

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
May, June, and July 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>May</u>	<u>June</u>	<u>July</u>
Classes I-A and I-B	Metropolitan Area (1-10 mile zone)	\$ 14.76	\$ 14.95	\$ 14.40
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 14.96	\$ 15.15	\$ 14.60
	201-210 mile zone	\$ 14.04	\$ 14.23	\$ 13.68
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 14.24	\$ 14.43	\$ 13.88
Class II	Metropolitan Area (1-10 mile zone)	\$ 12.00	\$ 12.19	\$ 11.64
	201-210 mile zone	\$ 11.92	\$ 12.11	\$ 11.56
Class III	Metropolitan Area (1-10 mile zone)	\$ 11.22		
	201-210 mile zone	\$ 11.14		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 11.58		
	201-210 mile zone	\$ 11.50		

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

May butterfat differential: \$.111 per .1% butterfat

Price Factors and Averages for May

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

Base month price at 3.83% butterfat test (April 1999)	\$ 12.00
Base month price at 3.5% butterfat (April 1999)	\$ 11.69
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 11.26
Updated base month price, at average butterfat test (i.e., used to calculate May's butterfat differential)	\$ 11.57
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.2661
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.1289
Equivalent Grade A	\$ 1.0389
Central States: Nonfat dry milk price (per pound)	\$ 1.0228
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0000
Dry buttermilk price (per pound), minimum 30 percent protein	\$.6691
One-year Treasury bill rate, April 22, 1999	4.49%

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

	<u>Skim Milk</u>	<u>Butterfat</u>
	----- per pound -----	
Class I	\$.10155	\$ 1.21155
Class II	\$.08035	\$ 1.19035
Class III	\$.07255	\$ 1.18255
Class III-A	\$.07615	\$ 1.18615

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	37%	23%
Class I-B	1%	1%
Class II	15%	26%
Class III	47%	50%

June 4, 1999

Ronald C. Pearce, Market Administrator

(Regional Milk Production Costs on reverse side.)

Regional Milk Production Costs, April and May 1999*

Region	Total cash expenses		Total economic cost	
	April**	May	April**	May
	dollars per hundredweight			
Northeast	13.05	13.59	18.18	18.78
Southeast	13.68	14.22	17.90	18.55
Upper Midwest	12.28	12.59	17.13	17.52
Corn Belt	13.29	13.67	19.50	19.94
Southern Plains	11.67	12.10	15.45	15.93
Pacific	9.46	9.69	11.53	11.79

* 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.