

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

October 22, 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>	
<b>3.25%</b>	August 2014	\$2.1802	\$0.1363	\$2.2189	\$0.1387	
	September 2014	\$2.1571	\$0.1348	\$2.1958	\$0.1372	
	October 2014	\$2.1959	\$0.1372	\$2.2346	\$0.1397	
	November 2014	\$2.1835	\$0.1365	\$2.2222	\$0.1389	
<b>2.00%</b>	August 2014	\$1.9190	\$0.1199	\$1.9578	\$0.1224	
	September 2014	\$1.8829	\$0.1177	\$1.9217	\$0.1201	
	October 2014	\$1.8773	\$0.1173	\$1.9161	\$0.1198	
	November 2014	\$1.8557	\$0.1160	\$1.8945	\$0.1184	
<b>1.00%</b>	August 2014	\$1.7060	\$0.1066	\$1.7448	\$0.1091	
	September 2014	\$1.6595	\$0.1037	\$1.6983	\$0.1061	
	October 2014	\$1.6183	\$0.1011	\$1.6571	\$0.1036	
	November 2014	\$1.5895	\$0.0993	\$1.6282	\$0.1018	
<b>0.06%</b>	August 2014	\$1.5075	\$0.0942	\$1.5463	\$0.0966	
	September 2014	\$1.4512	\$0.0907	\$1.4900	\$0.0931	
	October 2014	\$1.3765	\$0.0860	\$1.4153	\$0.0885	
	November 2014	\$1.3407	\$0.0838	\$1.3795	\$0.0862	
<b><u>Chocolate Milk *</u></b>						
<b>3.25%</b>	August 2014	\$2.0281	\$0.1268	\$2.0641	\$0.1290	
	September 2014	\$2.0066	\$0.1254	\$2.0426	\$0.1277	
	October 2014	\$2.0427	\$0.1277	\$2.0787	\$0.1299	
	November 2014	\$2.0312	\$0.1269	\$2.0672	\$0.1292	
<b>1.00%</b>	August 2014	\$1.5833	\$0.0990	\$1.6193	\$0.1012	
	September 2014	\$1.5401	\$0.0963	\$1.5761	\$0.0985	
	October 2014	\$1.5019	\$0.0939	\$1.5379	\$0.0961	
	November 2014	\$1.4751	\$0.0922	\$1.5111	\$0.0944	
<b>0.06%</b>	August 2014	\$1.3975	\$0.0873	\$1.4335	\$0.0896	
	September 2014	\$1.3452	\$0.0841	\$1.3812	\$0.0863	
	October 2014	\$1.2760	\$0.0798	\$1.3120	\$0.0820	
	November 2014	\$1.2428	\$0.0777	\$1.2788	\$0.0799	
<b><u>Class I Prices</u></b>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		August 2014	\$17.32	\$2.6445	\$17.77	\$2.6490
		September 2014	\$16.66	\$2.7583	\$17.11	\$2.7628
		October 2014	\$15.77	\$3.1620	\$16.22	\$3.1665
		November 2014	\$15.35	\$3.2426	\$15.80	\$3.2471

**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.