

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**  
**August, September, and October 1998**

**Class Prices**

(per hundredweight of milk at 3.5% butterfat test)

		<u>August</u>	<u>September</u>	<u>October</u>
<b>Classes I-A and I-B#</b>	Metropolitan Area (1-10 mile zone)	\$ 16.24	\$ 17.91	\$ 18.13
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 16.44	\$ 18.11	\$ 18.33
	<b>201-210 mile zone</b>	\$ 15.52	\$ 17.19	\$ 17.41
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 15.72	\$ 17.39	\$ 17.61
<b>Class II</b>	Metropolitan Area (1-10 mile zone)	\$ 13.48	\$ 15.15	\$ 15.37
	<b>201-210 mile zone</b>	\$ 13.40	\$ 15.07	\$ 15.29
<b>Class III</b>	Metropolitan Area (1-10 mile zone)	\$ 15.17		
	<b>201-210 mile zone</b>	\$ 15.09		
<b>Class III-A</b>	Metropolitan Area (1-10 mile zone)	\$ 16.70		
	<b>201-210 mile zone</b>	\$ 16.62		

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

**August** butterfat differential: \$.245 per .1% butterfat

**Price Factors and Averages for August**

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

Base month price at 3.55% butterfat test (July 1998)	\$ 14.40
Base month price at 3.5% butterfat (July 1998)	\$ 14.29
Updated base month price at 3.5% butterfat (i.e., <b>Basic Formula Price</b> )	<b>\$ 14.99</b>
Updated base month price, at average butterfat test (i.e., used to calculate August's butterfat differential)	\$ 15.10
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.6320
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 2.1730
Equivalent Grade A	\$ 2.0830
Central States: Nonfat dry milk price (per pound)	\$ 1.0463
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0425
Dry buttermilk price (per pound), minimum 30 percent protein	\$ 0.9574
One-year Treasury bill rate, July 16, 1998	5.10%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ 0.06945	\$ 2.51945
Class II	\$ 0.04825	\$ 2.49825
Class III	\$ 0.06515	\$ 2.51515
Class III-A	\$ 0.08045	\$ 2.53045

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	43%	25%
Class I-B	1%	2%
Class II	15%	26%
Class III	41%	47%

September 4, 1998

Ronald C. Pearce, Market Administrator

# Class I price may be affected by judicial action.