

PREMIER PRESS

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Birth to Weaning Workshop

Calf Birth to Weaning Workshop on October 30 from 10 am to 2:30 pm at the UF Dairy Farm Unit near Hague, FL. Dr. Klips Galvao will be lecturing (in both English and Spanish) and demonstrating about how and why to feed high quality colostrum and many other strategies to help calves ultimately produce milk to their full genetic potential. This workshop should be equally informative for anyone involved in calf raising. There will be a \$25 registration fee for the workshop which includes lunch and workshop materials. Call Pam at 386-362-2771 to register.

Federal Order Educational Sessions

The Appalachian and Southeast Market Administrators, in conjunction with the Agricultural Marketing Services Dairy Programs, will hold Federal Order educational and listening sessions with dairy industry stakeholders. The session will be held at the Macon Farmers Market, 2055 Eisenhower Parkway, Macon, Georgia 31206 on Wednesday, October 8, 2014 between the hours of 4:00 pm and 6:00 pm EDT. (Phone: 478-752-1097) Dana Coale, Deputy Administrator, Dairy Programs; Will Francis, Director, Order Formulation and Enforcement; Harold H. Friedly, Jr., Appalachian Market Administrator; Patrick S. Clark, Southeast Market Administrator; and staff economists will be in attendance.

Margin Protection Program

With the passage of the new Farm Bill this year, also comes a completely new dairy program. This is something way different than what we have had in the past. The new Farm Bill eliminated the MILC program, Dairy Product Price Support Program, and Dairy Export Incentive Program; extended the dairy forward pricing program and created two new programs: Margin Protection Program and Dairy Product Donation Program.

The program that dairy producers need to be concerned with is the Margin Protection Program. This program is for all farms that produce milk commercially. There are no other restrictions. The sign up period is from Sept. 2, 2014 through November 28, 2014 for coverage in last four months of 2014 and all of 2015. The sign up period for future years is from July 1st to September 30th. Producers are able to enroll in this program from years 2014 through 2017. At the time of sign up, each producer, each year must pay \$100.00 registration fee.

Producers have two main decisions to make when signing up. They can decide how much of their milk production to cover. The amount of milk covered is based on their highest historical production from their farm from calendar years 2011, 2012, or 2013. The percentage of coverage must be in increments of 5%, from 0% coverage up to 95% coverage. The other decision is how much margin protection to buy. Margin protection up to \$4.00/cwt is free after the \$100.00 is paid. Coverage from \$4.00/cwt up to \$8.00/cwt can be purchased at predetermined prices as shown in the chart to the right.

The premiums for the additional coverage above \$4.00/cwt need to be paid in one of two ways: pay full premium at time of sign up or pay 25% of

the premium on February 1st with the remaining 75% of the premium paid on June 1st. The margin will be calculated by USDA. It is defined as the US all-milk price, minus national average feed costs, computed by a formula using the prices of corn, soybean meal and alfalfa hay. The formula reflects the costs of feeding all the dairy animals on a farm, including heifers and dry cows.

Margins are calculated each month and then averaged together for each two month period of Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sep-Oct, & Nov-Dec. If the averaged two month margin is below the levels purchased by the producer, then a payment is made based on 1/6 of the producer's milk weights and coverage amount. More information is in your producer packet from the producer meeting or you can contact your local FSA office, or PMI's office.

Margin Level	First 4 million Pounds 2014 & 2015	First 4 million Pounds After 2015	More than 4 Million Pounds
Covered			
\$4.00	Free	Free	Free
\$4.50	\$0.008	\$0.010	\$0.020
\$5.00	\$0.019	\$0.025	\$0.040
\$5.50	\$0.030	\$0.040	\$0.100
\$6.00	\$0.041	\$0.055	\$0.155
\$6.50	\$0.068	\$0.090	\$0.290
\$7.00	\$0.163	\$0.217	\$0.830
\$7.50	\$0.225	\$0.300	\$1.060
\$8.00	\$0.475	\$0.475	\$1.360

