

PREMIER PRESS

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DHIA

DHIA INFORMATION COSTS

About 5 cents per cow per day.

DHIA INFORMATION PAYS

Increasing milk quality premiums 10 cents per hundred by using DHIA. SCC information gains 7 cents per cow per day on 70 pounds of milk.

Use DHIA information

- : Improve breeding efficiency
- : Analyze herd health
- : Make timely culling decisions

Go to <http://www.drms.org/>

Contact 352-392-5592

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MILC Payments

MILC payments have resumed and you should have received your February and March payments by now. April's will be sent out shortly.

MILC payment rate for February was \$0.52/cwt. March's rate was \$0.75/cwt. April's rate was \$0.70/cwt. May and June rates have not been finalized yet, but forecasts are showing a \$0.70/cwt rate for May and \$0.14/cwt for June. The FSA offices are working to get the information turned quickly so you can get your checks.

CWT Update

Cooperatives Working Together (CWT) is a part of National Milk Producers Federation (NMPF). Member cooperatives of CWT pay \$0.02/cwt to CWT for the purpose of subsidizing exports of butter and cheese. The CWT committee, which is made up of all members of CWT (includes Premier Milk) voted to increase the assessment to \$0.04/cwt starting July 1, 2013 through December 31, 2015. The Premier Milk board of directors approved that increase in the assessment rate and that will start with milk production in July 2013 and go until December 31, 2015. Here is some detailed information concerning CWT: 6% of the money collected goes to administration of the program. 5% of the money goes towards the legal fees for the lawsuit against CWT. The remaining 89% of the money goes towards subsidizing exports.

Of the 89% that goes towards subsidizing exports, 63% goes towards cheese, 23% goes towards butter, anhydrous milkfat (AMF) and whole milk powder (WMP); and 14% is held in reserve to cover any other shortfalls. Currently almost the money allocated towards butter, AMF, & WMP has been used up. Cheese has only used 1/3 of the money allocated.

Cheese exports: 83.5% of the cheese exported through CWT is Cheddar; 15% is Monterey Jack

and the remaining 1.5% is Gouda cheese. Japan and South Korea take almost 50% of the volume, with North Africa taking 29%, Middle East taking 12% and South Pacific taking the rest. Butter exports: 66% goes to the Middle East with North Africa taking 27% and Europe taking 7%.

So far in 2013, 61.123 million lbs of cheese and 51.7 million lbs of butter have been exported through CWT. That is the equivalent of almost 1.7 billion lbs of milk on a milkfat basis, which is about 1.8% of the total milk production. Analysis by Dr. Scott Brown of University of Missouri showed in 2012, dairy producers received an additional \$0.43/cwt in their milk checks because of CWT. In 2011 – the additional revenue was \$0.22/cwt and in 2010 the additional revenue was \$0.16/cwt. That additional revenue was generated from the \$0.02/cwt deduction from the milk checks of CWT members.

Just a quick note on the lawsuit, it was brought forth by an animal rights group and two consumers and their claim is that milk prices were fixed by slaughtering over 500,000 cows between 2003 and 2010 which caused increased milk prices for consumers. The named defendants in the case were CWT, Land O Lakes, Dairy Farmers of America and Agri Mark Cooperative.

Farm Bill Update

Last week, the Senate passed their version of the Farm Bill, which includes the Dairy Security Act (DSA). Now it is up to the House of Representatives to get their version of the Farm Bill completed. House Speaker Jon Boehner has committed to getting a Farm Bill done. Two obstacles the House is facing is 1) Food Stamp funding cuts and 2) Market Stabilization portion of the DSA. The Market Stabilization portion helps reduce milk production when margins reach a very low level. This will only affect the producers who are using the Margin Insurance program. The idea is to reduce milk production, so

supplies tighten and prices recover and margins improve for dairymen. If and when the House passes their version of the Farm Bill, then the House and Senate will go to conference and iron out the differences in the Farm Bill and then will present an agreed upon Farm Bill for the President to sign.

