

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

DAIRY PROGRAMS

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FEDERAL MILK ORDERS 124, 131 & 135

ANNOUNCEMENT OF MINIMUM CLASS AND COMPONENT PRICES: *FINAL*

December 2001

	Pacific		Pacific Northwest & Western		
	Northwest	Western	Class II	Class III	Class IV
	Class I *				
Skim 1/	\$ 9.05	\$ 9.05	\$ 7.85	\$ 7.03	\$ 7.02
Butterfat 2/	\$ 1.4703	\$ 1.4703	\$ 1.4392	\$ 1.4322	\$ 1.4322
Protein 2/				\$ 1.9782	
Other Solids /2				\$ 0.1517	
Nonfat Solids 2/			\$ 0.8722		\$ 0.7799
@ 3.5% Butterfat 1/ 3/	\$ 13.88	\$ 13.88	\$ 12.61	\$ 11.80	\$ 11.79
Processor Assessment **	\$ 0.20	\$ 0.20			
Total 1/	\$ 14.08	\$ 14.08			

Arizona-Las Vegas

	Class I *	Class II	Class III	Class IV
Skim 1/	\$ 9.50	\$ 7.85	\$ 7.03	\$ 7.02
Butterfat 2/	\$ 1.4748	\$ 1.4392	\$ 1.4322	\$ 1.4322
@ 3.5% Butterfat 1/ 3/	\$ 14.33	\$ 12.61	\$ 11.80	\$ 11.79
Processor Assessment **	\$ 0.20			
Total 1/	\$ 14.53			

Supplemental Price Data From NASS Surveys			FO 124 & FO 135 Only	
Surveys Included: 12/1/01 to 12/29/01	Average Price	Total Pounds of Product	PRODUCER COMPONENT PRICES 2/	
Grade AA Butter	\$ 1.2894	20,106,539	Butterfat	\$ 1.4322
Cheese 40 Lb. Blocks	\$ 1.2733	35,127,955		
Cheese 500 Lb. Barrels	\$ 1.2485	43,664,681		
Cheese, Average	\$ 1.2762	78,792,636	Protein	\$ 1.9782
Nonfat Dry Milk	\$ 0.9199	96,760,271		
Dry Whey	\$ 0.2868	47,768,867	Other Solids	\$ 0.1517

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 0.00064.

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

Released: January 4, 2002

James R. Daugherty
Market Administrator

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Regional Milk Production Costs, November 2001 and December 2001 1/ Dollars Per Hundredweight

Region	Total Cash Expenses		Total Economic Costs	
	Nov. 2/	Dec.	Nov. 2/	Dec.
Northeast	\$ 14.27	\$ 14.04	\$ 19.30	\$ 19.09
Southeast	\$ 14.15	\$ 13.92	\$ 17.71	\$ 17.49
Upper Midwest	\$ 13.17	\$ 13.00	\$ 17.95	\$ 17.80
Corn Belt	\$ 14.04	\$ 13.84	\$ 19.99	\$ 19.82
Southern Plains	\$ 12.46	\$ 12.26	\$ 15.78	\$ 15.58
Pacific	\$ 9.32	\$ 9.17	\$ 11.04	\$ 10.90

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 November 30, 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.