

# **SPECIAL NOTE:**

## **Announcement of Advanced Prices and Pricing Factors for September 2008**

The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I prices and Class II nonfat solids and skim milk prices and pricing factors in this announcement are those published in the Federal Register on December 29, 2006 (71 FR 78333). A complaint to enjoin the implementation of the revised make allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617) was filed in the United States District Court for the District of Columbia.

The effective date of the Interim Final Rule will be postponed to October 1, 2008. The revised manufacturing allowances and butterfat yield factor will be used in computing the October 2008 Federal order minimum advance Class I and Class II prices and pricing factors to be announced on September 19, 2008, unless a court order directs otherwise. The revised manufacturing allowances and butterfat yield factor of the Interim Final Rule will be used to compute minimum Federal order Class III and Class IV prices for October 2008 and in the announcement of advanced prices and pricing factors thereafter.

*(See next page for price announcement)*

Source: USDA AMS Dairy Programs, August 22, 2008

**UNITED STATES DEPARTMENT OF AGRICULTURE**

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**ANNOUNCEMENT OF MINIMUM CLASS AND COMPONENT PRICES: *ADVANCED* #  
September 2008**

**Pacific Northwest**

	<u>Class I *</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>
Skim 1/	\$ 13.88	\$ 11.59	4/	4/
Butterfat 2/	\$ 1.7601	4/	4/	4/
Protein 2/			4/	
Other Solids 2/			4/	
Nonfat Solids 2/		\$ 1.2878		4/
@ 3.5% Butterfat 1/ 3/	\$ 19.55	4/	4/	4/
Processor Assessment **	\$ 0.20			
Total 1/	\$ 19.75			

**Arizona**

	<u>Class I *</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>
Skim 1/	\$ 14.33	\$ 11.59	4/	4/
Butterfat 2/	\$ 1.7646	4/	4/	4/
@ 3.5% Butterfat 1/ 3/	\$ 20.00	4/	4/	4/
Processor Assessment **	\$ 0.20			
Total 1/	\$ 20.20			

Supplemental Price Data From NASS Surveys			Advance Pricing Factors 3/	
Surveys Included: 8/9/08 and 8/16/08	Average Price	Total Pounds of Product	Butterfat	\$ 1.7411
Grade AA Butter	\$ 1.5711	7,505,333	Class III Skim	\$ 11.98
Cheese 40 Lb. Blocks	\$ 1.9317	24,728,106	Class IV Skim	\$ 10.89
Cheese 500 Lb. Barrels, 38% moisture	\$ 1.8353	17,625,558	Base Skim Milk Price	
Cheese, Average	\$ 1.9041	42,353,664	for Class I	\$ 11.98
Nonfat Dry Milk	\$ 1.3790	26,368,663		
Dry Whey	\$ 0.2487	18,918,774	Base Class I Price	\$ 17.65

# Pacific Northwest (FO 124) prices milk on the basis of multiple components.

Arizona (FO 131) prices milk on the basis of butterfat and skim.

\* Subject to applicable location adjustments.

\*\* The processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR § 1160.101 et seq.).

The Order requires that all persons who process and market commercially more than 3,000,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia on a monthly basis, excluding those fluid milk products delivered to the residence of a consumer, be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

1/ Per hundredweight. 2/ Per pound. 3/ Prices at 3.5% butterfat are calculated in the following manner: 0.965 multiplied by skim price, plus 3.5 multiplied by butterfat price. 4/ Announced for the month on or before the 5th of the following month.

Released: August 22, 2008

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