

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

July 22, 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%	May 2015	\$1.5030	\$0.0939	\$1.5417	\$0.0964	
	June 2015	\$1.5271	\$0.0954	\$1.5658	\$0.0979	
	July 2015	\$1.5587	\$0.0974	\$1.5974	\$0.0998	
	August 2015	\$1.5365	\$0.0960	\$1.5752	\$0.0984	
2.00%	May 2015	\$1.3123	\$0.0820	\$1.3511	\$0.0844	
	June 2015	\$1.3222	\$0.0826	\$1.3610	\$0.0851	
	July 2015	\$1.3450	\$0.0841	\$1.3838	\$0.0865	
	August 2015	\$1.3200	\$0.0825	\$1.3588	\$0.0849	
1.00%	May 2015	\$1.1570	\$0.0723	\$1.1958	\$0.0747	
	June 2015	\$1.1555	\$0.0722	\$1.1942	\$0.0746	
	July 2015	\$1.1712	\$0.0732	\$1.2100	\$0.0756	
	August 2015	\$1.1440	\$0.0715	\$1.1828	\$0.0739	
0.06%	May 2015	\$1.0121	\$0.0633	\$1.0510	\$0.0657	
	June 2015	\$0.9999	\$0.0625	\$1.0387	\$0.0649	
	July 2015	\$1.0089	\$0.0631	\$1.0478	\$0.0655	
	August 2015	\$0.9797	\$0.0612	\$1.0186	\$0.0637	
<u>Chocolate Milk *</u>						
3.25%	May 2015	\$1.3981	\$0.0874	\$1.4341	\$0.0896	
	June 2015	\$1.4205	\$0.0888	\$1.4565	\$0.0910	
	July 2015	\$1.4500	\$0.0906	\$1.4860	\$0.0929	
	August 2015	\$1.4293	\$0.0893	\$1.4653	\$0.0916	
1.00%	May 2015	\$1.0738	\$0.0671	\$1.1098	\$0.0694	
	June 2015	\$1.0724	\$0.0670	\$1.1084	\$0.0693	
	July 2015	\$1.0869	\$0.0679	\$1.1229	\$0.0702	
	August 2015	\$1.0618	\$0.0664	\$1.0978	\$0.0686	
0.06%	May 2015	\$0.9382	\$0.0586	\$0.9742	\$0.0609	
	June 2015	\$0.9269	\$0.0579	\$0.9629	\$0.0602	
	July 2015	\$0.9353	\$0.0585	\$0.9713	\$0.0607	
	August 2015	\$0.9082	\$0.0568	\$0.9442	\$0.0590	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		May 2015	\$11.62	\$1.9182	\$12.07	\$1.9227
		June 2015	\$11.47	\$2.0491	\$11.92	\$2.0536
		July 2015	\$11.57	\$2.1325	\$12.02	\$2.1370
		August 2015	\$11.23	\$2.1542	\$11.68	\$2.1587

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.