

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
 August, September, and October 1999**

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>August</u>	<u>September</u>	<u>October#</u>
Classes I-A and I-B	Metropolitan Area (1-10 mile zone)	\$ 14.56	\$ 16.73	
	Processor Assessment*	+ .20	+ .20	
	Total*	\$ 14.76	\$ 16.93	
	201-210 mile zone	\$ 13.84	\$ 16.01	
	Processor Assessment*	+ .20	+ .20	
	Total*	\$ 14.04	\$ 16.21	
Class II	Metropolitan Area (1-10 mile zone)	\$ 11.80	\$ 13.97	
	201-210 mile zone	\$ 11.72	\$ 13.89	
Class III	Metropolitan Area (1-10 mile zone)	\$ 15.97		
	201-210 mile zone	\$ 15.89		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 12.80		
	201-210 mile zone	\$ 12.72		

For information only, the Class I & II prices for the New York–New Jersey order at the 201-210 mile zone would have been \$18.21 and \$16.09, respectively, for October 1999. The October 1999 Class I price and Class II skim milk price for the Northeast order will be issued on September 17, 1999. However, should Congressional action or legal challenge delay the implementation of the consolidation and reform of the Federal milk order program as required by the 1996 Farm Bill, then the Class I & II prices in the first sentence of this footnote will be applicable.

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

August butterfat differential: \$.136 per .1% butterfat

Price Factors and Averages for August

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

Base month price at 3.59% butterfat test (July 1999)	\$ 13.45
Base month price at 3.5% butterfat (July 1999)	\$ 13.33
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 15.79
Updated base month price, at average butterfat test (i.e., used to calculate August's butterfat differential)	\$ 15.91
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.7213
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.3963
Equivalent Grade A	\$ 1.3063
Central States: Nonfat dry milk price (per pound)	\$ 1.0384
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0124
Dry buttermilk price (per pound), minimum 30 percent protein	\$ 0.7269
One-year Treasury bill rate, July 15, 1999	4.71%

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

Skim Milk Butterfat
 ----- per pound -----

Class I	\$.09080	\$ 1.45080
Class II	\$.06960	\$ 1.42960
Class III	\$.11130	\$ 1.47130
Class III–A	\$.07960	\$ 1.43960

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	43%	26%
Class I-B	2%	2%
Class II	16%	25%
Class III	39%	47%

September 3, 1999

Ronald C. Pearce, Market Administrator

(Regional Milk Production Costs on reverse side.)

Regional Milk Production Costs, July and August 1999*

Region	Total cash expenses		Total economic cost	
	July**	August	July**	August
dollars per hundredweight				
Northeast	13.32	13.49	18.61	18.82
Southeast	13.94	14.11	18.41	18.64
Upper Midwest	12.50	12.59	17.52	17.66
Corn Belt	13.54	13.65	19.92	20.08
Southern Plains	11.89	12.01	15.81	15.97
Pacific	9.64	9.70	11.78	11.87

* 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.