

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
June, July, and August 1998

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>June</u>	<u>July</u>	<u>August</u>
Classes I-A and I-B#	Metropolitan Area (1-10 mile zone)	\$ 15.15	\$ 14.02	\$ 16.24
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 15.35	\$ 14.22	\$ 16.44
	201-210 mile zone	\$ 14.43	\$ 13.30	\$ 15.52
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 14.63	\$ 13.50	\$ 15.72
Class II	Metropolitan Area (1-10 mile zone)	\$ 12.39	\$ 11.26	\$ 13.48
	201-210 mile zone	\$ 12.31	\$ 11.18	\$ 13.40
Class III	Metropolitan Area (1-10 mile zone)	\$ 13.07		
	201-210 mile zone	\$ 12.99		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 15.35		
	201-210 mile zone	\$ 15.27		

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

June butterfat differential: \$.217 per .1% butterfat

Price Factors and Averages for June

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

Base month price at 3.67% butterfat test (May 1998)	\$ 11.35
Base month price at 3.5% butterfat (May 1998)	\$ 11.05
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 13.10
Updated base month price, at average butterfat test (i.e., used to calculate June's butterfat differential)	\$ 13.40
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.4038
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.8618
Equivalent Grade A	\$ 1.8468
Central States: Nonfat dry milk price (per pound)	\$ 1.0289
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0200
Dry buttermilk price (per pound), minimum 30 percent protein	\$.9200
One-year Treasury bill rate, May 21, 1998	5.15%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$.06835	\$ 2.23835
Class II	\$.04715	\$ 2.21715
Class III	\$.05395	\$ 2.22395
Class III-A	\$.07675	\$ 2.24675

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	38%	24%
Class I-B	1%	1%
Class II	15%	26%
Class III	46%	49%

July 2, 1998

Ronald C. Pearce, Market Administrator

Class I price may be affected by judicial action.