

**United States Department of Agriculture
Agricultural Marketing Service
Dairy Programs
Milk Market Administrator
Federal Orders 124 & 131**

December 23, 2011

Federal Order Minimum Cost for Selected Products/Containers

Value reflects Federal order minimum cost of raw skim and butterfat in milk products at the base zone of each order and effect of Processor Assessment (See Note 1). Not included in these costs are the expenses of standardization, pasteurization, processing, packaging, labor, delivery, etc.

<u>White Milk</u>		<u>FO 124</u>		<u>FO 131</u>		
		<u>Gallons</u>	<u>Half Pints</u>	<u>Gallons</u>	<u>Half Pints</u>	
3.25%	October 2011	\$1.8176	\$0.1136	\$1.8563	\$0.1160	
	November 2011	\$1.7284	\$0.1080	\$1.7671	\$0.1104	
	December 2011	\$1.7284	\$0.1080	\$1.7671	\$0.1104	
	January 2012	\$1.7626	\$0.1102	\$1.8013	\$0.1126	
2.00%	October 2011	\$1.5979	\$0.0999	\$1.6367	\$0.1023	
	November 2011	\$1.5389	\$0.0962	\$1.5777	\$0.0986	
	December 2011	\$1.5276	\$0.0955	\$1.5664	\$0.0979	
	January 2012	\$1.5935	\$0.0996	\$1.6322	\$0.1020	
1.00%	October 2011	\$1.4187	\$0.0887	\$1.4575	\$0.0911	
	November 2011	\$1.3841	\$0.0865	\$1.4228	\$0.0889	
	December 2011	\$1.3638	\$0.0852	\$1.4026	\$0.0877	
	January 2012	\$1.4549	\$0.0909	\$1.4937	\$0.0934	
0.06%	October 2011	\$1.2518	\$0.0782	\$1.2906	\$0.0807	
	November 2011	\$1.2399	\$0.0775	\$1.2788	\$0.0799	
	December 2011	\$1.2111	\$0.0757	\$1.2500	\$0.0781	
	January 2012	\$1.3261	\$0.0829	\$1.3650	\$0.0853	
<u>Chocolate Milk *</u>						
3.25%	October 2011	\$1.6908	\$0.1057	\$1.7268	\$0.1079	
	November 2011	\$1.6078	\$0.1005	\$1.6438	\$0.1027	
	December 2011	\$1.6078	\$0.1005	\$1.6438	\$0.1027	
	January 2012	\$1.6396	\$0.1025	\$1.6756	\$0.1047	
1.00%	October 2011	\$1.3167	\$0.0823	\$1.3527	\$0.0845	
	November 2011	\$1.2845	\$0.0803	\$1.3205	\$0.0825	
	December 2011	\$1.2657	\$0.0791	\$1.3017	\$0.0814	
	January 2012	\$1.3502	\$0.0844	\$1.3862	\$0.0866	
0.06%	October 2011	\$1.1604	\$0.0725	\$1.1964	\$0.0748	
	November 2011	\$1.1494	\$0.0718	\$1.1854	\$0.0741	
	December 2011	\$1.1227	\$0.0702	\$1.1587	\$0.0724	
	January 2012	\$1.2293	\$0.0768	\$1.2653	\$0.0791	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		October 2011	\$14.38	\$2.2224	\$14.83	\$2.2269
		November 2011	\$14.26	\$1.9389	\$14.71	\$1.9434
		December 2011	\$13.92	\$2.0401	\$14.37	\$2.0446
		January 2012	\$15.27	\$1.7605	\$15.72	\$1.7650

Conversion Factors

<u>White 3.25% Gal.</u> 8.60	<u>White 3.25% 1/2 Pint</u> 0.53750	<u>White 2.00% Gal.</u> 8.62	<u>White 2.00% 1/2 Pint</u> 0.53875	<u>White 1.00% Gal.</u> 8.62	<u>White 1.00% 1/2 Pint</u> 0.53875	<u>White 0.06% Gal.</u> 8.63	<u>White 0.06% 1/2 Pint</u> 0.539375
<u>Chocolate Gal.</u> 8.00	<u>Chocolate 1/2 Pint</u> 0.50000						

Note 1: All prices include the \$0.20 per cwt. Processor Assessment (Fluid Milk Promotion Order, 7 CFR, 1160.101 et seq.). These prices do not include any other assessments or costs associated with bottling milk.

Note 2: Prices were determined by following formula:

$$(((\text{Percent Skim} \times \text{Skim Price}) / 100 + (\text{Percent Butterfat} \times \text{Butterfat Price})) / 100) \times \text{Conversion Factor}$$

For example, the formula for a gallon of whole milk would be:

$$(((96.75 \times \text{Skim Price}) / 100 + (3.25 \times \text{Butterfat Price})) / 100) \times 8.6$$

Note 3: Asterisk (*): Conversion factors for chocolate milk vary between products.