

PREMIER PRESS

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MILC Program

The federal government's new fiscal year starts October 1st. As a result the MILC program starts over again for dairy producers. Producers who did not designate a start month before September 14th will automatically have October as their start date. At this time, we do not anticipate a MILC payment for October.

The main rule of MILC is the limit of 2,985 million milk pounds that a dairy producer can claim. So if you are producing on average 8,200 milk pounds per day or less, then you can file and claim all twelve months of the year. If you are producing more than that, then you will need to pick certain months where you would want to receive the MILC payment. Of course, you would like to pick the months with the highest payment rates. Also, you can change your start month as often as you would like, as long as you do it on or before the 14th of the month prior to the starting month.

Elsewhere in this newsletter, estimated MILC payments rates are listed for the government's 2012 fiscal year. If you have further questions, you can contact your local Farm Services Agency (FSA) office. Also, Premier Milk can have you monthly production directly forwarded to your local FSA office. Call the Premier Milk office and provide us with a name and method of communication for the monthly production as well as any appropriate information (i.e.: fax numbers or email addresses).

Four Factors to Milk Quality Success

What do the dairy producers say who have achieved a level of milk quality in which somatic cell count (SCC) averages less than 100,000? At the Dairyland Testing DHIA annual meeting in 2010, there was a panel of five producers had that distinction: Dellar Dairy Farm of Harrisville, Mich., Double B Farms of Whittemore, Mich., Lemajru Dairy, LLC of West Branch, Mich., Rosebrugh Farms of West Branch, Mich., and Victor Daniels & Sons of Standish, Mich. This was the opportunity for others to hear their "secrets" to success.

Each of the five operations in Northeastern Michigan were diverse, ranging in size from 40 cows to 440 cows. Some housed cows in newer barns and some worked with older barns. While most (four) bedded with sand, one used sawdust with lime. One milked three times a day while the others milked twice. What were the common factors? These are four that I picked up on:

- 1. A commitment to quality.** This is where it begins. It starts with the attitude of the owners who then instill that same attitude to all working on the farm. One said that they want their employees to want to drink the milk from the farm. That hadn't been the case of at least one employee who came from another farm. All talked about the responsibility to the public for the milk they purchase. While premiums are nice, it is not the primary factor that drove these producers to produce quality milk.
- 2. A broad view of factors that result in health and quality.** According to these producers, "there is no silver bullet". You have to do a lot of little things right. As one put it, "sweat the details," meaning that the care in the barn is important along with well-bedded stalls along and with good manure handling programs. It also means that forage quality and good nutrition are important in the dry cow program as well as throughout the lactation. Fresh feed and clean water were cited by one producer as factors in quality milk. These producers wanted healthy cows. Somatic cell count was just one indicator of that. And of course it meant that proce-

dures in the parlor were critically important. These herds followed standard operating procedures (SOP's) so that cows experienced consistency. Everybody did the right things the right way.

- 3. Recognition that it is a total team effort.** Good communication was a key element listed by these producers. If everyone on the team is not responsive and timely, then milk quality will suffer. "Instill an attitude of good animal care and high milk quality into everyone who touches a cow," was how one producer put it. Identify cows with problems quickly so that that animal can be supported, monitored and if necessary, treated.

- 4. Use of information to manage.** These producers were all members of DHIA and talked about how they use the "hot sheet" to see which cows are high in SCC. At what level do they highlight cows for a closer exam? The numbers varied among the producers from any cow over 250,000 to cows greater than 400,000. One producer put it in terms of percentage of the bulk tank SCC and would check any cow with greater than 3 percent of the bulk tank SCC. These cows might be checked with the California Mastitis Test (CMT), have a complete health exam, maybe marked for early dry-off and were certainly monitored. Several relied heavily on milk culturing before treatment and used several different supportive treatments.

They agreed on these things and they also agreed that any producer can achieve these same levels of quality. In fact, they put out a challenge for all producers to improve cow health and milk quality. They take pride in the product they market stand behind it 100 percent!

Source: Michigan State University Extension – Phil Durst

Premier
MILK INC.
Where Premium Quality Comes Standard.

Premier Milk Inc.

