

PREMIER PRESS

MARCH 2016



Premier Milk Inc.

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Special Thanks

Special thank you to Ricky and Carol Williams of Williams Dairy Trucking, who paid for the meal at our annual meeting. We appreciate the kind gesture and the hauling of our milk. Thank you Ricky and Carol, your generosity is appreciated!

Butterfat Info

Forecasted prices are at 3.5%. If your butterfat test is higher than that, your milk price will increase. If your butterfat test is lower than 3.5%, your milk price will be lower. Based on current butter market, if your butterfat is 3.6%, you can estimate that your milk price will be \$0.19/cwt. If your butterfat is 3.7%, then your milk price will be \$0.38/cwt.

FL Milk Production Conference

The 52nd Annual Florida Milk Production Conference will be held Wednesday, April 6th. It will be held at Alto Straughn IFAS Extension Center - 2145 Shealy Drive, Gainesville, FL. The conference will start at 9:30 am and will go until 5:00 pm. For more information go the following website: <http://dairy.ifas.ufl.edu/dpc/info.shtml>

Important Contact Info

North & South Florida Milk Hauling

Rick Hedrick: 912-253-0993

Georgia and Florida Panhandle Milk Hauling

Kevin Mann: 877-367-9167

Milk Quality Assistance

David Sumrall: 352-283-5780

PMI Annual Meeting Recap

Premier Milk's 7th Annual Meeting was held on Monday, February 29, 2016 at the 4th District Community Center. 40% of the membership was in attendance for the meeting. In addition, we had another 15 invited guests in attendance.

Jim Mulhern, CEO of National Milk Producers Federation (NMPF) was the guest speaker. Jim shared the following information: CWT program – beneficial program to help keep our milk prices above the world levels. The investment of \$0.04/cwt is yielding an average return over the last five years of \$0.33/cwt. FARM program is a program developed by NMPF to address the consumer/customer requests for proper animal husbandry. If NMPF did not develop this program, the fear would be that each major customer would develop their own agenda and we as dairy farmers would have to comply with numerous animal husbandry programs. All changes occurring from the FARM program are because of direct requests from major milk and dairy product buyers. Jim also shared information on the current dairy markets. He said 2016 will be a tough year – not as bad as 2009, but worse than 2015. Margin Protection Program won't have any payouts unless you bought coverage at the \$7.00/cwt level or higher.

Milk check comparisons for the north FL region: Dean's was the leader at \$19.74/cwt average mailbox price for 2015. PMI and Lone Star were tied for 2nd at \$19.12/cwt average, DFA was next at \$19.08/cwt and SMI was last at \$18.52/cwt. PMI closed 2015 with almost \$1 million equity in the bank as cash. We had a small operating loss

of \$294.00 for the 2015. PMI still continues to operate with no debt. Our main focus is getting as much money back to the members as possible. We expect to do better in 2016 than 2015 in lower the coop's cost to operate.

The current forecast for prices on the back side this sheet.

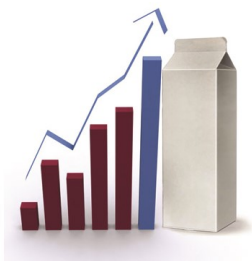
Our quality award winners for 2015 were: Anthony Jackson, Bill Shaw and Mike Brantley. Congratulations and great job done by these three dairymen.

Detailed information on the cost of operating the coop was shared with the members. Also, discussion followed with cost of balancing milk supplies in the spring and fall. It is far better to import milk in the fall than to ship surplus milk out in the spring. Right now for 2016, we are very close in balance in the spring months and will have to import some in the fall. We should expect our marketing costs to be lower this year.

PMI Board of Directors in their last board meeting, voted to suspend the equity deduction when the PMI base milk price falls below \$19.00/cwt. This may last most of 2016.

PMI members reelected Klaas Reyneveld and RL Johnson to 3 year terms on the board. Ed Silba was elected as an alternate director. Klaas Reyneveld and Kevin Koon was elected director and alternate director respectively for the DCMA board of directors.

