

PREMIER PRESS

MARCH 2011



PMI Annual Meeting

Our annual meeting is set for Wednesday, April 6 at 11:00a.m. in Gainesville, FL. The meeting will be held at the Gateway Grand Best Western Hotel at Exit 390, just west of Interstate 75.

A luncheon will follow the meeting, which should conclude by 2:00p.m. This is the time to ask questions and learn more about your cooperative, milk marketing and all related finances for your cooperative.

You are welcome and encouraged to invite some of your neighboring dairymen to join us. Call Tom Pittman to RSVP.

Florida Dairy Production Conference

The 47th annual conference will be held Wednesday March 30, 2011 at the Best Western Gateway Grand in Gainesville, Florida. The Best Western is just off I-75 at Exit 390.

For more information, including registration information, visit <http://dairy.ifas.ufl.edu/index.shtml>.

Residue Update

The FDA antibiotic drug residue program is undergoing some major revisions. It is anticipated that those revisions will be completed this spring and are expected to be implemented as soon as FDA can reasonably do so. We will keep a watch on this and update you as more developments occur.

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Dairy Industry Advisory Committee Report

The USDA established the Dairy Industry Advisory Committee two years ago to assist the Secretary of Agriculture in reviewing issues related to farm milk price volatility and dairy farmer profitability. This committee is made up of 17 individuals from across the dairy industry including dairy producers, dairy cooperatives, dairy processors and academia. Ricky Williams, a DFA producer from South Georgia, was one of the committee members who represented dairy producers from our region. This committee gave their final report to the Secretary of Agriculture in February 2011.

Included among a total of 23 recommendations were the following: 1) review Federal Milk Marketing Orders and price discovery methods currently used; 2) simplify risk management products; 3) adopt a growth management pro-

gram; 4) make better use of current USDA/FSA programs and emergency interventions by the Secretary of Agriculture; 5) modify the MILC program; 6) provide margin insurance protection; 7) adopt a tax-deferred farm savings program; 8) assist in expanding export markets; 9) reduction of SCC standards; 10) review fluid milk solids standards to align with California's standards; 11) phase out ethanol subsidies; 12) assist in positive labor reform for dairy; and, 12) provide incentives for environmental improvements on the farm.

There are a number of good recommendations in this report that could help enhance dairy prices, and we are hopeful that Secretary of Agriculture will give this report strong consideration as it is reviewed and future programs are announced.

Ag-Related EPA Update

The Environmental Protection Agency (EPA) continues to come under attack from House Republicans and now labor unions. EPA Administrator Lisa Jackson has been involved in numerous hearings on Capitol Hill in the last month.

Among the items at issue, House Republicans are asking about bulk milk tank regulation being categorized the same as oil containers. In her responses, Ms. Jackson states that they will not be regulated like oil containers. Congress and industry participants are awaiting the final draft of EPA rules to verify that statement. Another serious issue and source of questioning is

dust and green house emissions as they are related to animal agriculture. The House Republicans have drafted legislation that would strip the EPA of about 1/3 of their annual budget, which is \$9 billion. Finally, labor unions are stepping up their unhappiness with the EPA. They feel that with the more and stricter EPA regulations, that more manufacturing will leave the country and more workers will be idled. This battle is just starting to heat up.

