

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

DAIRY PROGRAMS

1930-220TH STREET SE, STE 102

BOTHELL, WA 98021-8471

PHONE: (425) 487-6009

FAX: (425) 487-2775

E-mail: fmmaseattle@fmmaseattle.com

11225 N. 28TH DRIVE, D-120

PHOENIX, AZ 85029

PHONE: (602) 547-2909

FAX: (602) 547-2906

E-mail: ma@fmma.net

FEDERAL MILK ORDERS 124, 131 & 135

ANNOUNCEMENT OF MINIMUM CLASS AND COMPONENT PRICES: *FINAL*

August 2001

	Pacific		Pacific Northwest & Western		
	Northwest	Western	Class II	Class III	Class IV
	Class I *				
Skim 1/	\$ 9.80	\$ 9.80	\$ 8.20	\$ 7.78	\$ 7.27
Butterfat 2/	\$ 2.2402	\$ 2.2402	\$ 2.3046	\$ 2.2976	\$ 2.2976
Protein 2/				\$ 2.2188	
Other Solids /2				\$ 0.1535	
Nonfat Solids 2/			\$ 0.9111		\$ 0.8073
@ 3.5% Butterfat 1/ 3/	\$ 17.30	\$ 17.30	\$ 15.98	\$ 15.55	\$ 15.06
Processor Assessment **	\$ 0.20	\$ 0.20			
Total 1/	\$ 17.50	\$ 17.50			

Arizona-Las Vegas

	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 10.25	\$ 8.20	\$ 7.78	\$ 7.27
Butterfat 2/	\$ 2.2447	\$ 2.3046	\$ 2.2976	\$ 2.2976
@ 3.5% Butterfat 1/ 3/	\$ 17.75	\$ 15.98	\$ 15.55	\$ 15.06
Processor Assessment **	\$ 0.20			
Total 1/	\$ 17.95			

Supplemental Price Data From NASS Surveys			FO 124 & FO 135 Only	
Surveys Included: 8/4/01 to 8/25/01	Average Price	Total Pounds of Product	PRODUCER COMPONENT PRICES	
Grade AA Butter	\$ 1.9990	15,023,112	Butterfat	\$ 2.2976
Cheese 40 Lb. Blocks	\$ 1.6690	25,007,931		
Cheese 500 Lb. Barrels	\$ 1.6395	33,251,948		
Cheese, Average	\$ 1.6693	58,259,879	Protein	\$ 2.2188
Nonfat Dry Milk	\$ 0.9473	99,309,108		
Dry Whey	\$ 0.2886	42,702,359	Other Solids	\$ 0.1535

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 0.00083.

These prices were

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

Released: August 31, 2001

James R. Daugherty
Market Administrator

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Regional Milk Production Costs, July 2001 and August 2001 1/ Dollars Per Hundredweight

Region	Total Cash Expenses		Total Economic Costs	
	Jul. 2/	Aug.	Jul. 2/	Aug.
Northeast	\$ 14.97	\$ 14.55	\$ 19.95	\$ 19.54
Southeast	\$ 14.71	\$ 14.36	\$ 18.37	\$ 17.99
Upper Midwest	\$ 13.69	\$ 13.40	\$ 18.39	\$ 18.11
Corn Belt	\$ 14.59	\$ 14.26	\$ 20.50	\$ 20.18
Southern Plains	\$ 12.93	\$ 12.64	\$ 16.25	\$ 15.95
Pacific	\$ 9.67	\$ 9.48	\$ 11.35	\$ 11.17

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 August 3, 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.