

PREMIER PRESS

NOVEMBER 2011

South Georgia/ North Florida Dairy Update

Tuesday, November 29, 2011 from 11:00 a.m. to 1:00 p.m. at the Brooks County Ag Center, Quitman, GA. Dr. Ann Blount will be speaking on new varieties of winter forages and Dr. Cheryl Mackowiak will discuss forage nutrient uptake. Contact Johnnie Whiddon (jwhiddon@uga.edu or 229-263-4103) or Mary Sowerby (meso@ufl.edu or 386-362-2771) to reserve your spot for a great program and a complimentary lunch.

DHIA Testing Pays!

Monthly testing of individual cows is a great way to manage and maintain low somatic cell (SCC) levels. Lower SCC's means more milk from healthier cows and higher quality premiums! Sample and test every cow by utilizing Southeast DHIA Services. Contact them by phone at (352) 392-5592, or by e-mail at: dhia58@gmail.com.



CWT Update

National Milk's "Cooperatives Working Together" program has reached its goal of signing up 70% of the US milk production to contribute \$0.02/CWT to fund dairy product exports. This was announced at the annual meeting of National Milk Producers Federation last week. In December 2010, the PMI Board of Directors agreed to contribute \$0.02/cwt if CWT did reach the goal of 70%. Starting in January 2012 and continuing through December 2013, PMI members will contribute \$0.02/CWT to help export dairy products out of the US. Currently over 80% of the CWT-assisted exports is cheese, with the remaining dollars being spent on butter and anhydrous milkfat exports. Almost 85% of the cheese exports is cheddar type cheeses, 14% is Monterey Jack cheese and 2% is Gouda cheese. The countries importing the CWT-assisted exports are Middle East countries at 39%, Asian countries at 37%, Central American countries at 11%, South Pacific countries at 7% and Europe and North Africa at 6%. Currently only contributing CWT members can use these funds to assist in the exporting of dairy products. For more information on CWT, go online to www.cwt.coop.

Movin' on Up

Premier Milk just missed a listing in the "Top 50 Milk Marketing Cooperatives in the US" for 2010, according to the rankings compiled by Hoard's Dairyman. PMI marketed 138.3 million pounds during 2010, which was only 11.3 million pounds behind #50, which was Lakes Area Cooperative that marketed 150 million pounds. In looking ahead for 2011, we expect PMI to move into the "Top 50" with a projected 164 million pounds marketed. For a complete listing of the top 50 milk marketing coops, please see October 10, 2011 issue of Hoard's Dairyman.

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Price Forecast for 2012 – Milk prices in 2011 were high enough that producers could pay their feed bills and also expand their operation or pay down some debt. In looking ahead at 2012, current indicators of coming milk prices do not look to be as favorable. With feed and other input prices expected to remain at high levels, lower milk prices for 2012 will bring back some familiar challenges for dairymen. With that said, 2012 will not be as bad as 2009! Here is a review of past price forecasts and actual pay prices.

	Forecasted Price	Actual Price
2009	\$-----	\$17.35
2010	\$20.01	\$20.92
2011	\$23.92	\$24.02
2012	\$21.70	?????

In reviewing past predictions, you can see that our forecasted prices tend to be lower than the actual – at least that was the case the last two years. 2012 may not be the same. Most dairy industry experts are stating that milk prices will be at least \$2.00/CWT lower in 2012 than 2011. This forecast shows a \$2.32/CWT lower average milk price in 2012. Based on all the information and discussion from industry experts producers should plan on an average milk price between \$21.00 - \$22.00/CWT for 2012 which is \$2.00 - \$3.00/CWT lower than 2011. The highs will be in 1st and 4th quarters and lowest prices will come in the 2nd quarter. Monthly price forecasts through July 2012 can be found elsewhere in this newsletter.

Premier
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Where Premium Quality Comes Standard.



