

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
January, February, and March 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>January</u>	<u>February</u>	<u>March</u>
Classes I-A and I-B#	Metropolitan Area (1-10 mile zone)	\$ 19.98	\$ 20.48	\$ 19.41
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 20.18	\$ 20.68	\$ 19.61
	201-210 mile zone	\$ 19.26	\$ 19.76	\$ 18.69
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 19.46	\$ 19.96	\$ 18.89
Class II	Metropolitan Area (1-10 mile zone)	\$ 17.22	\$ 17.72	\$ 16.65
	201-210 mile zone	\$ 17.14	\$ 17.64	\$ 16.57
Class III	Metropolitan Area (1-10 mile zone)	\$ 16.38		
	201-210 mile zone	\$ 16.30		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 13.23		
	201-210 mile zone	\$ 13.15		

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

January butterfat differential: \$.137 per .1% butterfat

Price Factors and Averages for January

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

Base month price at 3.93% butterfat test (December 1998)	\$ 17.92
Base month price at 3.5% butterfat (December 1998)	\$ 17.35
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 16.27
Updated base month price, at average butterfat test (i.e., used to calculate January's butterfat differential)	\$ 16.84
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.7595
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.4222
Equivalent Grade A	\$ 1.3322
Central States: Nonfat dry milk price (per pound)	\$ 1.0893
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0528
Dry buttermilk price (per pound), minimum 30 percent protein	\$.8158
One-year Treasury bill rate, December 3, 1998	4.31%

Classification values at federal order minimum class prices, 201-210 mile zone, **January 1999:**

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ 0.14465	\$ 1.51465
Class II	\$ 0.12345	\$ 1.49345
Class III	\$ 0.11505	\$ 1.48505
Class III-A	\$ 0.08355	\$ 1.45355

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	40%	23%
Class I-B	1%	1%
Class II	14%	25%
Class III	45%	51%

February 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, December 1998 and January 1999*

Region	Total cash expenses		Total economic cost	
	December**	January	December**	January
dollars per hundredweight				
Northeast	14.77	14.55	20.24	20.00
Southeast	18.78	18.55	24.42	24.10
Upper Midwest	13.89	13.73	19.01	18.82
Corn Belt	14.53	14.36	20.77	20.57
Southern Plains	14.81	14.63	19.28	19.06
Pacific	11.48	11.36	13.77	13.61

* 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 January 5, 1999 announcement.