

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Dairy Programs
NEW YORK—NEW JERSEY MILK MARKETING AREA

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**Announcement of Class Prices and Related Factors
July, August, and September 1998**

Class Prices
(per hundredweight of milk at 3.5% butterfat test)

		<u>July</u>	<u>August</u>	<u>September</u>
Classes I-A and I-B#	Metropolitan Area (1-10 mile zone)	\$ 14.02	\$ 16.24	\$ 17.91
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 14.22	\$ 16.44	\$ 18.11
	201-210 mile zone	\$ 13.30	\$ 15.52	\$ 17.19
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 13.50	\$ 15.72	\$ 17.39
Class II	Metropolitan Area (1-10 mile zone)	\$ 11.26	\$ 13.48	\$ 15.15
	201-210 mile zone	\$ 11.18	\$ 13.40	\$ 15.07
Class III	Metropolitan Area (1-10 mile zone)	\$ 14.88		
	201-210 mile zone	\$ 14.80		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 15.70		
	201-210 mile zone	\$ 15.62		

* The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR § 1160.101 et seq.).

July butterfat differential: \$.223 per .1% butterfat

Price Factors and Averages for July

Manufacturing grade milk, f.o.b. plants, Basic Formula Price, per hundredweight:

Base month price at 3.64% butterfat test (June 1998)	\$ 13.47
Base month price at 3.5% butterfat (June 1998)	\$ 13.17
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 14.77
Updated base month price, at average butterfat test (i.e., used to calculate July's butterfat differential)	\$ 15.07
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.5656
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 2.0085
Equivalent Grade A	\$ 1.9185
Central States: Nonfat dry milk price (per pound)	\$ 1.0297
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0238
Dry buttermilk price (per pound), minimum 30 percent protein	\$.9298
One-year Treasury bill rate, June 18, 1998	5.13%

Classification values at federal order minimum class prices,
201-210 mile zone, July 1998:

	<u>Skim Milk</u>	<u>Butterfat</u>
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	per pound	-----
Class I	\$.05495	\$ 2.28495
Class II	\$.03375	\$ 2.26375
Class III	\$.06995	\$ 2.29995
Class III-A	\$.07815	\$ 2.30815

Estimated utilization percentage, announced pursuant to Section
.22 (d), August 1998:

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	39%	25%
Class I-B	1%	1%
Class II	17%	27%
Class III	43%	47%

August 5, 1998

Ronald C. Pearce, Market Administrator

Class I price may be affected by judicial action.