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Premier Milk MARKET MINUTE

Commodity Prices	Jan	Feb	March	April	May	June	July	Aug	Current
Cheese - World Market	\$ 2.2226	\$ 2.3020	\$ 2.3133	\$ 2.2113	\$ 2.0865	\$ 2.1092	\$ 2.0374	\$ 1.8597	\$ 1.7917
Cheese - CME Block	\$ 2.2214	\$ 2.1946	\$ 2.3554	\$ 2.2439	\$ 2.0155	\$ 2.0238	\$ 1.9870	\$ 2.1820	\$ 2.3700
Cheese - CME Barrel	\$ 2.1727	\$ 2.1757	\$ 2.2790	\$ 2.1842	\$ 1.9985	\$ 1.9380	\$ 1.9970	\$ 2.1961	\$ 2.3600
Cheese - NASS	\$ 2.0838	\$ 2.2864	\$ 2.2689	\$ 2.3547	\$ 2.1703	\$ 2.0358	\$ 2.0482	\$ 2.1074	\$ 2.2819
Butter - World Market	\$ 2.2519	\$ 2.2396	\$ 2.1928	\$ 2.0369	\$ 1.9614	\$ 1.9660	\$ 1.8994	\$ 1.6939	\$ 1.5252
Butter - CME Cash	\$ 1.7756	\$ 1.8047	\$ 1.9164	\$ 1.9357	\$ 2.1713	\$ 2.2630	\$ 2.4624	\$ 2.5914	\$ 3.0000
Butter - NASS	\$ 1.6475	\$ 1.8320	\$ 1.8562	\$ 1.9227	\$ 2.0477	\$ 2.1874	\$ 2.3473	\$ 2.5206	\$ 2.7512
NFDM - World Market	\$ 2.1451	\$ 2.1843	\$ 2.1092	\$ 1.9263	\$ 1.8214	\$ 1.7548	\$ 1.7218	\$ 1.4487	\$ 1.2559
NFDM - Central A.O.M.	\$ 2.0780	\$ 2.0916	\$ 2.1088	\$ 2.0340	\$ 1.8600	\$ 1.8163	\$ 1.8198	\$ 1.5775	\$ 1.5325
NFDM - NASS	\$ 2.0335	\$ 2.0783	\$ 2.0897	\$ 2.0191	\$ 1.8768	\$ 1.8633	\$ 1.8617	\$ 1.7887	\$ 1.4825
Whey - Central A.O.M.	\$ 0.5745	\$ 0.6044	\$ 0.6266	\$ 0.6468	\$ 0.6653	\$ 0.6610	\$ 0.6590	\$ 0.6550	\$ 0.6500
Whey - NASS	\$ 0.6025	\$ 0.6314	\$ 0.6554	\$ 0.6774	\$ 0.6745	\$ 0.6789	\$ 0.6890	\$ 0.6880	\$ 0.6818
F. O. 6 Class I @ Tampa	\$ 26.88	\$ 27.42	\$ 29.04	\$ 29.05	\$ 29.87	\$ 28.26	\$ 28.42	\$ 29.27	\$ 29.03
Net Cl. I Prem. @ Tampa	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	85.0%	84.4%	82.7%	84.3%	86.9%	80.6%	84.7%	84.7%	
F. O. 6 Blend @ Tampa	\$ 26.18	\$ 27.24	\$ 28.19	\$ 28.45	\$ 29.25	\$ 27.53	\$ 27.95	\$ 28.84	
PMI - Average SCC	295,303	303,830	290,300	283,318	293,490	325,933	373,786	388,539	
PMI - Average SPC	9,363	8,442	9,377	8,115	7,215	9,824	11,402	13,379	
PMI - Average PIC	11,776	15,036	13,436	11,964	16,514	14,156	19,550	21,137	
Premiums Paid - PMI	\$ 0.50	\$ 0.39	\$ 0.47	\$ 0.49	\$ 0.53	\$ 0.42	\$ 0.21	\$ 0.17	

Class III Milk Futures	May	June	July	Aug	Current
Sep-14	\$ 20.34	\$ 21.12	\$ 21.36	\$ 23.95	\$ 24.56
Oct-14	\$ 19.98	\$ 20.95	\$ 20.59	\$ 22.87	\$ 23.77
Nov-14	\$ 19.52	\$ 20.51	\$ 19.75	\$ 21.00	\$ 20.96
Dec-14	\$ 19.01	\$ 20.05	\$ 19.35	\$ 19.80	\$ 19.70
Jan-15	\$ 18.50	\$ 19.40	\$ 18.64	\$ 18.60	\$ 18.19
Feb-15	\$ 18.26	\$ 18.75	\$ 18.31	\$ 18.21	\$ 17.63
Mar-15	\$ 18.20	\$ 18.59	\$ 18.16	\$ 18.10	\$ 17.34
Apr-15	\$ 18.20	\$ 18.57	\$ 18.10	\$ 18.04	\$ 17.33
May-15	\$ 18.24	\$ 18.37	\$ 18.09	\$ 18.00	\$ 17.37
Jun-15		\$ 18.00	\$ 18.09	\$ 18.05	\$ 17.43
Jul-15			\$ 18.07	\$ 18.04	\$ 17.67
Aug-15				\$ 18.00	\$ 17.69

Mailbox Price Comparison		
FL	USDA	PMI
Aug-14		\$ 29.21
Jul-14		\$ 27.96
Jun-14		\$ 27.28
May-14	\$ 27.41	\$ 29.09
Apr-14	\$ 27.13	\$ 27.91
Mar-14	\$ 27.27	\$ 28.17
Feb-14	\$ 26.77	\$ 26.73
Jan-14	\$ 25.33	\$ 26.01
Dec-13	\$ 24.68	\$ 24.66
Nov-13	\$ 24.57	\$ 24.66
Oct-13	\$ 23.89	\$ 23.21
Sep-13	\$ 23.40	\$ 22.99

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