

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

March 18, 2015

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 2015 | \$1.7339 | \$0.1084 | \$1.7726 | \$0.1108 |
| | February 2015 | \$1.5432 | \$0.0964 | \$1.5819 | \$0.0989 |
| | March 2015 | \$1.4819 | \$0.0926 | \$1.5206 | \$0.0950 |
| | April 2015 | \$1.4757 | \$0.0922 | \$1.5144 | \$0.0946 |
| 2.00% | January 2015 | \$1.5154 | \$0.0947 | \$1.5542 | \$0.0971 |
| | February 2015 | \$1.3782 | \$0.0861 | \$1.4170 | \$0.0886 |
| | March 2015 | \$1.3016 | \$0.0814 | \$1.3404 | \$0.0838 |
| | April 2015 | \$1.2905 | \$0.0807 | \$1.3293 | \$0.0831 |
| 1.00% | January 2015 | \$1.3374 | \$0.0836 | \$1.3762 | \$0.0860 |
| | February 2015 | \$1.2434 | \$0.0777 | \$1.2822 | \$0.0801 |
| | March 2015 | \$1.1546 | \$0.0722 | \$1.1934 | \$0.0746 |
| | April 2015 | \$1.1396 | \$0.0712 | \$1.1784 | \$0.0736 |
| 0.06% | January 2015 | \$1.1714 | \$0.0732 | \$1.2103 | \$0.0756 |
| | February 2015 | \$1.1179 | \$0.0699 | \$1.1568 | \$0.0723 |
| | March 2015 | \$1.0177 | \$0.0636 | \$1.0565 | \$0.0660 |
| | April 2015 | \$0.9989 | \$0.0624 | \$1.0378 | \$0.0649 |
| <u>Chocolate Milk *</u> | | | | | |
| 3.25% | January 2015 | \$1.6130 | \$0.1008 | \$1.6490 | \$0.1031 |
| | February 2015 | \$1.4355 | \$0.0897 | \$1.4715 | \$0.0920 |
| | March 2015 | \$1.3785 | \$0.0862 | \$1.4145 | \$0.0884 |
| | April 2015 | \$1.3727 | \$0.0858 | \$1.4087 | \$0.0880 |
| 1.00% | January 2015 | \$1.2412 | \$0.0776 | \$1.2772 | \$0.0798 |
| | February 2015 | \$1.1539 | \$0.0721 | \$1.1899 | \$0.0744 |
| | March 2015 | \$1.0716 | \$0.0670 | \$1.1076 | \$0.0692 |
| | April 2015 | \$1.0576 | \$0.0661 | \$1.0936 | \$0.0684 |
| 0.06% | January 2015 | \$1.0859 | \$0.0679 | \$1.1219 | \$0.0701 |
| | February 2015 | \$1.0363 | \$0.0648 | \$1.0723 | \$0.0670 |
| | March 2015 | \$0.9434 | \$0.0590 | \$0.9794 | \$0.0612 |
| | April 2015 | \$0.9260 | \$0.0579 | \$0.9620 | \$0.0601 |
| <u>Class I Prices</u> | | <u>Skim</u> | <u>Butterfat</u> | <u>Skim</u> | <u>Butterfat</u> |
| January 2015 | | \$13.45 | \$2.1997 | \$13.90 | \$2.2042 |
| February 2015 | | \$12.86 | \$1.6929 | \$13.31 | \$1.6974 |
| March 2015 | | \$11.69 | \$1.8218 | \$12.14 | \$1.8263 |
| April 2015 | | \$11.47 | \$1.8652 | \$11.92 | \$1.8697 |

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.