

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

November 21, 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>	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	
	December 2012	\$1.9782	\$0.1236	\$2.0169	\$0.1261	
<b>2.00%</b>	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	
	December 2012	\$1.7749	\$0.1109	\$1.8136	\$0.1134	
<b>1.00%</b>	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	
	December 2012	\$1.6085	\$0.1005	\$1.6473	\$0.1030	
<b>0.06%</b>	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	
	December 2012	\$1.4538	\$0.0909	\$1.4926	\$0.0933	
<b><u>Chocolate Milk *</u></b>						
<b>3.25%</b>	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	
	December 2012	\$1.8402	\$0.1150	\$1.8762	\$0.1173	
<b>1.00%</b>	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	
	December 2012	\$1.4928	\$0.0933	\$1.5288	\$0.0956	
<b>0.06%</b>	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	
	December 2012	\$1.3477	\$0.0842	\$1.3837	\$0.0865	
<b><u>Class I Prices</u></b>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		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
		December 2012	\$16.73	\$2.0973	\$17.18	\$2.1018

**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.