

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

December 17, 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%	October 2014	\$2.1959	\$0.1372	\$2.2346	\$0.1397	
	November 2014	\$2.1835	\$0.1365	\$2.2222	\$0.1389	
	December 2014	\$2.0742	\$0.1296	\$2.1129	\$0.1321	
	January 2015	\$1.7339	\$0.1084	\$1.7726	\$0.1108	
2.00%	October 2014	\$1.8773	\$0.1173	\$1.9161	\$0.1198	
	November 2014	\$1.8557	\$0.1160	\$1.8945	\$0.1184	
	December 2014	\$1.8593	\$0.1162	\$1.8981	\$0.1186	
	January 2015	\$1.5154	\$0.0947	\$1.5542	\$0.0971	
1.00%	October 2014	\$1.6183	\$0.1011	\$1.6571	\$0.1036	
	November 2014	\$1.5895	\$0.0993	\$1.6282	\$0.1018	
	December 2014	\$1.6835	\$0.1052	\$1.7222	\$0.1076	
	January 2015	\$1.3374	\$0.0836	\$1.3762	\$0.0860	
0.06%	October 2014	\$1.3765	\$0.0860	\$1.4153	\$0.0885	
	November 2014	\$1.3407	\$0.0838	\$1.3795	\$0.0862	
	December 2014	\$1.5199	\$0.0950	\$1.5588	\$0.0974	
	January 2015	\$1.1714	\$0.0732	\$1.2103	\$0.0756	
<u>Chocolate Milk *</u>						
3.25%	October 2014	\$2.0427	\$0.1277	\$2.0787	\$0.1299	
	November 2014	\$2.0312	\$0.1269	\$2.0672	\$0.1292	
	December 2014	\$1.9295	\$0.1206	\$1.9655	\$0.1228	
	January 2015	\$1.6130	\$0.1008	\$1.6490	\$0.1031	
1.00%	October 2014	\$1.5019	\$0.0939	\$1.5379	\$0.0961	
	November 2014	\$1.4751	\$0.0922	\$1.5111	\$0.0944	
	December 2014	\$1.5624	\$0.0976	\$1.5984	\$0.0999	
	January 2015	\$1.2412	\$0.0776	\$1.2772	\$0.0798	
0.06%	October 2014	\$1.2760	\$0.0798	\$1.3120	\$0.0820	
	November 2014	\$1.2428	\$0.0777	\$1.2788	\$0.0799	
	December 2014	\$1.4090	\$0.0881	\$1.4450	\$0.0903	
	January 2015	\$1.0859	\$0.0679	\$1.1219	\$0.0701	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		October 2014	\$15.77	\$3.1620	\$16.22	\$3.1665
		November 2014	\$15.35	\$3.2426	\$15.80	\$3.2471
		December 2014	\$17.49	\$2.2145	\$17.94	\$2.2190
		January 2015	\$13.45	\$2.1997	\$13.90	\$2.2042

Conversion Factors

<u>White 3.25% Gal.</u>	<u>White 3.25% 1/2 Pint</u>	<u>White 2.00% Gal.</u>	<u>White 2.00% 1/2 Pint</u>	<u>White 1.00% Gal.</u>	<u>White 1.00% 1/2 Pint</u>	<u>White 0.06% Gal.</u>	<u>White 0.06% 1/2 Pint</u>
8.60	0.53750	8.62	0.53875	8.62	0.53875	8.63	0.539375
<u>Chocolate Gal.</u>	<u>Chocolate 1/2 Pint</u>						
8.00	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.