

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  
November, December 1998, and January 1999**

**Class Prices**

(per hundredweight of milk at 3.5% butterfat test)

		<u>November</u>	<u>December</u>	<u>January</u>
<b>Classes I-A and I-B#</b>	Metropolitan Area (1-10 mile zone)	\$ 18.24	\$ 19.18	\$ 19.98
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 18.44	\$ 19.38	\$ 20.18
	<b>201-210 mile zone</b>	\$ 17.52	\$ 18.46	\$ 19.26
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 17.72	\$ 18.66	\$ 19.46
<b>Class II</b>	Metropolitan Area (1-10 mile zone)	\$ 15.48	\$ 16.42	\$ 17.22
	<b>201-210 mile zone</b>	\$ 15.40	\$ 16.34	\$ 17.14
<b>Class III</b>	Metropolitan Area (1-10 mile zone)	\$ 16.98		
	<b>201-210 mile zone</b>	\$ 16.90		
<b>Class III-A</b>	Metropolitan Area (1-10 mile zone)	\$ 15.01		
	<b>201-210 mile zone</b>	\$ 14.93		

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

**November** butterfat differential: \$.178 per .1% butterfat

**Price Factors and Averages for November**

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

Base month price at 3.92% butterfat test (October 1998)	\$ 17.41
Base month price at 3.5% butterfat (October 1998)	\$ 16.26
Updated base month price at 3.5% butterfat (i.e., <b>Basic Formula Price</b> )	<b>\$ 16.84</b>
Updated base month price, at average butterfat test (i.e., used to calculate November's butterfat differential)	\$ 17.99
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.8317
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.7447
Equivalent Grade A	\$ 1.6547
Central States: Nonfat dry milk price (per pound)	\$ 1.1250
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.1100
Dry buttermilk price (per pound), minimum 30 percent protein	\$ .9961
One-year Treasury bill rate, October 8, 1998	4.06%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
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	per pound	
Class I	\$ 0.11290	\$ 1.89290
Class II	\$ 0.09170	\$ 1.87170
Class III	\$ 0.10670	\$ 1.88670
Class III-A	\$ 0.08700	\$ 1.86700

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	42%	25%
Class I-B	1%	1%
Class II	15%	25%
Class III	42%	49%

December 4, 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, October and November 1998\*

Region	Total cash expenses		Total economic cost	
	October	November	October	November
	dollars per hundredweight			
Northeast	14.86	14.88	20.13	20.17
Southeast	21.60	21.64	27.72	27.78
Upper Midwest	13.98	13.99	18.94	18.96
Corn Belt	15.45	15.46	21.86	21.88
Southern Plains	16.73	16.76	21.57	21.61
Pacific	12.17	12.17	14.48	14.48

\* United States Department of Agriculture, Economic Research Service. For further information, contact Sara Short, 202/ 694-5588. Regions are defined as: Northeast—New York, Pennsylvania, and Vermont; Southeast—Florida and Georgia; Upper Midwest—Michigan, Minnesota, and Wisconsin; Corn Belt—Iowa, Missouri, and Ohio; Southern Plains—Texas; Pacific—Arizona, California, and Washington.