Premier
MILK INC.
Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	Oct	Nov	Dec	Jan	Feb	March	April	May	Current
Cheese - World Market	\$ 1.7804	\$ 1.7917	\$ 1.7690	\$ 1.8144	\$ 1.8144	\$ 1.9164	\$ 2.0411	\$ 2.0865	\$ 2.0752
Cheese - CME Block	\$ 2.0757	\$ 1.9073	\$ 1.7448	\$ 1.6965	\$ 1.6420	\$ 1.6241	\$ 1.8225	\$ 1.8052	\$ 1.7150
Cheese - CME Barrel	\$ 2.0240	\$ 1.8403	\$ 1.6634	\$ 1.6388	\$ 1.5880	\$ 1.5952	\$ 1.7126	\$ 1.7251	\$ 1.7725
Cheese - NASS	\$ 2.0479	\$ 2.0146	\$ 1.7925	\$ 1.7485	\$ 1.6623	\$ 1.6467	\$ 1.7310	\$ 1.8274	\$ 1.7848
Butter - World Market	\$ 1.6755	\$ 1.7336	\$ 1.7548	\$ 1.7733	\$ 1.8017	\$ 1.9504	\$ 2.2000	\$ 2.1248	\$ 2.0979
Butter - CME Cash	\$ 1.9086	\$ 1.7910	\$ 1.5590	\$ 1.4933	\$ 1.5713	\$ 1.6421	\$ 1.7197	\$ 1.5997	\$ 1.5350
Butter - NASS	\$ 1.9168	\$ 1.8410	\$ 1.5981	\$ 1.5601	\$ 1.5438	\$ 1.6146	\$ 1.6766	\$ 1.6483	\$ 1.5500
NFDM - World Market	\$ 1.5691	\$ 1.5457	\$ 1.5649	\$ 1.5862	\$ 1.6118	\$ 1.6329	\$ 2.1631	\$ 1.9944	\$ 1.9164
NFDM - Central A.O.M.	\$ 1.5419	\$ 1.5475	\$ 1.5735	\$ 1.5700	\$ 1.5505	\$ 1.5200	\$ 1.6228	\$ 1.7091	\$ 1.7050
NFDM - NASS	\$ 1.4636	\$ 1.5143	\$ 1.5384	\$ 1.5601	\$ 1.5559	\$ 1.5208	\$ 1.5312	\$ 1.6374	\$ 1.6839
Whey - Central A.O.M.	\$ 0.6000	\$ 0.6233	\$ 0.6453	\$ 0.6344	\$ 0.6137	\$ 0.5638	\$ 0.5400	\$ 0.5397	\$ 0.5425
Whey - NASS	\$ 0.6205	\$ 0.6480	\$ 0.6610	\$ 0.6503	\$ 0.6393	\$ 0.6048	\$ 0.5741	\$ 0.5765	\$ 0.5682
F. O. 6 Class I @ Tampa	\$ 24.28	\$ 26.10	\$ 26.79	\$ 24.37	\$ 23.61	\$ 23.20	\$ 23.06	\$ 23.16	\$ 24.33
Net Cl. I Prem. @ Tampa	\$ 3.25	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.25	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	86.2%	87.7%	81.9%	86.0%	86.3%	85.2%	84.0%	83.8%	
F. O. 6 Blend @ Tampa	\$ 23.70	\$ 25.12	\$ 24.90	\$ 23.32	\$ 22.90	\$ 22.59	\$ 22.50	\$ 22.47	
PMI - Average SCC	290,472	247,080	258,572	260,793	260,354	238,716	240,765	242,845	
PMI - Average SPC	9,333	29,787	11,468	6,606	5,147	5,150	5,446	4,964	
PMI - Average PIC	36,851	217,864	140,283	12,262	14,848	12,637	8,368	10,612	
Premiums Paid - PMI	\$ 0.32	\$ 0.33	\$ 0.45	\$ 0.50	\$ 0.46	\$ 0.51	\$ 0.54	\$ 0.54	
PMI Cen FL Price	\$ 23.40	\$ 25.37	\$ 24.95	\$ 23.20	\$ 22.47	\$ 21.25	\$ 21.24	\$ 21.71	

(with rBST-free premium)

Class III Milk Futures	Feb	March	April	May	Current
Jun-13	\$ 17.78	\$ 18.95	\$ 19.54	\$ 17.78	\$ 18.02
Jul-13	\$ 18.18	\$ 19.16	\$ 19.50	\$ 18.39	\$ 18.17
Aug-13	\$ 18.40	\$ 19.13	\$ 19.40	\$ 18.70	\$ 18.69
Sep-13	\$ 18.44	\$ 19.10	\$ 19.25	\$ 18.91	\$ 18.95
Oct-13	\$ 18.30	\$ 18.90	\$ 18.89	\$ 18.78	\$ 18.89
Nov-13	\$ 18.01	\$ 18.63	\$ 18.50	\$ 18.47	\$ 18.62
Dec-13	\$ 17.91	\$ 18.26	\$ 18.13	\$ 18.00	\$ 18.16
Jan-14	\$ 17.80	\$ 17.87	\$ 17.75	\$ 17.50	\$ 17.63
Feb-14	\$ 17.58	\$ 17.65	\$ 17.50	\$ 17.30	\$ 17.27
Mar-14		\$ 17.40	\$ 17.45	\$ 17.15	\$ 17.18
Apr-14			\$ 17.33	\$ 17.20	\$ 17.17
May-14				\$ 17.10	\$ 17.20

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

Mailbox Price Comparison		
FL	USDA	PMI
May-13		\$ 21.43
Apr-13		\$ 20.97
Mar-13		\$ 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

Note: USDA's figures include the South Florida prices that are priced at higher levels due to zone adjustments.