Premier Milk MARKET MINUTE

Commodity Prices	Mar	April	May	June	July	August	Sept	Oct	Current
Cheese - World Market	\$ 2.0034	\$ 2.0071	\$ 2.0412	\$ 2.0355	\$ 2.0236	\$ 1.9978	\$ 1.9448	\$ 1.8456	\$ 1.7577
Cheese - CME Block	\$ 1.8125	\$ 1.6033	\$ 1.6856	\$ 2.0975	\$ 2.1150	\$ 1.9725	\$ 1.7561	\$ 1.7231	\$ 1.8300
Cheese - CME Barrel	\$ 1.8049	\$ 1.5750	\$ 1.6902	\$ 2.0483	\$ 2.1124	\$ 1.9571	\$ 1.7010	\$ 1.7189	\$ 1.8500
Cheese - NASS	\$ 1.9722	\$ 1.6983	\$ 1.6534	\$ 1.8999	\$ 2.1243	\$ 2.1402	\$ 1.8592	\$ 1.7471	\$ 1.7572
Butter - World Market	\$ 2.3973	\$ 2.3672	\$ 2.4026	\$ 2.4366	\$ 2.4154	\$ 2.3417	\$ 2.1914	\$ 2.1574	\$ 2.0355
Butter - CME Cash	\$ 2.0863	\$ 1.9958	\$ 2.0724	\$ 2.1077	\$ 2.0443	\$ 2.0884	\$ 1.8724	\$ 1.8295	\$ 1.6100
Butter - NASS	\$ 2.0591	\$ 1.9975	\$ 2.0292	\$ 2.1287	\$ 2.0304	\$ 2.0695	\$ 1.9886	\$ 1.7893	\$ 1.8393
NFDM - World Market	\$ 1.7415	\$ 1.6443	\$ 1.6429	\$ 1.7000	\$ 1.6364	\$ 1.5713	\$ 1.4941	\$ 1.5267	\$ 1.5025
NFDM - Central A.O.M.	\$ 1.6225	\$ 1.5880	\$ 1.6450	\$ 1.6781	\$ 1.6610	\$ 1.5863	\$ 1.5388	\$ 1.4900	\$ 1.4700
NFDM - NASS	\$ 1.4945	\$ 1.5680	\$ 1.6120	\$ 1.6520	\$ 1.6159	\$ 1.5739	\$ 1.5439	\$ 1.5109	\$ 1.4723
Whey - Central A.O.M.	\$ 0.4113	\$ 0.4513	\$ 0.4894	\$ 0.5050	\$ 0.5290	\$ 0.5488	\$ 0.5744	\$ 0.6050	\$ 0.6200
Whey - NASS	\$ 0.4578	\$ 0.4808	\$ 0.4929	\$ 0.5233	\$ 0.5494	\$ 0.5691	\$ 0.5926	\$ 0.6152	\$ 0.6322
F. O. 6 Class I @ Tampa	\$ 23.63	\$ 24.83	\$ 25.15	\$ 25.72	\$ 26.43	\$ 26.83	\$ 27.18	\$ 24.96	\$ 23.85
Net Cl. I Prem. @ Tampa	\$ 3.01	\$ 3.17	\$ 3.17	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	82.4%	83.2%	80.0%	82.4%	84.8%	86.7%	87.5%	85.9%	
F. O. 6 Blend @ Tampa	\$ 22.88	\$ 23.88	\$ 24.18	\$ 25.04	\$ 25.44	\$ 26.18	\$ 26.17	\$ 23.77	
PMI - Average SCC	214,008	228,420	223,166	254,403	291,897	315,910	312,544	285,330	
PMI - Average SPC	6,383	8,299	8,771	15,273	17,889	13,391	10,722	10,289	
PMI - Average PIC	38,112	25,388	14,550	15,834	23,607	15,581	13,795	14,799	
Premiums Paid - PMI	\$ 0.51	\$ 0.48	\$ 0.52	\$ 0.49	\$ 0.39	\$ 0.40	\$ 0.43	\$ 0.47	
PMI Cen FL Price	\$ 23.07	\$ 23.58	\$ 23.60	\$ 25.39	\$ 25.87	\$ 26.89	\$ 26.79	\$ 24.34	

(with rBST-free premium)

Price Forecasts	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
PMI Cen FL Price	\$ 23.20	\$ 23.15	\$ 22.75	\$ 22.54	\$ 21.31	\$ 20.62	\$ 20.28	\$ 21.45	\$ 21.35

(with rBST-free premium)

Class III Milk Futures	June	July	August	Sept	Oct	Current
Nov-11	\$ 17.15	\$ 18.65	\$ 18.38	\$ 16.37	\$ 18.28	\$ 19.09
Dec-11	\$ 16.69	\$ 17.71	\$ 18.01	\$ 16.30	\$ 17.47	\$ 18.30
Jan-12	\$ 16.34	\$ 17.21	\$ 17.35	\$ 16.30	\$ 16.84	\$ 17.33
Feb-12	\$ 16.27	\$ 16.96	\$ 17.03	\$ 16.19	\$ 16.44	\$ 16.89
Mar-12	\$ 16.20	\$ 16.90	\$ 17.04	\$ 16.24	\$ 16.48	\$ 16.78
Apr-12	\$ 16.11	\$ 16.89	\$ 16.93	\$ 16.15	\$ 16.45	\$ 16.78
May-12	\$ 16.00	\$ 16.85	\$ 16.92	\$ 16.31	\$ 16.50	\$ 16.75
Jun-12	\$ 15.95	\$ 16.87	\$ 16.99	\$ 16.59	\$ 16.49	\$ 16.76
Jul-12		\$ 16.97	\$ 17.10	\$ 16.89	\$ 16.72	\$ 17.09
Aug-12			\$ 17.08	\$ 17.04	\$ 16.86	\$ 17.14
Sep-12				\$ 17.12	\$ 16.98	\$ 17.14
Oct-12					\$ 16.81	\$ 16.96

MILC Projections	
Oct-11	\$ -
Nov-11	\$ -
Dec-11	\$ -
Jan-12	\$ -
Feb-12	\$ -
Mar-12	\$ 0.30
Apr-12	\$ 0.46
May-12	\$ 0.45
Jun-12	\$ 0.42
Jul-12	\$ 0.36
Aug-12	\$ 0.08
Sep-12	\$ -

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