

NORTHEAST ORDER UNIFORM PRICE FOR MAY 2009

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Erik F. Rasmussen, Market Administrator for the Northeast Federal Milk Marketing Order, has announced that the statistical uniform price (SUP) paid by milk dealers (handlers) regulated under the Northeast Order during May 2009 is \$12.18 per hundredweight (\$1.05 per gallon) for milk delivered to plants located in Suffolk County, MA (Boston). The producer price differential (PPD) portion of the SUP for May is \$2.34 per hundredweight for milk delivered to plants located in Suffolk County, MA. The PPD (\$2.34) combined with the corresponding month's Class III price (\$9.84) equals the SUP (\$12.18)

The SUP represents a benchmark minimum price paid to dairy farmers, prior to allowable deductions, for farm milk containing of 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. The actual price received by an individual dairy farmer will vary as the composition of a farm's milk differs from the component benchmarks. The PPD represents each producer's share of the value generated by the marketwide pool. The PPD is added to the payment producers receive for their milk's components and is adjusted for the location of the receiving plant(s). The SUP and PPD decrease by scheduled amounts the further away the plant(s) receiving the producers' milk are from Suffolk County, MA (Boston) *

The Class prices for milk pooled in May are as follows: Class I, \$14.22 (Suffolk County, MA); Class II, \$10.71; Class III, \$9.84; and Class IV, \$10.14. Comparable prices for May 2008 were: Class I \$19.87, Class II \$15.51, Class III \$18.18, and Class IV price \$15.26. The component values for May 2009 are protein, \$1.7454 per pound; butterfat, \$1.2648 per pound; other solids, \$0.0336 per pound; and nonfat solids, \$0.6574 per pound.

Milk receipts from producers totaled 2.121 billion pounds. Class I utilization, milk processed as beverage milk, was 39.9 percent of producer milk receipts. The Class I utilization was 42.9 percent in May 2008.

The manufacture of Class II products such as cream, ice cream, yogurt, and cottage cheese utilized 19.5 percent of producer milk. Milk used to manufacture Class III products such as cheese (American and Italian) and evaporated and condensed products utilized 24.0 percent of total milk receipts. Class IV usage (butter, nonfat and whole milk powder) equaled 16.6 percent of the total.

* **Additional statistical uniform price (SUP) and producer price differential (PPD) information by selected location is shown on the reverse side.**

Producer Price Differential and Statistical Uniform Price, by Location

| Selected Locations | Differential* | Adjustment | Producer Price Differential | Statistical # Uniform Price |
|-------------------------------|---------------|------------|-----------------------------------|-----------------------------------|
| Boston, MA | 3.25 | 0.00 | 2.34 | 12.18 |
| Newport News/Portsmouth, VA | 3.20 | (0.05) | 2.29 | 12.13 |
| New York, NY | 3.15 | (0.10) | 2.24 | 12.08 |
| Long Valley, NJ | 3.10 | (0.15) | 2.19 | 12.03 |
| Philadelphia, PA | 3.05 | (0.20) | 2.14 | 11.98 |
| Agawam, MA/Baltimore, MD | 3.00 | (0.25) | 2.09 | 11.93 |
| Frederick, MD/New Holland, PA | 2.90 | (0.35) | 1.99 | 11.83 |
| Mt. Holly Springs, PA | 2.80 | (0.45) | 1.89 | 11.73 |
| Albany/Binghamton, NY | 2.70 | (0.55) | 1.79 | 11.63 |
| Middlebury, VT | 2.60 | (0.65) | 1.69 | 11.53 |
| Syracuse, NY | 2.50 | (0.75) | 1.59 | 11.43 |
| St. Albans/Swanton, VT | 2.40 | (0.85) | 1.49 | 11.33 |
| Watertown/Rochester, NY | 2.30 | (0.95) | 1.39 | 11.23 |
| Buffalo, NY | 2.20 | (1.05) | 1.29 | 11.13 |
| Jamestown, NY | 2.10 | (1.15) | 1.19 | 11.03 |

*Differentials listed apply to states included in the Northeast marketing area. Outside of this area, differentials and prices may be above or below this range. Cities listed are for reference purposes only.

#Prices apply on a county basis. Prices at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.