

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

July 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%	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	
	August 2012	\$1.5713	\$0.0982	\$1.6100	\$0.1006	
2.00%	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	
	August 2012	\$1.4105	\$0.0882	\$1.4493	\$0.0906	
1.00%	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	
	August 2012	\$1.2789	\$0.0799	\$1.3177	\$0.0824	
0.06%	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	
	August 2012	\$1.1566	\$0.0723	\$1.1954	\$0.0747	
<u>Chocolate Milk *</u>						
3.25%	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	
	August 2012	\$1.4617	\$0.0914	\$1.4977	\$0.0936	
1.00%	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	
	August 2012	\$1.1869	\$0.0742	\$1.2229	\$0.0764	
0.06%	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	
	August 2012	\$1.0721	\$0.0670	\$1.1081	\$0.0693	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		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
		August 2012	\$13.31	\$1.6596	\$13.76	\$1.6641

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.