

# PREMIER PRESS

OCTOBER 2015

## PMI Meeting Ahead

Premier Milk will have its fall producer information meeting on Tuesday, November 10<sup>th</sup> at 6:00 pm at the Dixie Grill in Live Oak, FL. The usual steak dinner will be served and a short program will follow the meal. Please make arrangements to attend.

RSVP to Tom or Marta at the office: 352-433-2527. Milk marketing and prices will be the main topic of discussion.

## COOP Ranking

According to Hoard's Dairyman, October 10, 2015 issue, Premier Milk is the 44<sup>th</sup> largest dairy coop in the US.

We are down 5 spots from a year earlier, where we were the 39<sup>th</sup>. We marketed 220,000,000 lbs, with 19 members in 2014. It appears that we should be very similar in 2015.

Thank of you for your continued support and hard work.

## 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



## Premier Milk Inc.

1531 SE 36th Avenue, Suite D  
Ocala, Florida 34471

Phone: (352) 433-2527

Fax: (352) 433-2547

[www.premiermilk.org](http://www.premiermilk.org)

[info@premiermilk.org](mailto:info@premiermilk.org)

## US Milk Production Slows

US milk production for September grew only 0.4% over year ago. That is the smallest increase over the last several years. Cow numbers grew by 36,000 head, while milk per cow grew by only 1 lb. over year ago figures. California's milk production decreased 3.6% or by 177,000,000 lbs from one year. That volume decrease is equal to about 2/3 of Florida's total milk production. If California's production was consistent with the US milk production, the US total milk production would have grown close to 1.3%. With milk per cow growing at only 1 lb., as compared to previous months where it grew at times as much as 14 lbs, indicates that feed rations are being pared back due to unprofitable conditions on the farm. Slowing milk production, with low growth per cow trend should continue well into 2016, as conditions do not look to improve much during this time frame.

US consumption of dairy products continues to be strong where cheese and butter lead the way with strong commercial disappearance. Fluid milk sales continue to erode, but at a slower pace than compared to 2014. In 2014, fluid milk sales were off by up to 3.0%, where this year fluid is off by about 1%. Exports of dairy products are off about 2%, from 16% in 2014 to about 14% in 2015 year to date. It appears that that trend will continue in 2016. Strong US dollar with strong US domestic prices for butter and cheese as compared to the world prices are making exports more challenging this year. In comparison to last month, milk price forecasts were updated and they did increase some from the prior month. Milk futures have strengthened as well. See the other side for updated forecasts.

## Somatic Cell Count Has Meaning

Nearly everyone knows that somatic cell counts indicate the healthiness of the cow. A healthy cow should have a SCC of 50,000 – 100,000. As the SCC climbs above 100,000, the cow will start to lose milk production because infection to her udder or elsewhere in her body.

On average, a cow with 400,000 SCC will be losing 3 – 5 pounds of milk per day. Cows with an elevated SCC throughout their lactation, can lose as much as 2,000 lbs of milk in 10 months. Herds should not have high production and a high SCC.

One of the impacts of high SCC milk is that that milk will have higher levels of enzymes that degrade the protein and butterfat in milk. As more of these enzymes work to negatively affect protein and butterfat, the off-flavors of milk begin to occur. So

when processors state that high SCC milk affects shelf life of milk, they are right. Low SCC milk makes better tasting cheeses and yogurts.

One processor has put in a limit of 250,000 SCC for all milk delivered to their plants. Our customer has not done that yet, but the time is coming in the near future where they will restrict milk with SCC of 400,000 and higher. If you do have higher count issues, please start to work to correct now. If you wait until you are forced, then it will end up being very costly to you at that time.

