

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

June 20, 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>	
<b>3.25%</b>	April 2012	\$1.4968	\$0.0936	\$1.5355	\$0.0960	
	May 2012	\$1.5128	\$0.0946	\$1.5515	\$0.0970	
	June 2012	\$1.4625	\$0.0914	\$1.5012	\$0.0938	
	July 2012	\$1.4855	\$0.0928	\$1.5242	\$0.0953	
<b>2.00%</b>	April 2012	\$1.3476	\$0.0842	\$1.3864	\$0.0867	
	May 2012	\$1.3595	\$0.0850	\$1.3983	\$0.0874	
	June 2012	\$1.3235	\$0.0827	\$1.3623	\$0.0851	
	July 2012	\$1.3433	\$0.0840	\$1.3821	\$0.0864	
<b>1.00%</b>	April 2012	\$1.2255	\$0.0766	\$1.2643	\$0.0790	
	May 2012	\$1.2340	\$0.0771	\$1.2728	\$0.0796	
	June 2012	\$1.2095	\$0.0756	\$1.2483	\$0.0780	
	July 2012	\$1.2268	\$0.0767	\$1.2656	\$0.0791	
<b>0.06%</b>	April 2012	\$1.1120	\$0.0695	\$1.1508	\$0.0719	
	May 2012	\$1.1174	\$0.0698	\$1.1562	\$0.0723	
	June 2012	\$1.1037	\$0.0690	\$1.1426	\$0.0714	
	July 2012	\$1.1185	\$0.0699	\$1.1574	\$0.0723	
<b><u>Chocolate Milk *</u></b>						
<b>3.25%</b>	April 2012	\$1.3924	\$0.0870	\$1.4284	\$0.0893	
	May 2012	\$1.4073	\$0.0880	\$1.4433	\$0.0902	
	June 2012	\$1.3605	\$0.0850	\$1.3965	\$0.0873	
	July 2012	\$1.3818	\$0.0864	\$1.4178	\$0.0886	
<b>1.00%</b>	April 2012	\$1.1374	\$0.0711	\$1.1734	\$0.0733	
	May 2012	\$1.1453	\$0.0716	\$1.1813	\$0.0738	
	June 2012	\$1.1225	\$0.0702	\$1.1585	\$0.0724	
	July 2012	\$1.1385	\$0.0712	\$1.1745	\$0.0734	
<b>0.06%</b>	April 2012	\$1.0308	\$0.0644	\$1.0668	\$0.0667	
	May 2012	\$1.0358	\$0.0647	\$1.0718	\$0.0670	
	June 2012	\$1.0231	\$0.0639	\$1.0591	\$0.0662	
	July 2012	\$1.0369	\$0.0648	\$1.0729	\$0.0671	
<b><u>Class I Prices</u></b>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		April 2012	\$12.80	\$1.5449	\$13.25	\$1.5494
		May 2012	\$12.86	\$1.5843	\$13.31	\$1.5888
		June 2012	\$12.71	\$1.4489	\$13.16	\$1.4534
		July 2012	\$12.88	\$1.4804	\$13.33	\$1.4849

**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.