

SPECIAL NOTE:

Announcement of Advanced Prices and Pricing Factors for October 2008

The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I and Class II prices and pricing factors in this announcement, as well as future Class I and Class II prices and pricing factors, and Federal order minimum prices for Class III and Class IV milk marketed on or after October 1, 2008, will be the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617).

(See next page for price announcement)

Source: USDA AMS Dairy Programs, September 23, 2008

UNITED STATES DEPARTMENT OF AGRICULTURE

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FEDERAL MILK ORDERS 124 & 131

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

Pacific Northwest

	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 11.66	\$ 10.46	4/	4/
Butterfat 2/	\$ 1.7641	4/	4/	4/
Protein 2/			4/	
Other Solids 2/			4/	
Nonfat Solids 2/		\$ 1.1622		4/
@ 3.5% Butterfat 1/ 3/	\$ 17.43	4/	4/	4/
Processor Assessment **	\$ 0.20			
Total 1/	\$ 17.63			

Arizona

	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 12.11	\$ 10.46	4/	4/
Butterfat 2/	\$ 1.7686	4/	4/	4/
@ 3.5% Butterfat 1/ 3/	\$ 17.88	4/	4/	4/
Processor Assessment **	\$ 0.20			
Total 1/	\$ 18.08			

Supplemental Price Data From NASS Surveys			Advance Pricing	
Surveys Included: 9/6/08 and 9/13/08	Average Price	Total Pounds of Product	Factors 3/	
Grade AA Butter	\$ 1.6125	7,259,940	Butterfat	\$ 1.7451
Cheese 40 Lb. Blocks	\$ 1.7265	23,119,599	Class III Skim	\$ 9.71
Cheese 500 Lb. Barrels, 38% moisture	\$ 1.6997	18,384,400	Class IV Skim	\$ 9.76
Cheese, Average	\$ 1.7279	41,503,999	Base Skim Milk Price for Class I	\$ 9.76
Nonfat Dry Milk	\$ 1.2628	31,237,053		
Dry Whey	\$ 0.2241	17,607,530	Base Class I Price	\$ 15.53

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.

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Market Administrator