*Premier*  
MILK INC.  
*Where Premium Quality Comes Standard.*



# Premier Milk MARKET MINUTE

Commodity Prices	February	March	April	May	June	July	August	September	Current
Cheese - World Market	\$ 1.6783	\$ 1.6216	\$ 1.5876	\$ 1.5762	\$ 1.5365	\$ 1.4572	\$ 1.3409	\$ 1.3608	\$ 1.4515
Cheese - CME Block	\$ 1.5382	\$ 1.5549	\$ 1.5890	\$ 1.6308	\$ 1.7052	\$ 1.6659	\$ 1.7111	\$ 1.6605	\$ 1.6250
Cheese - CME Barrel	\$ 1.4849	\$ 1.5290	\$ 1.6135	\$ 1.6250	\$ 1.6690	\$ 1.6313	\$ 1.6689	\$ 1.5840	\$ 1.5800
Cheese - NASS	\$ 1.5446	\$ 1.5750	\$ 1.6122	\$ 1.6557	\$ 1.7222	\$ 1.6997	\$ 1.7386	\$ 1.7145	\$ 1.6539
Butter - World Market	\$ 1.6698	\$ 1.6547	\$ 1.5139	\$ 1.4770	\$ 1.4231	\$ 1.3778	\$ 1.2375	\$ 1.3041	\$ 1.4231
Butter - CME Cash	\$ 1.7293	\$ 1.7166	\$ 1.7937	\$ 1.9309	\$ 1.9065	\$ 1.9056	\$ 2.1542	\$ 2.6690	\$ 2.4400
Butter - NASS	\$ 1.6823	\$ 1.6945	\$ 1.7355	\$ 1.8725	\$ 1.9065	\$ 1.9159	\$ 2.0438	\$ 2.4449	\$ 2.6612
NFDM - World Market	\$ 1.1283	\$ 1.1668	\$ 1.0234	\$ 0.9497	\$ 0.9171	\$ 0.8477	\$ 0.7612	\$ 0.8448	\$ 0.9327
NFDM - Central A.O.M.	\$ 1.0750	\$ 1.0788	\$ 1.0059	\$ 0.9735	\$ 0.9414	\$ 0.8583	\$ 0.7817	\$ 0.8769	\$ 1.0000
NFDM - NASS	\$ 1.0308	\$ 1.0217	\$ 0.9684	\$ 0.9464	\$ 0.9283	\$ 0.8366	\$ 0.7443	\$ 0.8007	\$ 0.8917
Whey - Central A.O.M.	\$ 0.4782	\$ 0.4416	\$ 0.4251	\$ 0.4129	\$ 0.3773	\$ 0.3364	\$ 0.2462	\$ 0.2044	\$ 0.2200
Whey - NASS	\$ 0.5169	\$ 0.4824	\$ 0.4610	\$ 0.4450	\$ 0.4245	\$ 0.3937	\$ 0.3108	\$ 0.2442	\$ 0.2244
F. O. 6 Class I @ Tampa	\$ 21.64	\$ 20.96	\$ 20.90	\$ 21.23	\$ 21.54	\$ 21.93	\$ 21.68	\$ 21.74	\$ 21.24
Net Cl. I Prem. @ Tampa	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F.O. 6 Class I Utilization	84.8%	82.7%	83.3%	83.0%	84.0%	86.8%	83.0%	85.5%	
F. O. 6 Blend @ Tampa	\$ 220.84	\$ 19.93	\$ 19.98	\$ 20.36	\$ 20.62	\$ 21.05	\$ 20.62	\$ 21.66	
PMI - Average SCC	311,000	316,000	314,000	255,000	327,000	370,000	404,000	401,000	
PMI - Average SPC	10,125	12,541	13,521	12,682	10,051	20,965	13,200	8,000	
PMI - Average PIC	31,514	33,215	32,637	29,203	22,893	25,224	20,030	21,200	
Premiums Paid - PMI	\$ 0.26	\$ 0.24	\$ 0.22	\$ 0.32	\$ 0.29	\$ 0.21	\$ 0.14	\$ 0.15	

Class III Milk Futures	June	July	August	Sept.	Current
Oct-15	\$ 16.70	\$ 16.36	\$ 16.50	\$ 15.48	\$ 15.55
Nov-15	\$ 16.81	\$ 16.07	\$ 16.27	\$ 15.72	\$ 15.46
Dec-15	\$ 16.81	\$ 15.90	\$ 16.04	\$ 15.68	\$ 15.40
Jan-16	\$ 16.50	\$ 15.58	\$ 15.63	\$ 15.58	\$ 15.45
Feb-16	\$ 16.43	\$ 15.46	\$ 15.46	\$ 15.61	\$ 15.65
Mar-16	\$ 16.48	\$ 15.39	\$ 15.50	\$ 15.78	\$ 15.81
Apr-16	\$ 16.46	\$ 15.50	\$ 15.57	\$ 15.79	\$ 15.95
May-16	\$ 16.53	\$ 15.80	\$ 15.94	\$ 15.95	\$ 16.07
Jun-16		\$ 16.12	\$ 16.27	\$ 16.25	\$ 16.35
Jul-16		\$ 16.48	\$ 16.25	\$ 16.45	\$ 16.71
Aug-16			\$ 16.41	\$ 16.47	\$ 16.80
Sep-16				\$ 16.44	\$ 16.82

Mailbox Price Comparison		
FL	USDA	PMI
Sep-15		\$ 20.08
Aug-15		\$ 19.03
Jul-15		\$ 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
Feb-15	\$ 19.55	\$ 17.95
Jan-15	\$ 21.33	\$ 21.11
Dec-14	\$ 25.98	\$ 27.24
Nov-14	\$ 26.43	\$ 27.44
Oct-14	\$ 28.10	\$ 28.59

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