

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
September, October, and November 1999

Class Prices

(per hundredweight of milk at 3.5% butterfat test)

		<u>September</u>	<u>October</u>	<u>November#</u>
Classes I-A and I-B	Metropolitan Area (1-10 mile zone)	\$ 16.73	\$ 18.93	\$ 19.40
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 16.93	\$ 19.13	\$ 19.60
	201-210 mile zone	\$ 16.01	\$ 18.21	\$ 18.68
	Processor Assessment*	+ .20	+ .20	+ .20
	Total*	\$ 16.21	\$ 18.41	\$ 18.88
Class II	Metropolitan Area (1-10 mile zone)	\$ 13.97	\$ 16.17	\$ 16.64
	201-210 mile zone	\$ 13.89	\$ 16.09	\$ 16.56
Class III	Metropolitan Area (1-10 mile zone)	\$ 16.40		
	201-210 mile zone	\$ 16.32		
Class III-A	Metropolitan Area (1-10 mile zone)	\$ 12.51		
	201-210 mile zone	\$ 12.43		

Note, price may be affected by legislative or judicial action.

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

September butterfat differential: \$.126 per .1% butterfat

Price Factors and Averages for September

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

Base month price at 3.63% butterfat test (August 1999)	\$ 15.66
Base month price at 3.5% butterfat (August 1999)	\$ 15.48
Updated base month price at 3.5% butterfat (i.e., Basic Formula Price)	\$ 16.26
Updated base month price, at average butterfat test (i.e., used to calculate September's butterfat differential)	\$ 16.44
NASS: U.S. average 40 lb. block Cheddar cheese price (per pound)	\$ 1.8023
Chicago Mercantile Exchange butter price (per pound):	
Grade AA	\$ 1.3393
Equivalent Grade A	\$ 1.2493
Central States: Nonfat dry milk price (per pound)	\$ 1.0486
Western States: Nonfat dry milk price (per pound), low/medium heat	\$ 1.0183
Dry buttermilk price (per pound), minimum 30 percent protein	\$.7474
One-year Treasury bill rate, August 12, 1999	4.95%

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

<u>Skim Milk</u>	<u>Butterfat</u>
----- per pound -----	-----

Class I	\$.11600	\$ 1.37600
Class II	\$.09480	\$ 1.35480
Class III	\$.11910	\$ 1.37910
Class III-A	\$.08020	\$ 1.34020

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

	<u>Skim Milk</u>	<u>Butterfat</u>
Class I-A	44%	26%
Class I-B	2%	1%
Class II	14%	26%
Class III	40%	47%

October 5, 1999

Erik F. Rasmussen, Acting Market Administrator

(Regional Milk Production Costs on reverse side.)

Regional Milk Production Costs, August and September 1999*

Region	Total cash expenses		Total economic cost	
	August**	September	August**	September
	dollars per hundredweight			
Northeast	13.57	13.79	18.87	19.10
Southeast	14.17	14.35	18.66	18.85
Upper Midwest	12.68	12.82	17.71	17.87
Corn Belt	13.75	13.92	20.15	20.34
Southern Plains	12.08	12.23	16.01	16.17
Pacific	9.77	9.90	11.93	12.05

* 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.