

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Dairy Programs

NEW YORK—NEW JERSEY MILK MARKETING AREA

Phone: 518/ 452-4410
Fax: 518/ 464-6468
E-mail: MAGeneric_Albany@usda.gov
WWW: http://www.fmmone.com

Market Administrator
One Columbia Circle
Albany, New York 12203-6379

Announcement of Class Prices and Related Factors
December 1998, January, and February 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		December	January	February
Classes I-A and I-B#	Metropolitan Area (1-10 mile zone)	\$ 19.18	\$ 19.98	\$ 20.48
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 19.38	\$ 20.18	\$ 20.68
	201-210 mile zone	\$ 18.46	\$ 19.26	\$ 19.76
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 18.66	\$ 19.46	\$ 19.96
Class II	Metropolitan Area (1-10 mile zone)	\$ 16.42	\$ 17.22	\$ 17.72
	201-210 mile zone	\$ 16.34	\$ 17.14	\$ 17.64
Class III	Metropolitan Area (1-10 mile zone)	\$ 17.48		
	201-210 mile zone	\$ 17.40		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 13.62		
	201-210 mile zone	\$ 13.54		

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

December butterfat differential: \$.132 per .1% butterfat

Price Factors and Averages for December

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

Base month price at 3.98% butterfat test (November 1998)	\$ 17.91
Base month price at 3.5% butterfat (November 1998)	\$ 17.06
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 17.34
Updated base month price, at average butterfat test (i.e., used to calculate December's butterfat differential)	\$ 18.19
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.8707
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.4131
Equivalent Grade A	\$ 1.3231
Central States: Nonfat dry milk price (per pound)	\$ 1.1490
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.1009
Dry buttermilk price (per pound), minimum 30 percent protein	\$.9182
One-year Treasury bill rate, November 5, 1998	4.31%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ 0.13840	\$ 1.45840
Class II	\$ 0.11720	\$ 1.43720
Class III	\$ 0.12780	\$ 1.44780
Class III-A	\$ 0.08920	\$ 1.40920

Estimated utilization percentage, announced pursuant to Section .22 (d), **January 1999:**

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	41%	24%
Class I-B	1%	1%
Class II	14%	24%
Class III	44%	51%

January 5, 1999

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, November and December 1998*

Region	Total cash expenses		Total economic cost	
	November**	December	November**	December
dollars per hundredweight				
Northeast	14.47	14.38	19.64	19.55
Southeast	19.61	19.49	25.19	25.07
Upper Midwest	13.64	13.58	18.49	18.43
Corn Belt	14.73	14.67	20.87	20.81
Southern Plains	15.23	15.15	19.65	19.57
Pacific	11.27	11.23	13.42	13.37

* 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.

** Revised from December 4, 1998 announcement.