

# PREMIER PRESS

FEBRUARY 2014

## In Sympathy

Timmy Johnson, son of Roy and the late Imogene Johnson passed away January 28, 2014. Our condolences to the Johnson Family.

## Save the Date!

Please reserve March 24, 2014 for Premier Milk Inc annual meeting. Location to be determined. Please watch your mail for official invitation.

## Extra Payment

Premier Milk producers in Florida and Georgia received an extra payment for January milk. This payment was sent out on 2/18/14 and should have been received into your account on 2/19/14. The payment was for \$0.50/cwt based on January milk production. An error was found after the SMA Southern pool was calculated. It was decided to pay out the money immediately to the members.

## Upcoming Events

Tuesday, February 25, North Florida/South Georgia Dairy Update at the Brooks County Extension Office, Quitman, GA, from 11 AM to 1 PM. Dr. Lon Whitlow will be speaking on "Mycotoxins: Key Stress Factors Affecting Herd Health and Performance."

Wednesday, February 26, North Florida Dairy Update at Hatch Park Community Center, Branford, FL, from 9:30 AM to 2 PM. Topics include economics of stocking density, mycotoxin stress, calving management and calf care, and disease risks of hypocalcemia.



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## US Farm Bill Finally Enacted Into Law

The government finally got a new Farm Bill done, more than 1 1/2 years late. The new bill was signed into law by President Obama in early February.

Gone are the outdated price support programs and MILC program. Instead a margin program was installed for the dairy producers. The margin program is an insurance program that will protect producers when margins between the milk price and feed price are squeezed.

Here are the key provisions of the bill:

- The new program has an annual registration fee of \$100.00 and for those who sign up, participation is for the life of the farm bill. Participants can change both the margin level and the amount of production they want to protect each year.
- Participants can choose a level of margin insurance ranging from \$4.00/cwt to \$8/cwt of milk, in 50 cent increments. They can also choose the amount of their production to be insured, from 25% to 90%, in 5% increments.
- Coverage is limited to a farmer's production history, the highest level of production in 2011, 2012, or 2013. Annual adjustments will be made based on the national average growth in national milk production estimated by USDA. Any growth beyond the national average increase will not be protected.

- There is no premium for the minimum margin purchase of \$4.00/cwt of milk. Premiums increase with the level of protection and for production over 4 million lbs per year. Premiums are fixed for the life of the farm bill.
- Margins are calculated by using a national all-milk price and a national average feed cost, both calculated by USDA.
- Indemnity payments will be made when margins fall below the selected coverage level, during any of the consecutive two-period months of January-February, March-April, May-June, July-August, September-October, and November-December. Producers will be paid on 1/6 of their annual production for any two-month period of lower margins.
- When margins fall below a certain trigger point, USDA will be required to purchase dairy commodities, to help absorb some of the surplus milk.

More detailed information will be shared at the Premier Milk annual meeting as to how this program will work, so plan on attending that meeting. The other thing that needs to be done is that each producer should know what his margin is. Margin is defined by income less feed costs, or all dairy related expenses except the feed costs.

