

PREMIER PRESS

JANUARY 2011



PMI Board of Directors Meet

PMI's Board of Directors met December 22, 2010 in High Springs, FL. Board actions included adoption of new somatic cell program, appointment of ADA board director, setting annual meeting date, and other miscellaneous items.

Southern Dairy Conference

The 37th Annual Southern Dairy Conference is scheduled for January 25 - 26, 2011 at the Westin Atlanta Airport Hotel. For the list of topics and speakers, go to www.southerndairyconference.com.

Georgia Dairy Conference

Georgia Milk Producers, Inc. is hosting the Georgia Dairy Conference, January 31st and February 1st in Savannah, GA at the Riverfront Marriott. For more information, go to their website www.gamilk.org.

PMI Names Mississippi ADA Director

Carrie Pedreiro has been appointed to fill Premier Milk's seat on the ADA Board of Directors from the State of Mississippi. Carrie will do a great job in representing Premier Milk.

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Milk Quality Program Changes

The Southern Marketing Agency's (SMA) current somatic cell quality program was quite lenient as compared to PMI's somatic cell quality program. That is changing, as SMA is adopting new somatic cell program on March 1st, 2011.

SMA's new program provides for more premium money as well as stiffer penalties for producers who have high counts. Because SMA's stricter program compares favorably with PMI's existing program, the PMI board voted to amend the PMI program to mirror SMA's new program. The new somatic cell program has 400,000 as the neutral point. Any monthly

average somatic cell count higher than 400,000 will result in a penalty deducted from the milk check and any monthly average somatic cell count lower than 400,000 will result in a premium being paid in the milk check.

Rates for the premium side are \$0.002/cwt for every 1,000 decrease in the count. For example, a monthly average of 350,000 would yield a premium of \$0.10/cwt. Premiums are capped at \$0.30/cwt. Rates on the penalty side are \$0.002/cwt for every 1,000 increase in the count. So a monthly average of 450,000 would yield a penalty of \$0.10/cwt. Penalties are capped at \$1.20/cwt.

PMI Joins CWT

The Board voted to extend its support to the "Cooperatives Working Together" (CWT) program group for the next two years. CWT has a goal to have 75% of the nation's milk supply to join through membership. If that goal is not reached, CWT will not operate at all. CWT anticipates that they will reach the goal

of 75% sign-up by the end of January. The biggest change CWT made for the next two years was to get rid of the herd retirement program and stick with the export program for dairy products only. As a result of this change, seven new cooperatives have agreed to join.

FDA Drug Residue Testing

All PMI producers were sent materials related to FDA's new drug residue testing program that begins this month. Any US producer who has had an issue with a carcass antibiotic residue over the last three years will potentially be subject to FDA's follow-up testing program. All producers should read and study these materials in order to be well educated on this subject.

PMI's Annual Meeting is set for Wednesday, April 6th at 11:00 a.m. at the Gateway Grand Best Western in Gainesville, FL. Please mark your calendars and plan to attend. Call the PMI office at 352-433-2527 to indicate your intentions to attend so that we may adequately prepare for our meeting. You will be sent complete details and be assisted with any necessary arrangements.

