

PREMIER PRESS

JULY 2013

Farm Bill Update

The Senate has their Farm Bill passed and is ready the House/Senate conference to reconcile the differences. The House, in a rare maneuver, stripped out the Food Stamp program from the Farm Bill and passed a scaled back farm bill. The dairy provisions of the farm bill do not contain the Dairy Security Act that National Milk Producers has been advocating.

Another provision in the bill would make this new Farm Bill permanent law, eliminating the current provision of reverting back to 1949 permanent law and parity pricing. Now the House and Senate conference committee will have to work out the differences in the two versions of the Farm Bill and get one that all will agree to.

The current farm bill expires on September 30, 2013.

MILC Payments

MILC payment rates are as follows:

February -- \$0.52/cwt
March -- \$0.75/cwt
April -- \$0.70/cwt
May -- \$0.70/cwt

June is projected at \$0.14/cwt and \$0.00/cwt for July, August and September. The FSA offices are working to get the information turned quickly so you can get your checks



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Working Together in the Southeast

Recently a group of FL & GA dairymen from different coops, met to discuss the opportunities to work together in marketing milk in the Southeast. This has been talked about in the past but with today's economic pressures on dairymen, it is more important than ever to get something done.

Over the past ten years, one coop would haul milk into the state while another coop would haul milk out of the state at the same time. A lot of money was wasted on freight over this time period. There were a couple of times where we did cooperate with each other for a year or two, but long term it did not work out. The main reason why the coops did not continue to work together in the past was an underlying distrust of other coops.

Now with high feed prices and high transportation costs, it is more imperative than ever that the coops sit down and try to work together. It will take dairymen from the different coops to help make these changes.

This group of dairymen that met on June 14th were from PMI, SMI, DFA, Lone Star and Maryland/Virginia. With all the coops represented, it is hopeful that we can get the buy-in of all the cooperatives and increase our chances of success. Success would be defined as taking the money that is wasted on hauling milk in and out at the same time and distributing that money to all dairymen supplying the FL market. In short, simple terms, higher mailbox milk prices.

The results of the meeting were encouraging. All representatives expressed a sincere interest in working together in marketing milk. The group discussion included forming a new marketing agency for the Southeast including all coops. Here are several ideas that the group felt was very important for success with a new agency:

- Use local milk first. Improve efficiencies of transporting milk to the plants.
- Cooperation among the coops is critical.
- An agency is needed to agree on milk prices and validate milk pricing principles.

- This agency must be able to audit and verify milk pricing to processors and be able to impose effective penalties when someone is cheating.

The dairymen agreed on an action plan. Here are the steps:

- Each designated farmer representative get a commitment from their management to organize a meeting to begin the process of exploring the establishment of a milk marketing agency focused on price integrity and improve the efficiency of milk hauling with in the Southeast. The agency would include all dairy coops marketing milk in the defined region and shall accomplish three main goals:
 - Execute price integrity
 - Efficiently transport milk
 - Form an audit committee that reports and enforces goals and objectives established by this new organization.

A letter will be sent out to the Board of Directors for each coop stating the group's mission and goals and how to get it done. If you as an individual dairy producer that believes in these ideas and goals please do not hesitate to contact your Directors and let them know that your coop needs to be a part of this mission. If we don't try, then we will never know for sure if it can be accomplished. And we will need everyone to support this effort, because we will all benefit.

A meeting has been set for early August for all of the Coops in question to discuss how to do the things in our directive. Also, to give proper credit, this meeting was already set and not a result of our formation. Let us keep moving forward to keep the coop managers talking. We cannot let up.