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



# Premier Milk MARKET MINUTE

Commodity Prices	June	July	August	Sept	Oct	Nov	Dec	Jan	Current
Cheese - World Market	\$ 2.0355	\$ 1.9675	\$ 1.9920	\$ 2.0185	\$ 1.9958	\$ 2.0525	\$ 2.1886	\$ 2.2226	\$ 2.3814
Cheese - CME Block	\$ 1.7140	\$ 1.7072	\$ 1.7493	\$ 1.7956	\$ 1.8236	\$ 1.8478	\$ 1.9393	\$ 2.2214	\$ 2.1050
Cheese - CME Barrel	\$ 1.7184	\$ 1.6919	\$ 1.7425	\$ 1.7688	\$ 1.7714	\$ 1.7833	\$ 1.8651	\$ 2.1727	\$ 2.0625
Cheese - NASS	\$ 1.7810	\$ 1.7142	\$ 1.7731	\$ 1.7961	\$ 1.8025	\$ 1.8612	\$ 1.8761	\$ 2.0838	\$ 2.3048
Butter - World Market	\$ 2.1078	\$ 2.1617	\$ 2.1631	\$ 2.1701	\$ 2.2226	\$ 2.1432	\$ 2.2439	\$ 2.2519	\$ 2.2141
Butter - CME Cash	\$ 1.5103	\$ 1.4751	\$ 1.4013	\$ 1.5233	\$ 1.5507	\$ 1.6126	\$ 1.5963	\$ 1.7756	\$ 1.7700
Butter - NASS	\$ 1.5422	\$ 1.4674	\$ 1.4187	\$ 1.4263	\$ 1.5454	\$ 1.5205	\$ 1.6308	\$ 1.6475	\$ 1.8353
NFDM - World Market	\$ 1.9278	\$ 1.9590	\$ 2.0223	\$ 2.0284	\$ 1.9760	\$ 2.0213	\$ 2.0809	\$ 2.1451	\$ 2.1886
NFDM - Central A.O.M.	\$ 1.7091	\$ 1.7556	\$ 1.7850	\$ 1.8300	\$ 1.8888	\$ 1.9300	\$ 2.0225	\$ 2.0780	\$ 2.0913
NFDM - NASS	\$ 1.6878	\$ 1.7272	\$ 1.7706	\$ 1.8085	\$ 1.8366	\$ 1.8892	\$ 1.9537	\$ 2.0335	\$ 2.0692
Whey - Central A.O.M.	\$ 0.5435	\$ 0.5444	\$ 0.5415	\$ 0.5388	\$ 0.5400	\$ 0.5450	\$ 0.5547	\$ 0.5745	\$ 0.6075
Whey - NASS	\$ 0.5738	\$ 0.5804	\$ 0.5778	\$ 0.5791	\$ 0.5731	\$ 0.5831	\$ 0.5706	\$ 0.6025	\$ 0.6200
F. O. 6 Class I @ Tampa	\$ 24.33	\$ 24.31	\$ 24.28	\$ 24.56	\$ 24.60	\$ 25.60	\$ 25.77	\$ 26.88	\$ 27.42
Net Cl. I Prem. @ Tampa	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	82.4%	86.0%	87.9%	86.5%	87.1%	87.4%	84.0%	85.0%	
F. O. 6 Blend @ Tampa	\$ 23.27	\$ 23.44	\$ 23.56	\$ 23.86	\$ 24.28	\$ 24.92	\$ 25.28	\$ 26.18	
PMI - Average SCC	274,724	325,716	377,036	387,062	338,980	301,012	260,905	295,303	
PMI - Average SPC	8,281	9,583	11,268	11,065	6,949	7,306	7,395	9,363	
PMI - Average PIC	17,077	11,844	13,966	13,281	11,316	10,276	12,220	11,776	
Premiums Paid - PMI	\$ 0.49	\$ 0.46	\$ 0.35	\$ 0.33	\$ 0.40	\$ 0.49	\$ 0.51	\$ 0.50	

Class III Milk Futures	Oct	Nov	Dec	Jan	Current
<b>Feb-14</b>	\$ 16.96	\$ 17.28	\$ 19.12	\$ 23.11	\$ 23.14
<b>Mar-14</b>	\$ 16.77	\$ 17.00	\$ 18.54	\$ 21.47	\$ 21.04
<b>Apr-14</b>	\$ 16.71	\$ 16.91	\$ 18.17	\$ 20.04	\$ 19.87
<b>May-14</b>	\$ 16.73	\$ 16.84	\$ 18.00	\$ 19.20	\$ 19.23
<b>Jun-14</b>	\$ 16.89	\$ 16.92	\$ 17.83	\$ 18.88	\$ 18.98
<b>Jul-14</b>	\$ 17.10	\$ 17.17	\$ 17.60	\$ 18.73	\$ 18.81
<b>Aug-14</b>	\$ 17.15	\$ 17.20	\$ 17.56	\$ 18.64	\$ 18.70
<b>Sep-14</b>	\$ 17.20	\$ 17.22	\$ 17.53	\$ 18.46	\$ 18.54
<b>Oct-14</b>	\$ 17.13	\$ 17.24	\$ 17.55	\$ 18.17	\$ 18.35
<b>Nov-14</b>		\$ 17.34	\$ 17.53	\$ 17.94	\$ 18.02
<b>Dec-14</b>			\$ 17.42	\$ 17.70	\$ 17.80
<b>Jan-15</b>				\$ 17.40	\$ 17.50

Mailbox Price Comparison		
FL	USDA	PMI
Jan-14		\$ 26.01
Dec-13		\$ 24.66
Nov-13		\$ 24.66
Oct-13	\$ 23.89	\$ 23.21
Sep-13	\$ 23.40	\$ 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

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