



Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1

Northeast Marketing Area

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ANNOUNCEMENT OF CLASS AND COMPONENT PRICES

	<u>December 2003</u>	
	<u>dollars</u>	
Class I price @ <i>Suffolk County, MA (Boston)</i> at 3.5% butterfat ^{1/}	17.09	per hundredweight
Processor Assessment ^{1/ 2/}	0.20	per hundredweight
Total Class I price ^{1/}	17.29	per hundredweight
Class II price @ 3.5 % butterfat	11.30	per hundredweight
Class II butterfat price	1.3758	per pound
Class II skim price ^{1/}	6.72	per hundredweight
Class II nonfat solids price ^{1/}	0.7467	per pound
Class III price @ 3.5 % butterfat	11.87	per hundredweight
Class III skim price	7.34	per hundredweight
Class IV price @ 3.5 % butterfat	10.52	per hundredweight
Class IV skim milk price	5.94	per hundredweight
Component prices:		
Butterfat price	1.3688	per pound
Nonfat solids price	0.6603	per pound
Protein price	2.2997	per pound
Other solids price	0.0362	per pound

Product price monthly averages:	<u>dollars</u>	
Butter	1.2557	per pound
Nonfat dry milk	0.8070	per pound
Cheese	1.3260	per pound
Dry whey	0.1941	per pound

Estimated Utilization Percentages of Producer Milk for January 2004^{3/}

	<u>Class I</u>	<u>Class II, III and IV</u>
Butterfat	23	77
Skim Milk	45	55

^{1/} Previously announced in *Announcement of Class I Price and Advanced Pricing Factors*.

^{2/} The processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.). The Order requires that all persons who process and market commercially more than 3,000,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous states and District of Columbia on a monthly basis, excluding those fluid milk products delivered to a residence of a consumer, be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

^{3/} Utilization percentages for assigning bulk receipts at pool distributing plants from other federal order markets, Section 1000.45(a) of the Order.
Note: Price formulas are available at www.ams.usda.gov/dairy/price_formula.htm.

(Class I prices by location on reverse side)

December 2003
Class I Price Information for the Northeast Order

Selected locations	Differential*	Adjustment	Prices		
			Skim	Butterfat	Class I#
			per cwt.	per pound	per cwt.
Class I Mover Factor:			9.70	1.2806	13.84
Boston, MA	3.25	0.00	12.95	1.3131	17.09
Newport News/Portsmouth, VA	3.20	(0.05)	12.90	1.3126	17.04
New York, NY	3.15	(0.10)	12.85	1.3121	16.99
Long Valley, NJ	3.10	(0.15)	12.80	1.3116	16.94
Philadelphia, PA	3.05	(0.20)	12.75	1.3111	16.89
Agawam, MA/Baltimore, MD	3.00	(0.25)	12.70	1.3106	16.84
Frederick, MD/New Holland, PA	2.90	(0.35)	12.60	1.3096	16.74
Mt. Holly Springs, PA	2.80	(0.45)	12.50	1.3086	16.64
Albany/Binghamton, NY	2.70	(0.55)	12.40	1.3076	16.54
Middlebury, VT	2.60	(0.65)	12.30	1.3066	16.44
Syracuse, NY	2.50	(0.75)	12.20	1.3056	16.34
St. Albans/Swanton, VT	2.40	(0.85)	12.10	1.3046	16.24
Watertown/Rochester, NY	2.30	(0.95)	12.00	1.3036	16.14
Buffalo, NY	2.20	(1.05)	11.90	1.3026	16.04
Jamestown, NY	2.10	(1.15)	11.80	1.3016	15.94

* Differentials listed apply to states included in the Northeast marketing area. Outside of this area, differentials may be above or below this range. Cities listed are for reference purposes only. Differentials apply on a county basis.

Price at 3.5% butterfat. Does not include the 20 cent per hundredweight processor assessment, an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.).

Regional Milk Production Costs

USDA's Economic Research Service (ERS) has discontinued calculating estimated monthly Cost of Production (COP) for milk effective with data provided on 5/31/02. ERS has recently developed a new approach for computing milk COP estimates using data from the 2000 Agricultural Resource Management Study of dairy farmers. This COP information can be found at www.ers.usda.gov/data/costsandreturns/testpick.htm under the "milk" selection. For additional information contact Sara Short (202) 694-5588, Jim Johnson (202) 694-5560, or Bill McBride (202) 694-5577.