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Premier Milk MARKET MINUTE

Commodity Prices	Nov	Dec	Jan	Feb	March	April	May	June	Current
Cheese - World Market	\$ 1.7917	\$ 1.7690	\$ 1.8144	\$ 1.8144	\$ 1.9164	\$ 2.0411	\$ 2.0865	\$ 2.0355	\$ 1.9504
Cheese - CME Block	\$ 1.9073	\$ 1.7448	\$ 1.6965	\$ 1.6420	\$ 1.6241	\$ 1.8225	\$ 1.8052	\$ 1.7140	\$ 1.6750
Cheese - CME Barrel	\$ 1.8403	\$ 1.6634	\$ 1.6388	\$ 1.5880	\$ 1.5952	\$ 1.7126	\$ 1.7251	\$ 1.7184	\$ 1.6450
Cheese - NASS	\$ 2.0146	\$ 1.7925	\$ 1.7485	\$ 1.6623	\$ 1.6467	\$ 1.7310	\$ 1.8274	\$ 1.7810	\$ 1.7315
Butter - World Market	\$ 1.7336	\$ 1.7548	\$ 1.7733	\$ 1.8017	\$ 1.9504	\$ 2.2000	\$ 2.1248	\$ 2.1078	\$ 2.1546
Butter - CME Cash	\$ 1.7910	\$ 1.5590	\$ 1.4933	\$ 1.5713	\$ 1.6421	\$ 1.7197	\$ 1.5997	\$ 1.5103	\$ 1.4800
Butter - NASS	\$ 1.8410	\$ 1.5981	\$ 1.5601	\$ 1.5438	\$ 1.6146	\$ 1.6766	\$ 1.6483	\$ 1.5422	\$ 1.4648
NFDM - World Market	\$ 1.5457	\$ 1.5649	\$ 1.5862	\$ 1.6118	\$ 1.6329	\$ 2.1631	\$ 1.9944	\$ 1.9278	\$ 1.9504
NFDM - Central A.O.M.	\$ 1.5475	\$ 1.5735	\$ 1.5700	\$ 1.5505	\$ 1.5200	\$ 1.6228	\$ 1.7091	\$ 1.7091	\$ 1.7550
NFDM - NASS	\$ 1.5143	\$ 1.5384	\$ 1.5601	\$ 1.5559	\$ 1.5208	\$ 1.5312	\$ 1.6374	\$ 1.6878	\$ 1.7060
Whey - Central A.O.M.	\$ 0.6233	\$ 0.6453	\$ 0.6344	\$ 0.6137	\$ 0.5638	\$ 0.5400	\$ 0.5397	\$ 0.5435	\$ 0.5450
Whey - NASS	\$ 0.6480	\$ 0.6610	\$ 0.6503	\$ 0.6393	\$ 0.6048	\$ 0.5741	\$ 0.5765	\$ 0.5738	\$ 0.5818
F. O. 6 Class I @ Tampa	\$ 26.10	\$ 26.79	\$ 24.37	\$ 23.61	\$ 23.20	\$ 23.06	\$ 23.16	\$ 24.33	\$ 24.31
Net Cl. I Prem. @ Tampa	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	87.7%	81.9%	86.0%	86.3%	85.2%	84.0%	83.8%	82.4%	
F. O. 6 Blend @ Tampa	\$ 25.12	\$ 24.90	\$ 23.32	\$ 22.90	\$ 22.59	\$ 22.50	\$ 22.47	\$ 23.27	
PMI - Average SCC	247,080	258,572	260,793	260,354	238,716	240,765	242,845	274,724	
PMI - Average SPC	29,787	11,468	6,606	5,147	5,150	5,446	4,964	8,281	
PMI - Average PIC	217,864	140,283	12,262	14,848	12,637	8,368	10,612	17,077	
Premiums Paid - PMI	\$ 0.33	\$ 0.45	\$ 0.50	\$ 0.46	\$ 0.51	\$ 0.54	\$ 0.54	\$ 0.49	
PMI Cen FL Price	\$ 25.37	\$ 24.95	\$ 23.20	\$ 22.47	\$ 21.25	\$ 21.24	\$ 21.71	\$ 22.41	

(with rBST-free premium)

Class III Milk Futures	March	April	May	June	Current
Jul-13	\$ 19.16	\$ 19.50	\$ 18.39	\$ 16.88	\$ 17.39
Aug-13	\$ 19.13	\$ 19.40	\$ 18.70	\$ 17.77	\$ 17.67
Sep-13	\$ 19.10	\$ 19.25	\$ 18.91	\$ 18.29	\$ 18.32
Oct-13	\$ 18.90	\$ 18.89	\$ 18.78	\$ 18.27	\$ 18.31
Nov-13	\$ 18.63	\$ 18.50	\$ 18.47	\$ 18.15	\$ 18.10
Dec-13	\$ 18.26	\$ 18.13	\$ 18.00	\$ 17.85	\$ 17.73
Jan-14	\$ 17.87	\$ 17.75	\$ 17.50	\$ 17.37	\$ 17.20
Feb-14	\$ 17.65	\$ 17.50	\$ 17.30	\$ 17.20	\$ 17.10
Mar-14	\$ 17.40	\$ 17.45	\$ 17.15	\$ 17.10	\$ 17.10
Apr-14		\$ 17.33	\$ 17.20	\$ 17.13	\$ 17.13
May-14			\$ 17.10	\$ 17.15	\$ 17.22
Jun-14				\$ 17.20	\$ 17.25

Mailbox Price Comparison		
FL	USDA	PMI
Jun-13		\$ 22.05
May-13		\$ 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
Nov-12	\$ 24.04	\$ 25.16
Oct-12	\$ 23.83	\$ 22.79
Sep-12	\$ 22.39	\$ 21.58
Aug-12	\$ 21.41	\$ 21.12
Jul-12	\$ 19.60	\$ 19.98

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