

UNITED STATES DEPARTMENT OF AGRICULTURE

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AGRICULTURAL MARKETING SERVICE DAIRY PROGRAMS

FEDERAL MILK ORDERS 124, 131 & 135

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ANNOUNCEMENT OF MINIMUM CLASS AND COMPONENT PRICES: *FINAL #* June 2001

	Pacific		Pacific Northwest & Western		
	Northwest	Western	Class II	Class III	Class IV
	Class I *				
Skim 1/	\$ 9.80	\$ 9.80	\$ 8.60	\$ 7.55	\$ 7.87
Butterfat 2/	\$ 2.1223	\$ 2.1223	\$ 2.2159	\$ 2.2089	\$ 2.2089
Protein 2/				\$ 2.1670	
Other Solids /2				\$ 0.1409	
Nonfat Solids 2/			\$ 0.9556		\$ 0.8748
@ 3.5% Butterfat 1/ 3/	\$ 16.89	\$ 16.89	\$ 16.05	\$ 15.02	\$ 15.33
Processor Assessment **	\$ 0.20	\$ 0.20			
Total 1/	\$ 17.09	\$ 17.09			

	Arizona-Las Vegas			
	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 10.25	\$ 8.60	\$ 7.55	\$ 7.87
Butterfat 2/	\$ 2.1268	\$ 2.2159	\$ 2.2089	\$ 2.2089
@ 3.5% Butterfat 1/ 3/	\$ 17.34	\$ 16.05	\$ 15.02	\$ 15.33
Processor Assessment **	\$ 0.20			
Total 1/	\$ 17.54			

Supplemental Price Data From NASS Surveys			FO 124 & FO 135 Only	
Surveys Included: 6/2/01 to 6/23/01	Average Price	Total Pounds of Product	PRODUCER COMPONENT PRICES	
Grade AA Butter	\$ 1.9263	13,004,681	Butterfat	\$ 2.2089
Cheese 40 Lb. Blocks	\$ 1.6058	30,224,796		
Cheese 500 Lb. Barrels	\$ 1.6035	37,352,300		
Cheese, Average	\$ 1.6211	67,577,096	Protein	\$ 2.1670
Nonfat Dry Milk	\$ 1.0148	70,858,932		
Dry Whey	\$ 0.2764	42,679,987	Other Solids	\$ 0.1409

Pacific Northwest (FO 124) & Western Order (FO 135) price milk on the basis of multiple components.

Arizona-Las Vegas (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 more than 500,000 pounds of fluid milk products in consumer-type packages in the contiguous 48 States of the continental United States and the District of Columbia 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/ 0.965 multiplied by skim price, plus 3.5 multiplied by butterfat price.

For Information Purposes Only. Somatic Cell Adjustment Rate is 0.00081.

These prices were computed using the formulas in the U.S. District Court's preliminary injunction order dated January 31, 2001.

Released: June 29, 2001

James R. Daugherty
 Market Administrator

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Regional Milk Production Costs, May 2001 and June 2001 1/ Dollars Per Hundredweight

<u>Region</u>	<u>Total Cash Expenses</u>		<u>Total Economic Costs</u>	
	<u>May. 2/</u>	<u>Jun.</u>	<u>May. 2/</u>	<u>Jun.</u>
Northeast	\$ 15.56	\$ 15.91	\$ 20.55	\$ 20.85
Southeast	\$ 15.18	\$ 15.48	\$ 18.87	\$ 19.18
Upper Midwest	\$ 14.05	\$ 14.35	\$ 18.76	\$ 18.99
Corn Belt	\$ 15.03	\$ 15.32	\$ 20.95	\$ 21.21
Southern Plains	\$ 13.31	\$ 13.57	\$ 16.64	\$ 16.88
Pacific	\$ 9.89	\$ 10.09	\$ 11.59	\$ 11.74

1/ The reporting of this data was necessitated by the requirement in the Agricultural Appropriations Bill to include milk cost of production (COP) data on the BFP announcement. Regions are defined as: Northeast -- New York, Pennsylvania, and Vermont; Southeast -- Florida and Georgia; Upper Midwest -- Michigan, Minnesota, and Wisconsin; Corn Belt -- Iowa, Missouri, and Ohio; Southern Plains -- Texas; Pacific -- Arizona, California, and Washington.

2/ Revised from June 1, 2001, announcement due to changes in milk production, producer price indexes, corn market price, and economic indicators for the U.S. economy.

Source: United States Department of Agriculture, Economic Research Service. For further information, contact Sara Short, 202-694-5588.