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

Phone: (352) 433-2527

Fax: (352) 433-2547

www.premiermilk.org

info@premiermilk.org



Premier Milk MARKET MINUTE

Commodity Prices	Jan	Feb	Mar	April	May	June	July	August	Current
Cheese - World Market	\$ 1.9845	\$ 2.0070	\$ 2.0034	\$ 2.0071	\$ 2.0412	\$ 2.0355	\$ 2.0236	\$ 1.9978	\$ 1.9505
Cheese - CME Block	\$ 1.5140	\$ 1.9064	\$ 1.8125	\$ 1.6033	\$ 1.6856	\$ 2.0975	\$ 2.1150	\$ 1.9725	\$ 1.7825
Cheese - CME Barrel	\$ 1.4868	\$ 1.8680	\$ 1.8049	\$ 1.5750	\$ 1.6902	\$ 2.0483	\$ 2.1124	\$ 1.9571	\$ 1.7200
Cheese - NASS	\$ 1.4076	\$ 1.7449	\$ 1.9722	\$ 1.6983	\$ 1.6534	\$ 1.8999	\$ 2.1243	\$ 2.1402	\$ 1.8544
Butter - World Market	\$ 2.1702	\$ 2.3686	\$ 2.3973	\$ 2.3672	\$ 2.4026	\$ 2.4366	\$ 2.4154	\$ 2.3417	\$ 2.2539
Butter - CME Cash	\$ 2.0345	\$ 2.0610	\$ 2.0863	\$ 1.9958	\$ 2.0724	\$ 2.1077	\$ 2.0443	\$ 2.0884	\$ 1.9025
Butter - NASS	\$ 1.8428	\$ 2.0680	\$ 2.0591	\$ 1.9975	\$ 2.0292	\$ 2.1287	\$ 2.0304	\$ 2.0695	\$ 2.0356
NFDM - World Market	\$ 1.5309	\$ 1.7931	\$ 1.7415	\$ 1.6443	\$ 1.6429	\$ 1.7000	\$ 1.6364	\$ 1.5713	\$ 1.5139
NFDM - Central A.O.M.	\$ 1.4038	\$ 1.5663	\$ 1.6225	\$ 1.5880	\$ 1.6450	\$ 1.6781	\$ 1.6610	\$ 1.5863	\$ 1.5450
NFDM - NASS	\$ 1.2530	\$ 1.3728	\$ 1.4945	\$ 1.5680	\$ 1.6120	\$ 1.6520	\$ 1.6159	\$ 1.5739	\$ 1.5578
Whey - Central A.O.M.	\$ 0.3800	\$ 0.3900	\$ 0.4113	\$ 0.4513	\$ 0.4894	\$ 0.5050	\$ 0.5290	\$ 0.5488	\$ 0.5775
Whey - NASS	\$ 0.3935	\$ 0.4234	\$ 0.4578	\$ 0.4808	\$ 0.4929	\$ 0.5233	\$ 0.5494	\$ 0.5691	\$ 0.5890
F. O. 6 Class I @ Tampa	\$ 20.60	\$ 21.29	\$ 23.63	\$ 24.83	\$ 25.15	\$ 25.72	\$ 26.43	\$ 26.83	\$ 27.18
Net Cl. I Prem. @ Tampa	\$ 2.93	\$ 3.01	\$ 3.01	\$ 3.17	\$ 3.17	\$ 3.25	\$ 3.17	\$ 3.17	\$ 3.17
F.O. 6 Class I Utilization	83.9%	84.2%	82.4%	83.2%	80.0%	82.4%	84.8%	86.7%	
F. O. 6 Blend @ Tampa	\$ 20.32	\$ 21.38	\$ 22.88	\$ 23.88	\$ 24.18	\$ 25.04	\$ 25.44	\$ 26.18	
PMI - Average SCC	215,135	209,751	214,008	228,420	223,166	254,403	291,897	315,910	
PMI - Average SPC	8,494	10,269	6,383	8,299	8,771	15,273	17,889	13,391	
PMI - Average PIC	16,906	58,834	38,112	25,388	14,550	15,834	23,607	15,581	
Premiums Paid - PMI	\$ 0.51	\$ 0.34	\$ 0.51	\$ 0.48	\$ 0.52	\$ 0.49	\$ 0.39	\$ 0.40	
PMI Cen FL Price	\$ 20.68	\$ 21.78	\$ 23.07	\$ 23.58	\$ 23.60	\$ 25.39	\$ 25.87	\$ 26.89	

Price Forecasts	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PMI Cen FL Price	\$ 26.60	\$ 24.34	\$ 23.37	\$ 22.94	\$ 23.42	\$ 22.93	\$ 21.76	\$ 21.14	\$ 20.67

Class III Milk Futures	April	May	June	July	August	Current
Sep-11	\$ 17.78	\$ 19.04	\$ 18.44	\$ 20.67	\$ 18.69	\$ 18.94
Oct-11	\$ 17.44	\$ 18.40	\$ 17.83	\$ 19.67	\$ 18.62	\$ 18.58
Nov-11	\$ 16.87	\$ 18.05	\$ 17.15	\$ 18.65	\$ 18.38	\$ 18.48
Dec-11	\$ 16.77	\$ 17.50	\$ 16.69	\$ 17.71	\$ 18.01	\$ 17.97
Jan-12	\$ 16.23	\$ 17.10	\$ 16.34	\$ 17.21	\$ 17.35	\$ 17.44
Feb-12	\$ 16.05	\$ 16.60	\$ 16.27	\$ 16.96	\$ 17.03	\$ 16.95
Mar-12	\$ 15.89	\$ 16.50	\$ 16.20	\$ 16.90	\$ 17.04	\$ 16.93
Apr-12		\$ 16.45	\$ 16.11	\$ 16.89	\$ 16.93	\$ 16.86
May-12		\$ 16.35	\$ 16.00	\$ 16.85	\$ 16.92	\$ 16.85
Jun-12			\$ 15.95	\$ 16.87	\$ 16.99	\$ 17.08
Jul-12				\$ 16.97	\$ 17.10	\$ 17.24
Aug-12					\$ 17.08	\$ 17.39

MILC Projections	
Oct-11	\$ -
Nov-11	\$ 0.08
Dec-11	\$ 0.31
Jan-12	\$ 0.43
Feb-12	\$ 0.66
Mar-12	\$ 0.80
Apr-12	\$ 0.86
May-12	\$ 0.95
Jun-12	\$ 0.98
Jul-12	\$ 0.97
Aug-12	\$ 0.62
Sep-12	\$ -

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