

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

October 17, 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%	August 2012	\$1.5713	\$0.0982	\$1.6100	\$0.1006	
	September 2012	\$1.6565	\$0.1035	\$1.6952	\$0.1059	
	October 2012	\$1.7641	\$0.1103	\$1.8028	\$0.1127	
	November 2012	\$1.9181	\$0.1199	\$1.9568	\$0.1223	
2.00%	August 2012	\$1.4105	\$0.0882	\$1.4493	\$0.0906	
	September 2012	\$1.4750	\$0.0922	\$1.5137	\$0.0946	
	October 2012	\$1.5659	\$0.0979	\$1.6046	\$0.1003	
	November 2012	\$1.7092	\$0.1068	\$1.7480	\$0.1093	
1.00%	August 2012	\$1.2789	\$0.0799	\$1.3177	\$0.0824	
	September 2012	\$1.3267	\$0.0829	\$1.3654	\$0.0853	
	October 2012	\$1.4040	\$0.0877	\$1.4428	\$0.0902	
	November 2012	\$1.5386	\$0.0962	\$1.5774	\$0.0986	
0.06%	August 2012	\$1.1566	\$0.0723	\$1.1954	\$0.0747	
	September 2012	\$1.1886	\$0.0743	\$1.2275	\$0.0767	
	October 2012	\$1.2533	\$0.0783	\$1.2921	\$0.0808	
	November 2012	\$1.3798	\$0.0862	\$1.4187	\$0.0887	
<u>Chocolate Milk *</u>						
3.25%	August 2012	\$1.4617	\$0.0914	\$1.4977	\$0.0936	
	September 2012	\$1.5409	\$0.0963	\$1.5769	\$0.0986	
	October 2012	\$1.6410	\$0.1026	\$1.6770	\$0.1048	
	November 2012	\$1.7842	\$0.1115	\$1.8202	\$0.1138	
1.00%	August 2012	\$1.1869	\$0.0742	\$1.2229	\$0.0764	
	September 2012	\$1.2312	\$0.0770	\$1.2672	\$0.0792	
	October 2012	\$1.3030	\$0.0814	\$1.3390	\$0.0837	
	November 2012	\$1.4280	\$0.0892	\$1.4640	\$0.0915	
0.06%	August 2012	\$1.0721	\$0.0670	\$1.1081	\$0.0693	
	September 2012	\$1.1019	\$0.0689	\$1.1379	\$0.0711	
	October 2012	\$1.1618	\$0.0726	\$1.1978	\$0.0749	
	November 2012	\$1.2791	\$0.0799	\$1.3151	\$0.0822	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		August 2012	\$13.31	\$1.6596	\$13.76	\$1.6641
		September 2012	\$13.67	\$1.8571	\$14.12	\$1.8616
		October 2012	\$14.41	\$2.0218	\$14.86	\$2.0263
		November 2012	\$15.87	\$2.1381	\$16.32	\$2.1426

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.