

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
April, May, and June 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>April</u>	<u>May</u>	<u>June</u>
Classes I-A and I-B	Metropolitan Area (1-10 mile zone)	\$ 13.41	\$ 14.76	\$ 14.95
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 13.61	\$ 14.96	\$ 15.15
	201-210 mile zone	\$ 12.69	\$ 14.04	\$ 14.23
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 12.89	\$ 14.24	\$ 14.43
Class II	Metropolitan Area (1-10 mile zone)	\$ 10.65	\$ 12.00	\$ 12.19
	201-210 mile zone	\$ 10.57	\$ 11.92	\$ 12.11
Class III	Metropolitan Area (1-10 mile zone)	\$ 11.80		
	201-210 mile zone	\$ 11.72		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 11.05		
	201-210 mile zone	\$ 10.97		

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

April butterfat differential: \$.095 per .1% butterfat

Price Factors and Averages for April

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

Base month price at 3.86% butterfat test (March 1999)	\$ 12.34
Base month price at 3.5% butterfat (March 1999)	\$ 11.86
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 11.81
Updated base month price, at average butterfat test (i.e., used to calculate April's butterfat differential)	\$ 12.29
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.3131
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.0298
Equivalent Grade A	\$.9398
Central States: Nonfat dry milk price (per pound)	\$ 1.0228
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0009
Dry buttermilk price (per pound), minimum 30 percent protein	\$.6845
One-year Treasury bill rate, March 25, 1999	4.50%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$.09365	\$ 1.04365
Class II	\$.07245	\$ 1.02245
Class III	\$.08395	\$ 1.03395
Class III-A	\$.07645	\$ 1.02645

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	36%	22%
Class I-B	2%	1%
Class II	14%	26%
Class III	48%	51%

May 5, 1999

Ronald C. Pearce, Market Administrator

(Regional Milk Production Costs and Producer-Handler Cancellation on reverse side.)

Regional Milk Production Costs, March and April 1999*

Region	Total cash expenses		Total economic cost	
	March**	April	March**	April
	dollars per hundredweight			
Northeast	15.03	15.12	20.64	20.64
Southeast	15.58	15.65	20.34	20.27
Upper Midwest	14.17	14.23	19.46	19.43
Corn Belt	15.25	15.31	21.85	21.83
Southern Plains	13.35	13.42	17.44	17.42
Pacific	11.65	11.68	14.02	14.00

* 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.