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Premier Milk MARKET MINUTE

Commodity Prices	August	Sept.	October	Nov.	Dec	Jan	Feb	Mar	Current
Cheese - World Market	\$ 1.7922	\$ 1.8030	\$ 1.8489	\$ 1.8937	\$ 1.8937	\$ 1.9845	\$ 2.0070		\$ 2.0150
Cheese - CME Block	\$ 1.5549	\$ 1.7374	\$ 1.7246	\$ 1.4619	\$ 1.3825	\$ 1.5140	\$ 1.9064		\$ 2.0150
Cheese - CME Barrel	\$ 1.5161	\$ 1.7114	\$ 1.7119	\$ 1.4520	\$ 1.3768	\$ 1.4868	\$ 1.8680		\$ 1.9650
Cheese - NASS	\$ 1.4567	\$ 1.7016	\$ 1.7666	\$ 1.6152	\$ 1.4606	\$ 1.4076	\$ 1.7449		\$ 1.9560
Butter - World Market	\$ 1.9850	\$ 2.0922	\$ 2.1933	\$ 2.1957	\$ 2.1376	\$ 2.1702	\$ 2.3686		\$ 2.4069
Butter - CME Cash	\$ 1.7787	\$ 2.2262	\$ 2.1895	\$ 1.9595	\$ 1.6310	\$ 2.0345	\$ 2.0610		\$ 2.1200
Butter - NASS	\$ 1.7375	\$ 2.1570	\$ 2.1893	\$ 2.0230	\$ 1.6539	\$ 1.8428	\$ 2.0680		\$ 2.0115
NFDM - World Market	\$ 1.3796	\$ 1.4374	\$ 1.4081	\$ 1.3324	\$ 1.3580	\$ 1.5309	\$ 1.7931		\$ 1.8115
NFDM - Central A.O.M.	\$ 1.2563	\$ 1.2325	\$ 1.2450	\$ 1.2350	\$ 1.2625	\$ 1.4038	\$ 1.5663		\$ 1.6300
NFDM - NASS	\$ 1.2277	\$ 1.1383	\$ 1.1674	\$ 1.1953	\$ 1.1848	\$ 1.2530	\$ 1.3728		\$ 1.4730
Whey - Central A.O.M.	\$ 0.3425	\$ 0.3444	\$ 0.3519	\$ 0.3550	\$ 0.3575	\$ 0.3800	\$ 0.3900		\$ 0.3975
Whey - NASS	\$ 0.3641	\$ 0.3615	\$ 0.3676	\$ 0.3736	\$ 0.3789	\$ 0.3935	\$ 0.4234		\$ 0.4599
F. O. 6 Class I @ Tampa	\$ 21.17	\$ 20.90	\$ 21.98	\$ 22.64	\$ 22.36	\$ 20.60	\$ 21.29	\$ 23.63	
Net Cl. I Prem. @ Tampa	\$ 3.04	\$ 3.04	\$ 3.04	\$ 3.04	\$ 3.12	\$ 2.93	\$ 3.01	\$ 3.01	
F.O. 6 Class I Utilization	86.6%	87.9%	85.6%	86.6%	85.7%	83.9%	84.2%		
F. O. 6 Blend @ Tampa	\$ 20.74	\$ 21.04	\$ 21.46	\$ 21.61	\$ 20.69	\$ 20.32	\$ 21.38		

PMI - Average SCC	313,372	280,257	230,461	225,325	217,235	215,135	209,751
PMI - Average SPC	9,843	9,206	9,077	8,272	5,984	8,494	10,269
PMI - Average PIC	9,676	15,202	9,972	21,863	17,180	16,906	58,834
Premiums Paid - PMI	\$ 0.38	\$ 0.45	\$ 0.48	\$ 0.42	\$ 0.49	\$ 0.51	\$ 0.34
PMI Cen FL Price (with rBST-free premium)	\$ 21.78	\$ 21.91	\$ 22.33	\$ 22.34	\$ 21.40	\$ 20.68	\$ 21.78

Price Forecasts	Mar	April	May	June	July	August	Sept	Oct	Nov
PMI Cen FL Price (with rBST-free premium)	\$ 23.88	\$ 24.83	\$ 25.32	\$ 25.97	\$ 25.89	\$ 26.27	\$ 25.79	\$ 24.80	\$ 24.60

Class III Milk Futures	October	Nov.	Dec	Jan	Feb	Current
Mar-11	\$ 14.08	\$ 14.02	\$ 14.13	\$ 18.19	\$ 19.19	\$ 19.64
Apr-11	\$ 14.12	\$ 14.16	\$ 14.55	\$ 17.69	\$ 17.94	\$ 17.52
May-11	\$ 14.04	\$ 14.20	\$ 14.78	\$ 17.25	\$ 17.40	\$ 16.77
Jun-11	\$ 14.25	\$ 14.48	\$ 15.00	\$ 16.74	\$ 16.95	\$ 16.55
Jul-11	\$ 14.71	\$ 15.10	\$ 15.45	\$ 16.70	\$ 16.97	\$ 16.79
Aug-11	\$ 15.00	\$ 15.33	\$ 15.56	\$ 16.70	\$ 17.03	\$ 16.92
Sep-11	\$ 15.46	\$ 15.42	\$ 15.66	\$ 16.74	\$ 17.04	\$ 17.19
Oct-11	\$ 15.46	\$ 15.53	\$ 15.73	\$ 16.66	\$ 16.94	\$ 16.97
Nov-11		\$ 15.51	\$ 15.66	\$ 16.46	\$ 16.79	\$ 16.66
Dec-11			\$ 15.55	\$ 16.48	\$ 16.60	\$ 16.70
Jan-12				\$ 15.73	\$ 16.08	\$ 16.16
Feb-12					\$ 15.95	\$ 15.95

MILC Projections	
Jan-11	\$ -
Feb-11	\$ -
Mar-11	\$ -
Apr-11	\$ -
May-11	\$ -
Jun-11	\$ -
Jul-11	\$ -
Aug-11	\$ -
Sep-11	\$ -
Oct-11	\$ -
Nov-11	\$ -
Dec-11	0

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