

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

December 18, 2013

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%	October 2013	\$1.8029	\$0.1127	\$1.8416	\$0.1151	
	November 2013	\$1.8853	\$0.1178	\$1.9240	\$0.1203	
	December 2013	\$1.9013	\$0.1188	\$1.9400	\$0.1212	
	January 2014	\$1.9933	\$0.1246	\$2.0320	\$0.1270	
2.00%	October 2013	\$1.6640	\$0.1040	\$1.7028	\$0.1064	
	November 2013	\$1.7252	\$0.1078	\$1.7640	\$0.1102	
	December 2013	\$1.7499	\$0.1094	\$1.7887	\$0.1118	
	January 2014	\$1.8233	\$0.1140	\$1.8621	\$0.1164	
1.00%	October 2013	\$1.5496	\$0.0969	\$1.5884	\$0.0993	
	November 2013	\$1.5936	\$0.0996	\$1.6324	\$0.1020	
	December 2013	\$1.6253	\$0.1016	\$1.6641	\$0.1040	
	January 2014	\$1.6836	\$0.1052	\$1.7224	\$0.1076	
0.06%	October 2013	\$1.4438	\$0.0902	\$1.4826	\$0.0927	
	November 2013	\$1.4716	\$0.0920	\$1.5104	\$0.0944	
	December 2013	\$1.5100	\$0.0944	\$1.5488	\$0.0968	
	January 2014	\$1.5540	\$0.0971	\$1.5929	\$0.0996	
<u>Chocolate Milk *</u>						
3.25%	October 2013	\$1.6771	\$0.1048	\$1.7131	\$0.1071	
	November 2013	\$1.7538	\$0.1096	\$1.7898	\$0.1119	
	December 2013	\$1.7686	\$0.1105	\$1.8046	\$0.1128	
	January 2014	\$1.8543	\$0.1159	\$1.8903	\$0.1181	
1.00%	October 2013	\$1.4382	\$0.0899	\$1.4742	\$0.0921	
	November 2013	\$1.4790	\$0.0924	\$1.5150	\$0.0947	
	December 2013	\$1.5084	\$0.0943	\$1.5444	\$0.0965	
	January 2014	\$1.5625	\$0.0977	\$1.5985	\$0.0999	
0.06%	October 2013	\$1.3384	\$0.0836	\$1.3744	\$0.0859	
	November 2013	\$1.3641	\$0.0853	\$1.4001	\$0.0875	
	December 2013	\$1.3997	\$0.0875	\$1.4357	\$0.0897	
	January 2014	\$1.4406	\$0.0900	\$1.4766	\$0.0923	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		October 2013	\$16.65	\$1.4937	\$17.10	\$1.4982
		November 2013	\$16.96	\$1.6965	\$17.41	\$1.7010
		December 2013	\$17.41	\$1.6196	\$17.86	\$1.6241
		January 2014	\$17.91	\$1.8001	\$18.36	\$1.8046

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.