

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**  
**May, June, and July 1998**

<b>Class Prices</b>		<b>May</b>	<b>June</b>	<b>July</b>
(per hundredweight of milk at 3.5% butterfat test)				
<b>Classes I-A and I-B#</b>	Metropolitan Area (1-10 mile zone)	\$ 15.95	\$ 15.15	\$ 14.02
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 16.15	\$ 15.35	\$ 14.22
	<b>201-210 mile zone</b>	\$ 15.23	\$ 14.43	\$ 13.30
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 15.43	\$ 14.63	\$ 13.50
<b>Class II</b>	Metropolitan Area (1-10 mile zone)	\$ 13.19	\$ 12.39	\$ 11.26
	<b>201-210 mile zone</b>	\$ 13.11	\$ 12.31	\$ 11.18
<b>Class III</b>	Metropolitan Area (1-10 mile zone)	\$ 10.84		
	<b>201-210 mile zone</b>	\$ 10.76		
<b>Class III-A</b>	Metropolitan Area (1-10 mile zone)	\$ 13.92		
	<b>201-210 mile zone</b>	\$ 13.84		

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

**May** butterfat differential: \$.175 per .1% butterfat

**Price Factors and Averages for May**

Manufacturing grade milk, f.o.b. plants, Basic Formula Price, per hundredweight:		
Base month price at 3.80% butterfat test (April 1998)		\$ 12.25
Base month price at 3.5% butterfat (April 1998)		\$ 11.82
Updated base month price at 3.5% butterfat (i.e., <b>Basic Formula Price</b> )		<b>\$ 10.88</b>
Updated base month price, at average butterfat test (i.e., used to calculate May's butterfat differential)		\$ 11.31
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)		\$ 1.2034
Chicago Mercantile Exchange butter price (per pound):	Grade AA	\$ 1.5465
	Grade A	\$ 1.4945
Central States: Nonfat dry milk price (per pound)		\$ 1.0348
Western States: Nonfat dry milk price (per pound), low/medium heat		\$ 1.0223
	Dry buttermilk price (per pound), minimum 30 percent protein	\$ .9200
One-year Treasury bill rate, April 23, 1998		5.13%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ .09105	\$ 1.84105
Class II	\$ .06985	\$ 1.81985
Class III	\$ .04635	\$ 1.79635
Class III-A	\$ .07715	\$ 1.82715

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	34%	21%
Class I-B	1%	1%
Class II	17%	26%
Class III	48%	52%

June 5, 1998

Ronald C. Pearce, Market Administrator

# Class I price may be affected by judicial action.