

UNITED STATES DEPARTMENT OF AGRICULTURE

1930-220TH STREET SE, STE 102
 BOTHELL, WA 98021-8471
 PHONE: (425) 487-6009
 FAX: (425) 487-2775
 E-mail: fmmaseattle@fmmaseattle.com

AGRICULTURAL MARKETING SERVICE DAIRY PROGRAMS

FEDERAL MILK ORDERS 124, 131 & 135

11225 N. 28TH Drive, D-120
 PHOENIX, AZ 85029
 PHONE: (602) 547-2909
 FAX: (602) 547-2906
 E-mail: ma@fmma.net

ANNOUNCEMENT OF MINIMUM CLASS AND COMPONENT PRICES: *FINAL* September 2000

	Pacific		Pacific Northwest & Western		
	Northwest	Western	Class II	Class III	Class IV
	Class I *				
Skim 1/	\$ 9.60	\$ 9.60	\$ 8.40	\$ 6.54	\$ 7.76
Butterfat 2/	\$ 1.2781	\$ 1.2781	\$ 1.2777	\$ 1.2707	\$ 1.2707
Protein 2/				\$ 2.0137	
Other Solids /2				\$ 0.0502	
Nonfat Solids 2/			\$ 0.9333		\$ 0.8624
@ 3.5% Butterfat 1/ 3/	\$ 13.74	\$ 13.74	\$ 12.58	\$ 10.76	\$ 11.94
Processor Assessment **	\$ 0.20	\$ 0.20			
Total 1/	\$ 13.94	\$ 13.94			

	Arizona-Las Vegas			
	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 10.05	\$ 8.40	\$ 6.54	\$ 7.76
Butterfat 2/	\$ 1.2826	\$ 1.2777	\$ 1.2707	\$ 1.2707
@ 3.5% Butterfat 1/ 3/	\$ 14.19	\$ 12.58	\$ 10.76	\$ 11.94
Processor Assessment **	\$ 0.20			
Total 1/	\$ 14.39			

Supplemental Price Data From NASS Surveys			FO 124 & FO 135 Only	
Surveys Included: 9/2/00 to 9/23/00	Average Price	Total Pounds of Product	PRODUCER COMPONENT PRICES	
Grade AA Butter	\$ 1.1560	11,560,955	Butterfat	\$ 1.2707
Cheese 40 Lb. Blocks	\$ 1.2653	22,836,669		
Cheese 500 Lb. Barrels	\$ 1.1719	26,024,273		
Cheese, Average	\$ 1.2315	48,860,942	Protein	\$ 2.0137
Nonfat Dry Milk	\$ 1.0166	72,535,213		
Dry Whey	\$ 0.1856	26,218,768	Other Solids	\$ 0.0502

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 0.00062.

Released: September 29, 2000

James R. Daugherty
 Market Administrator

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Regional Milk Production Costs, August 2000 and September 2000 1/ Dollars Per Hundredweight

<u>Region</u>	<u>Total Cash Expenses</u>		<u>Total Economic Costs</u>	
	<u>Aug. 2/</u>	<u>Sep.</u>	<u>Aug. 2/</u>	<u>Sep.</u>
Northeast	\$ 14.86	\$ 14.79	\$ 19.76	\$ 19.70
Southeast	\$ 14.53	\$ 14.47	\$ 18.27	\$ 18.22
Upper Midwest	\$ 13.58	\$ 13.53	\$ 18.19	\$ 18.15
Corn Belt	\$ 14.41	\$ 14.35	\$ 20.24	\$ 20.19
Southern Plains	\$ 12.74	\$ 12.68	\$ 16.04	\$ 16.00
Pacific	\$ 9.55	\$ 9.50	\$ 11.20	\$ 11.16

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 September 1, 2000, 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.