

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

January 20, 2012

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%	November 2011	\$1.7284	\$0.1080	\$1.7671	\$0.1104
	December 2011	\$1.7284	\$0.1080	\$1.7671	\$0.1104
	January 2012	\$1.7626	\$0.1102	\$1.8013	\$0.1126
	February 2012	\$1.6107	\$0.1007	\$1.6494	\$0.1031
2.00%	November 2011	\$1.5389	\$0.0962	\$1.5777	\$0.0986
	December 2011	\$1.5276	\$0.0955	\$1.5664	\$0.0979
	January 2012	\$1.5935	\$0.0996	\$1.6322	\$0.1020
	February 2012	\$1.4417	\$0.0901	\$1.4805	\$0.0925
1.00%	November 2011	\$1.3841	\$0.0865	\$1.4228	\$0.0889
	December 2011	\$1.3638	\$0.0852	\$1.4026	\$0.0877
	January 2012	\$1.4549	\$0.0909	\$1.4937	\$0.0934
	February 2012	\$1.3036	\$0.0815	\$1.3424	\$0.0839
0.06%	November 2011	\$1.2399	\$0.0775	\$1.2788	\$0.0799
	December 2011	\$1.2111	\$0.0757	\$1.2500	\$0.0781
	January 2012	\$1.3261	\$0.0829	\$1.3650	\$0.0853
	February 2012	\$1.1751	\$0.0734	\$1.2139	\$0.0759
<u>Chocolate Milk *</u>					
3.25%	November 2011	\$1.6078	\$0.1005	\$1.6438	\$0.1027
	December 2011	\$1.6078	\$0.1005	\$1.6438	\$0.1027
	January 2012	\$1.6396	\$0.1025	\$1.6756	\$0.1047
	February 2012	\$1.4983	\$0.0936	\$1.5343	\$0.0959
1.00%	November 2011	\$1.2845	\$0.0803	\$1.3205	\$0.0825
	December 2011	\$1.2657	\$0.0791	\$1.3017	\$0.0814
	January 2012	\$1.3502	\$0.0844	\$1.3862	\$0.0866
	February 2012	\$1.2098	\$0.0756	\$1.2458	\$0.0779
0.06%	November 2011	\$1.1494	\$0.0718	\$1.1854	\$0.0741
	December 2011	\$1.1227	\$0.0702	\$1.1587	\$0.0724
	January 2012	\$1.2293	\$0.0768	\$1.2653	\$0.0791
	February 2012	\$1.0893	\$0.0681	\$1.1253	\$0.0703
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
November 2011		\$14.26	\$1.9389	\$14.71	\$1.9434
December 2011		\$13.92	\$2.0401	\$14.37	\$2.0446
January 2012		\$15.27	\$1.7605	\$15.72	\$1.7650
February 2012		\$13.52	\$1.7380	\$13.97	\$1.7425

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.