Premier
MILK INC.
Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Current
Cheese - World Market	\$ 1.4572	\$ 1.3409	\$ 1.3608	\$ 1.4363	\$ 1.4402	\$ 1.4288	\$ 1.3920	\$ 1.3551	\$ 1.1567
Cheese - CME Block	\$ 1.6659	\$ 1.7111	\$ 1.6605	\$ 1.6674	\$ 1.6176	\$ 1.4616	\$ 1.4757	\$ 1.4744	\$ 1.4900
Cheese - CME Barrel	\$ 1.6313	\$ 1.6689	\$ 1.5840	\$ 1.6074	\$ 1.5305	\$ 1.4638	\$ 1.4840	\$ 1.4573	\$ 1.4500
Cheese - NASS	\$ 1.6997	\$ 1.7386	\$ 1.7145	\$ 1.6790	\$ 1.6503	\$ 1.5719	\$ 1.5178	\$ 1.5170	\$ 1.5183
Butter - World Market	\$ 1.3778	\$ 1.2375	\$ 1.3041	\$ 1.4042	\$ 1.3636	\$ 1.3976	\$ 1.3750	\$ 1.3582	\$ 1.2190
Butter - CME Cash	\$ 1.9056	\$ 2.1542	\$ 2.6690	\$ 2.4754	\$ 2.8779	\$ 2.3318	\$ 2.1214	\$ 2.0840	\$ 1.9200
Butter - NASS	\$ 1.9159	\$ 2.0438	\$ 2.4449	\$ 2.5734	\$ 2.7999	\$ 2.5709	\$ 2.0759	\$ 2.1350	\$ 1.9940
NFDM - World Market	\$ 0.8477	\$ 0.7612	\$ 0.8448	\$ 0.9242	\$ 0.8788	\$ 0.8391	\$ 0.8207	\$ 0.8094	\$ 0.7853
NFDM - Central A.O.M.	\$ 0.8583	\$ 0.7817	\$ 0.8769	\$ 0.8790	\$ 0.8724	\$ 0.8541	\$ 0.8242	\$ 0.7860	\$ 0.7750
NFDM - NASS	\$ 0.8366	\$ 0.7443	\$ 0.8007	\$ 0.8951	\$ 0.8372	\$ 0.7893	\$ 0.7776	\$ 0.7689	\$ 0.7430
Whey - Central A.O.M.	\$ 0.3364	\$ 0.2462	\$ 0.2044	\$ 0.2045	\$ 0.2105	\$ 0.2128	\$ 0.2251	\$ 0.2393	\$ 0.2425
Whey - NASS	\$ 0.3937	\$ 0.3108	\$ 0.2442	\$ 0.2309	\$ 0.2341	\$ 0.2336	\$ 0.2351	\$ 0.2469	\$ 0.2450
F. O. 6 Class I @ Tampa	\$ 21.93	\$ 21.68	\$ 21.74	\$ 21.24	\$ 21.88	\$ 22.11	\$ 21.44	\$ 19.04	\$ 19.18
Net Cl. I Prem. @ Tampa	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F.O. 6 Class I Utilization	86.8%	83.0%	85.5%	87.0%	83.9%	85.2%	84.6%	83.4%	
F. O. 6 Blend @ Tampa	\$ 21.05	\$ 20.62	\$ 21.66	\$ 20.89	\$ 21.59	\$ 20.99	\$ 19.34	\$ 18.43	
PMI - Average SCC	370,000	404,000	401,000	368,000	354,000	343,000	344,477	329,557	
PMI - Average SPC	20,965	13,200	8,000	5,800	8,500	13,580	9,092	26,331	
PMI - Average PIC	25,224	20,030	21,200	15,100	11,580	16,680	22,211	22,938	
Premiums Paid - PMI	\$ 0.21	\$ 0.14	\$ 0.15	\$ 0.28	\$ 0.34	\$ 0.30	\$ 0.26	\$ 0.29	

Class III Milk Futures	Nov	Dec	Jan	Feb	Current
Mar-16	\$ 15.06	\$ 14.18	\$ 13.88	\$ 13.74	\$ 13.77
Apr-16	\$ 15.28	\$ 14.54	\$ 14.00	\$ 13.57	\$ 13.86
May-16	\$ 15.55	\$ 14.85	\$ 14.25	\$ 13.66	\$ 13.78
Jun-16	\$ 15.85	\$ 15.20	\$ 14.65	\$ 13.87	\$ 13.78
Jul-16	\$ 16.17	\$ 15.65	\$ 15.04	\$ 14.25	\$ 13.95
Aug-16	\$ 16.40	\$ 16.11	\$ 15.50	\$ 14.63	\$ 14.32
Sep-16	\$ 16.57	\$ 16.35	\$ 15.74	\$ 15.00	\$ 14.57
Oct-16	\$ 16.45	\$ 16.40	\$ 15.92	\$ 15.21	\$ 14.69
Nov-16	\$ 16.35	\$ 16.29	\$ 15.88	\$ 15.26	\$ 14.73
Dec-16		\$ 16.21	\$ 15.85	\$ 15.26	\$ 14.73
Jan-17			\$ 15.58	\$ 15.21	\$ 14.66
Feb-17				\$ 15.05	\$ 14.65

Mailbox Price Comparison		
FL	USDA	PMI
Feb-16		\$ 17.12
Jan-16		\$ 18.25
Dec-15	\$ 19.35	\$ 19.49
Nov-15	\$ 20.42	\$ 20.30
Oct-15	\$ 19.76	\$ 19.57
Sep-15	\$ 20.19	\$ 20.08
Aug-15	\$ 19.11	\$ 19.03
Jul-15	\$ 18.96	\$ 19.26
Jun-15	\$ 18.21	\$ 17.47
May-15	\$ 17.77	\$ 17.95
Apr-15	\$ 17.77	\$ 17.55
Mar-15	\$ 17.98	\$ 17.42

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