Premier
MILK INC.
Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	May	June	July	August	Sept.	October	Nov.	Dec	Current
Cheese - World Market	\$ 1.7804	\$ 1.8257	\$ 1.7900	\$ 1.7922	\$ 1.8030	\$ 1.8489	\$ 1.8937	\$ 1.8937	\$ 1.9731
Cheese - CME Block	\$ 1.4114	\$ 1.4420	\$ 1.3941	\$ 1.5549	\$ 1.7374	\$ 1.7246	\$ 1.4619	\$ 1.3825	\$ 1.5250
Cheese - CME Barrel	\$ 1.3808	\$ 1.4195	\$ 1.3647	\$ 1.5161	\$ 1.7114	\$ 1.7119	\$ 1.4520	\$ 1.3768	\$ 1.4750
Cheese - NASS	\$ 1.3827	\$ 1.4257	\$ 1.4475	\$ 1.4567	\$ 1.7016	\$ 1.7666	\$ 1.6152	\$ 1.4606	\$ 1.3760
Butter - World Market	\$ 1.7984	\$ 1.9732	\$ 1.9363	\$ 1.9850	\$ 2.0922	\$ 2.1933	\$ 2.1957	\$ 2.1376	\$ 2.1546
Butter - CME Cash	\$ 1.5382	\$ 1.5896	\$ 1.6380	\$ 1.7787	\$ 2.2262	\$ 2.1895	\$ 1.9595	\$ 1.6310	\$ 2.1000
Butter - NASS	\$ 1.4770	\$ 1.5801	\$ 1.5946	\$ 1.7375	\$ 2.1570	\$ 2.1893	\$ 2.0230	\$ 1.6539	\$ 1.6702
NFDM - World Market	\$ 1.4459	\$ 1.5055	\$ 1.3863	\$ 1.3796	\$ 1.4374	\$ 1.4081	\$ 1.3324	\$ 1.3580	\$ 1.4969
NFDM - Central A.O.M.	\$ 1.2163	\$ 1.3175	\$ 1.3150	\$ 1.2563	\$ 1.2325	\$ 1.2450	\$ 1.2350	\$ 1.2625	\$ 1.3050
NFDM - NASS	\$ 1.1208	\$ 1.2520	\$ 1.2631	\$ 1.2277	\$ 1.1383	\$ 1.1674	\$ 1.1953	\$ 1.1848	\$ 1.2224
Whey - Central A.O.M.	\$ 0.3472	\$ 0.3450	\$ 0.3450	\$ 0.3425	\$ 0.3444	\$ 0.3519	\$ 0.3550	\$ 0.3575	\$ 0.3750
Whey - NASS	\$ 0.3643	\$ 0.3645	\$ 0.3688	\$ 0.3641	\$ 0.3615	\$ 0.3676	\$ 0.3736	\$ 0.3789	\$ 0.3870
F. O. 6 Class I @ Tampa	\$ 19.20	\$ 20.68	\$ 21.06	\$ 21.17	\$ 20.90	\$ 21.98	\$ 22.64	\$ 22.36	
Net Cl. I Prem. @ Tampa	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.77	
F.O. 6 Class I Utilization	88.7%	83.7%	89.5%	86.6%	87.9%	85.6%	86.6%	85.7%	
F. O. 6 Blend @ Tampa	\$ 18.73	\$ 19.85	\$ 20.87	\$ 20.74	\$ 21.04	\$ 21.46	\$ 21.61	\$ 20.69	
PMI - Average SCC	268,735	304,914	314,049	313,372	280,257	230,461	225,325	217,235	
PMI - Average SPC	10,528	12,465	11,759	9,843	9,206	9,077	8,272	5,984	
PMI - Average PIC	11,854	28,363	11,358	9,676	15,202	9,972	21,863	17,180	
Premiums Paid - PMI	\$ 0.40	\$ 0.31	\$ 0.42	\$ 0.38	\$ 0.45	\$ 0.48	\$ 0.42	\$ 0.49	
PMI Cen FL Price	\$ 19.08	\$ 20.64	\$ 21.59	\$ 21.78	\$ 21.91	\$ 22.33	\$ 22.34	\$ 21.40	

(with rBST-free premium)

Price Forecasts	Jan	Feb	Mar	April	May	June	July	August	Sept
PMI Cen FL Price	\$ 20.35	\$ 21.25	\$ 22.30	\$ 22.68	\$ 22.88	\$ 23.17	\$ 23.27	\$ 23.66	\$ 23.66

(with rBST-free premium)

Class III Milk Futures	August	Sept.	October	Nov.	Dec	Current
Jan-11	\$ 14.17	\$ 14.38	\$ 13.86	\$ 13.75	\$ 13.26	\$ 13.51
Feb-11	\$ 14.00	\$ 13.86	\$ 13.92	\$ 13.77	\$ 13.82	\$ 15.07
Mar-11	\$ 14.00	\$ 13.79	\$ 14.08	\$ 14.02	\$ 14.13	\$ 15.15
Apr-11	\$ 13.98	\$ 13.84	\$ 14.12	\$ 14.16	\$ 14.55	\$ 15.45
May-11	\$ 14.10	\$ 13.94	\$ 14.04	\$ 14.20	\$ 14.78	\$ 15.68
Jun-11	\$ 14.10	\$ 14.02	\$ 14.25	\$ 14.48	\$ 15.00	\$ 15.95
Jul-11	\$ 14.10	\$ 14.47	\$ 14.71	\$ 15.10	\$ 15.45	\$ 16.21
Aug-11	\$ 14.40	\$ 14.87	\$ 15.00	\$ 15.33	\$ 15.56	\$ 16.16
Sep-11		\$ 15.05	\$ 15.46	\$ 15.42	\$ 15.66	\$ 16.22
Oct-11			\$ 15.46	\$ 15.53	\$ 15.73	\$ 16.15
Nov-11				\$ 15.51	\$ 15.66	\$ 16.05
Dec-11					\$ 15.55	\$ 16.10

MILC Projections	
Jan-11	\$ 0.54
Feb-11	\$ 0.09
Mar-11	\$ -
Apr-11	\$ -
May-11	\$ -
Jun-11	\$ -
Jul-11	\$ -
Aug-11	\$ -
Sep-11	\$ -
Oct-11	\$ -
Nov-11	\$ -
Dec-11	0

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