

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

April 18, 2012

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%	February 2012	\$1.6107	\$0.1007	\$1.6494	\$0.1031
	March 2012	\$1.5496	\$0.0969	\$1.5883	\$0.0993
	April 2012	\$1.4968	\$0.0936	\$1.5355	\$0.0960
	May 2012	\$1.5128	\$0.0946	\$1.5515	\$0.0970
2.00%	February 2012	\$1.4417	\$0.0901	\$1.4805	\$0.0925
	March 2012	\$1.3888	\$0.0868	\$1.4276	\$0.0892
	April 2012	\$1.3476	\$0.0842	\$1.3864	\$0.0867
	May 2012	\$1.3595	\$0.0850	\$1.3983	\$0.0874
1.00%	February 2012	\$1.3036	\$0.0815	\$1.3424	\$0.0839
	March 2012	\$1.2573	\$0.0786	\$1.2961	\$0.0810
	April 2012	\$1.2255	\$0.0766	\$1.2643	\$0.0790
	May 2012	\$1.2340	\$0.0771	\$1.2728	\$0.0796
0.06%	February 2012	\$1.1751	\$0.0734	\$1.2139	\$0.0759
	March 2012	\$1.1350	\$0.0709	\$1.1738	\$0.0734
	April 2012	\$1.1120	\$0.0695	\$1.1508	\$0.0719
	May 2012	\$1.1174	\$0.0698	\$1.1562	\$0.0723
<u>Chocolate Milk *</u>					
3.25%	February 2012	\$1.4983	\$0.0936	\$1.5343	\$0.0959
	March 2012	\$1.4415	\$0.0901	\$1.4775	\$0.0923
	April 2012	\$1.3924	\$0.0870	\$1.4284	\$0.0893
	May 2012	\$1.4073	\$0.0880	\$1.4433	\$0.0902
1.00%	February 2012	\$1.2098	\$0.0756	\$1.2458	\$0.0779
	March 2012	\$1.1669	\$0.0729	\$1.2029	\$0.0752
	April 2012	\$1.1374	\$0.0711	\$1.1734	\$0.0733
	May 2012	\$1.1453	\$0.0716	\$1.1813	\$0.0738
0.06%	February 2012	\$1.0893	\$0.0681	\$1.1253	\$0.0703
	March 2012	\$1.0521	\$0.0658	\$1.0881	\$0.0680
	April 2012	\$1.0308	\$0.0644	\$1.0668	\$0.0667
	May 2012	\$1.0358	\$0.0647	\$1.0718	\$0.0670
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
February 2012		\$13.52	\$1.7380	\$13.97	\$1.7425
March 2012		\$13.06	\$1.6565	\$13.51	\$1.6610
April 2012		\$12.80	\$1.5449	\$13.25	\$1.5494
May 2012		\$12.86	\$1.5843	\$13.31	\$1.5888

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.