latest WASDE (World Ag Supply and Demand Estimates) report may affect your feed bill and discuss ways to deal with it. The discussion with UF Ag Economist John Van Sickle is always lively and enlightening.

**March 21** - **UF Dairy Production Conference** will be held on campus from 9:30 AM to 5 PM at the new Alto Straughn Extension Conference Center (next door to the Animal Sciences Building and across the street from the Veterinarian School). Calvin Covington will be the key-note speaker discussing dairy pricing and policy. There will be two producer panels, one on the use of SOPs (standard operating procedures) to lower SCC (somatic cell counts) and the other on risk management strategies.

### Changes in Per Capita Dairy Consumption

The following chart shows the trends in dairy consumption in 2010 compared to 1975 on a milk-equivalent basis:

Product	1975	2010
Fluid Milk	261.0	204.0
Butter	4.7	5.1
Cheese (Total)	11.4	33.3
American	7.0	13.8
Italian	2.1	14.6
Other	2.3	5.1
Frozen Dairy	28.7	22.4
All Dairy Products	539.0	616.0

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# Premier Milk MARKET MINUTE

Commodity Prices	June	July	August	Sept	Oct	Nov	Dec	Jan	Current
Cheese - World Market	\$ 2.0355	\$ 2.0236	\$ 1.9978	\$ 1.9448	\$ 1.8456	\$ 1.7889	\$ 1.7889	\$ 1.8654	\$ 1.8314
Cheese - CME Block	\$ 2.0975	\$ 2.1150	\$ 1.9725	\$ 1.7561	\$ 1.7231	\$ 1.8716	\$ 1.6198	\$ 1.5559	\$ 1.4800
Cheese - CME Barrel	\$ 2.0483	\$ 2.1124	\$ 1.9571	\$ 1.7010	\$ 1.7189	\$ 1.8963	\$ 1.5850	\$ 1.5415	\$ 1.4750
Cheese - NASS	\$ 1.8999	\$ 2.1243	\$ 2.1402	\$ 1.8592	\$ 1.7471	\$ 1.8415	\$ 1.8070	\$ 1.6097	\$ 1.5648
Butter - World Market	\$ 2.4366	\$ 2.4154	\$ 2.3417	\$ 2.1914	\$ 2.1574	\$ 1.9901	\$ 1.9193	\$ 1.9051	\$ 1.8852
Butter - CME Cash	\$ 2.1077	\$ 2.0443	\$ 2.0884	\$ 1.8724	\$ 1.8295	\$ 1.7351	\$ 1.6128	\$ 1.5830	\$ 1.4000
Butter - NASS	\$ 2.1287	\$ 2.0304	\$ 2.0695	\$ 1.9886	\$ 1.7893	\$ 1.7824	\$ 1.6119	\$ 1.5900	\$ 1.5470
NFDM - World Market	\$ 1.7000	\$ 1.6364	\$ 1.5713	\$ 1.4941	\$ 1.5267	\$ 1.4940	\$ 1.4716	\$ 1.4671	\$ 1.4572
NFDM - Central A.O.M.	\$ 1.6781	\$ 1.6610	\$ 1.5863	\$ 1.5388	\$ 1.4900	\$ 1.4713	\$ 1.4519	\$ 1.4325	\$ 1.3925
NFDM - NASS	\$ 1.6520	\$ 1.6159	\$ 1.5739	\$ 1.5439	\$ 1.5109	\$ 1.4522	\$ 1.4201	\$ 1.3942	\$ 1.3853
Whey - Central A.O.M.	\$ 0.5050	\$ 0.5290	\$ 0.5488	\$ 0.5744	\$ 0.6050	\$ 0.6206	\$ 0.6394	\$ 0.7050	\$ 0.7050
Whey - NASS	\$ 0.5233	\$ 0.5494	\$ 0.5691	\$ 0.5926	\$ 0.6152	\$ 0.6380	\$ 0.6538	\$ 0.6876	\$ 0.6648
F. O. 6 Class I @ Tampa	\$ 25.72	\$ 26.43	\$ 26.83	\$ 27.18	\$ 24.96	\$ 23.85	\$ 23.87	\$ 24.20	\$ 22.43
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	82.4%	84.8%	86.7%	87.5%	85.9%	85.3%	87.0%	84.5%	
F. O. 6 Blend @ Tampa	\$ 25.04	\$ 25.44	\$ 26.18	\$ 26.17	\$ 23.77	\$ 23.15	\$ 22.79	\$ 23.11	
PMI - Average SCC	254,403	291,897	315,910	312,544	285,330	278,990	282,718	302,284	
PMI - Average SPC	15,273	17,889	13,391	10,722	10,289	8,331	11,211	14,509	
PMI - Average PIC	15,834	23,607	15,581	13,795	14,799	13,716	38,844	63,999	
Premiums Paid - PMI	\$ 0.49	\$ 0.39	\$ 0.40	\$ 0.43	\$ 0.47	\$ 0.50	\$ 0.33	\$ 0.32	
PMI Cen FL Price	\$ 25.39	\$ 25.87	\$ 26.89	\$ 26.79	\$ 24.34	\$ 23.88	\$ 23.53	\$ 23.61	

(with rBST-free premium)

Class III Milk Futures	Sept	Oct	Nov	Dec	Jan	Current
Feb-12	\$ 16.19	\$ 16.44	\$ 16.90	\$ 17.43	\$ 16.52	\$ 16.10
Mar-12	\$ 16.24	\$ 16.48	\$ 16.93	\$ 17.46	\$ 16.56	\$ 15.54
Apr-12	\$ 16.15	\$ 16.45	\$ 16.85	\$ 17.36	\$ 16.50	\$ 15.72
May-12	\$ 16.31	\$ 16.50	\$ 16.85	\$ 17.25	\$ 16.57	\$ 15.95
Jun-12	\$ 16.59	\$ 16.49	\$ 16.84	\$ 17.12	\$ 16.83	\$ 16.15
Jul-12	\$ 16.89	\$ 16.72	\$ 17.07	\$ 17.24	\$ 17.12	\$ 16.43
Aug-12	\$ 17.04	\$ 16.86	\$ 17.10	\$ 17.30	\$ 17.15	\$ 16.53
Sep-12	\$ 17.12	\$ 16.98	\$ 17.03	\$ 17.32	\$ 17.20	\$ 16.57
Oct-12		\$ 16.81	\$ 16.92	\$ 17.07	\$ 17.09	\$ 16.57
Nov-12			16.94	\$ 16.99	\$ 16.96	\$ 16.42
Dec-12				\$ 17.05	\$ 16.98	\$ 16.46
Jan-13					\$ 16.75	\$ 16.28

MILC Projections	
Oct-11	\$ -
Nov-11	\$ -
Dec-11	\$ -
Jan-12	\$ -
Feb-12	\$ 0.27
Mar-12	\$ 0.53
Apr-12	\$ 0.79
May-12	\$ 0.78
Jun-12	\$ 0.64
Jul-12	\$ 0.46
Aug-12	\$ 0.10
Sep-12	\$ -

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