

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

May 21, 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%	March 2014	\$2.1741	\$0.1359	\$2.2128	\$0.1383
	April 2014	\$2.1750	\$0.1359	\$2.2137	\$0.1384
	May 2014	\$2.2416	\$0.1401	\$2.2803	\$0.1425
	June 2014	\$2.1018	\$0.1314	\$2.1405	\$0.1338
2.00%	March 2014	\$1.9789	\$0.1237	\$2.0177	\$0.1261
	April 2014	\$1.9821	\$0.1239	\$2.0209	\$0.1263
	May 2014	\$2.0308	\$0.1269	\$2.0696	\$0.1293
	June 2014	\$1.8826	\$0.1177	\$1.9214	\$0.1201
1.00%	March 2014	\$1.8187	\$0.1137	\$1.8575	\$0.1161
	April 2014	\$1.8238	\$0.1140	\$1.8625	\$0.1164
	May 2014	\$1.8580	\$0.1161	\$1.8968	\$0.1185
	June 2014	\$1.7033	\$0.1065	\$1.7421	\$0.1089
0.06%	March 2014	\$1.6700	\$0.1044	\$1.7089	\$0.1068
	April 2014	\$1.6768	\$0.1048	\$1.7157	\$0.1072
	May 2014	\$1.6975	\$0.1061	\$1.7364	\$0.1085
	June 2014	\$1.5366	\$0.0960	\$1.5754	\$0.0985
<u>Chocolate Milk *</u>					
3.25%	March 2014	\$2.0224	\$0.1264	\$2.0584	\$0.1286
	April 2014	\$2.0233	\$0.1265	\$2.0593	\$0.1287
	May 2014	\$2.0852	\$0.1303	\$2.1212	\$0.1326
	June 2014	\$1.9551	\$0.1222	\$1.9911	\$0.1244
1.00%	March 2014	\$1.6879	\$0.1055	\$1.7239	\$0.1077
	April 2014	\$1.6926	\$0.1058	\$1.7286	\$0.1080
	May 2014	\$1.7244	\$0.1078	\$1.7604	\$0.1100
	June 2014	\$1.5808	\$0.0988	\$1.6168	\$0.1010
0.06%	March 2014	\$1.5481	\$0.0968	\$1.5841	\$0.0990
	April 2014	\$1.5544	\$0.0972	\$1.5904	\$0.0994
	May 2014	\$1.5736	\$0.0984	\$1.6096	\$0.1006
	June 2014	\$1.4244	\$0.0890	\$1.4604	\$0.0913
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
March 2014		\$19.24	\$2.0508	\$19.69	\$2.0553
April 2014		\$19.32	\$2.0304	\$19.77	\$2.0349
May 2014		\$19.55	\$2.2000	\$20.00	\$2.2045
June 2014		\$17.68	\$2.2566	\$18.13	\$2.2611

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.