

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
October, November, and December 1998

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>October</u>	<u>November</u>	<u>December</u>
Classes I-A and I-B#	Metropolitan Area (1-10 mile zone)	\$ 18.13	\$ 18.24	\$ 19.18
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 18.33	\$ 18.44	\$ 19.38
	201-210 mile zone	\$ 17.41	\$ 17.52	\$ 18.46
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 17.61	\$ 17.72	\$ 18.66
Class II	Metropolitan Area (1-10 mile zone)	\$ 15.37	\$ 15.48	\$ 16.42
	201-210 mile zone	\$ 15.29	\$ 15.40	\$ 16.34
Class III	Metropolitan Area (1-10 mile zone)	\$ 16.18		
	201-210 mile zone	\$ 16.10		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 18.27		
	201-210 mile zone	\$ 18.19		

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

October butterfat differential: \$.273 per .1% butterfat

Price Factors and Averages for October

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

Base month price at 3.68% butterfat test (September 1998)	\$ 15.76
Base month price at 3.5% butterfat (September 1998)	\$ 15.18
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 16.04
Updated base month price, at average butterfat test (i.e., used to calculate October's butterfat differential)	\$ 16.62
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.7534
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 2.4089
Equivalent Grade A	\$ 2.3189
Central States: Nonfat dry milk price (per pound)	\$ 1.1180
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.1131
Dry buttermilk price (per pound), minimum 30 percent protein	\$ 1.0100
One-year Treasury bill rate, September 10, 1998	4.51%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ 0.07855	\$ 2.80855
Class II	\$ 0.05735	\$ 2.78735
Class III	\$ 0.06545	\$ 2.79545
Class III-A	\$ 0.08635	\$ 2.81635

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	42%	25%
Class I-B	2%	2%
Class II	16%	27%
Class III	40%	46%

November 5, 1998

Ronald C. Pearce, Market Administrator

Class I price may be affected by judicial action.

(Regional Milk Production Costs on reverse side.)

Regional Milk Production Costs, 1997*

Region	Total cash expenses	Total economic cost
	dollars per hundredweight	
Northeast	\$15.11	\$19.99
Southeast	14.91	19.02
Upper Midwest	14.43	19.07
Corn Belt	14.64	20.13
Southern Plains	12.96	16.42
Pacific	11.84	13.93
United States	13.94	18.07

* United States Department of Agriculture, Economic Research Service. For further information, contact Sara Short, 202/ 694-5588, or visit www.econ.ag.gov/briefing/fbe/car/milk2.htm.