

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
February, March, and April 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>February</u>	<u>March</u>	<u>April</u>
Classes I-A and I-B	Metropolitan Area (1-10 mile zone)	\$ 20.48	\$ 19.41	\$ 13.41
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 20.68	\$ 19.61	\$ 13.61
	201-210 mile zone	\$ 19.76	\$ 18.69	\$ 12.69
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 19.96	\$ 18.89	\$ 12.89
Class II	Metropolitan Area (1-10 mile zone)	\$ 17.72	\$ 16.65	\$ 10.65
	201-210 mile zone	\$ 17.64	\$ 16.57	\$ 10.57
Class III	Metropolitan Area (1-10 mile zone)	\$ 10.37		
	201-210 mile zone	\$ 10.29		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 12.88		
	201-210 mile zone	\$ 12.80		

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

February butterfat differential: \$.139 per .1% butterfat

Price Factors and Averages for February

Manufacturing grade milk, f.o.b. plants, Basic Formula Price, per hundredweight:		
Base month price at 3.91% butterfat test (January 1999)		\$ 15.28
Base month price at 3.5% butterfat (January 1999)		\$ 14.72
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)		\$ 10.27
Updated base month price, at average butterfat test (i.e., used to calculate February's butterfat differential)		\$ 10.83
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)		\$ 1.3010
Chicago Mercantile Exchange butter price (per pound):	Grade AA	\$ 1.3153
	Equivalent Grade A	\$ 1.2253
Central States: Nonfat dry milk price (per pound)		\$ 1.0437
Western States: Nonfat dry milk price (per pound), low/medium heat		\$ 1.0257
Dry buttermilk price (per pound), minimum 30 percent protein		\$.7163
One-year Treasury bill rate, January 28, 1999		4.37%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$ 0.14895	\$ 1.53895
Class II	\$ 0.12775	\$ 1.51775
Class III	\$ 0.05425	\$ 1.44425
Class III-A	\$ 0.07935	\$ 1.46935

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	39%	23%
Class I-B	2%	1%
Class II	15%	27%
Class III	44%	49%

March 5, 1999

Ronald C. Pearce, Market Administrator

(Regional Milk Production Costs on reverse side.)

Regional Milk Production Costs, January and February 1999*

Region	Total cash expenses		Total economic cost	
	January**	February	January**	February
	dollars per hundredweight			
Northeast	14.24	14.37	19.45	19.61
Southeast	16.13	16.24	20.87	21.02
Upper Midwest	13.09	13.17	17.87	17.98
Corn Belt	14.03	14.12	19.99	20.12
Southern Plains	13.73	13.81	17.81	17.92
Pacific	11.12	11.19	13.28	13.38

* 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 last month due to changes in milk production, producer price indexes, corn market price, and economic indicators for the U.S. economy.