

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

March 19, 2014

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%	January 2014	\$1.9933	\$0.1246	\$2.0320	\$0.1270
	February 2014	\$2.0407	\$0.1275	\$2.0794	\$0.1300
	March 2014	\$2.1741	\$0.1359	\$2.2128	\$0.1383
	April 2014	\$2.1750	\$0.1359	\$2.2137	\$0.1384
2.00%	January 2014	\$1.8233	\$0.1140	\$1.8621	\$0.1164
	February 2014	\$1.8777	\$0.1174	\$1.9165	\$0.1198
	March 2014	\$1.9789	\$0.1237	\$2.0177	\$0.1261
	April 2014	\$1.9821	\$0.1239	\$2.0209	\$0.1263
1.00%	January 2014	\$1.6836	\$0.1052	\$1.7224	\$0.1076
	February 2014	\$1.7436	\$0.1090	\$1.7823	\$0.1114
	March 2014	\$1.8187	\$0.1137	\$1.8575	\$0.1161
	April 2014	\$1.8238	\$0.1140	\$1.8625	\$0.1164
0.06%	January 2014	\$1.5540	\$0.0971	\$1.5929	\$0.0996
	February 2014	\$1.6193	\$0.1012	\$1.6581	\$0.1036
	March 2014	\$1.6700	\$0.1044	\$1.7089	\$0.1068
	April 2014	\$1.6768	\$0.1048	\$1.7157	\$0.1072
<u>Chocolate Milk *</u>					
3.25%	January 2014	\$1.8543	\$0.1159	\$1.8903	\$0.1181
	February 2014	\$1.8984	\$0.1186	\$1.9344	\$0.1209
	March 2014	\$2.0224	\$0.1264	\$2.0584	\$0.1286
	April 2014	\$2.0233	\$0.1265	\$2.0593	\$0.1287
1.00%	January 2014	\$1.5625	\$0.0977	\$1.5985	\$0.0999
	February 2014	\$1.6181	\$0.1011	\$1.6541	\$0.1034
	March 2014	\$1.6879	\$0.1055	\$1.7239	\$0.1077
	April 2014	\$1.6926	\$0.1058	\$1.7286	\$0.1080
0.06%	January 2014	\$1.4406	\$0.0900	\$1.4766	\$0.0923
	February 2014	\$1.5011	\$0.0938	\$1.5371	\$0.0961
	March 2014	\$1.5481	\$0.0968	\$1.5841	\$0.0990
	April 2014	\$1.5544	\$0.0972	\$1.5904	\$0.0994
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
January 2014		\$17.91	\$1.8001	\$18.36	\$1.8046
February 2014		\$18.67	\$1.7435	\$19.12	\$1.7480
March 2014		\$19.24	\$2.0508	\$19.69	\$2.0553
April 2014		\$19.32	\$2.0304	\$19.77	\$2.0349

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.