

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

December 19, 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%	October 2012	\$1.7641	\$0.1103	\$1.8028	\$0.1127	
	November 2012	\$1.9181	\$0.1199	\$1.9568	\$0.1223	
	December 2012	\$1.9782	\$0.1236	\$2.0169	\$0.1261	
	January 2013	\$1.7775	\$0.1111	\$1.8162	\$0.1135	
2.00%	October 2012	\$1.5659	\$0.0979	\$1.6046	\$0.1003	
	November 2012	\$1.7092	\$0.1068	\$1.7480	\$0.1093	
	December 2012	\$1.7749	\$0.1109	\$1.8136	\$0.1134	
	January 2013	\$1.6080	\$0.1005	\$1.6467	\$0.1029	
1.00%	October 2012	\$1.4040	\$0.0877	\$1.4428	\$0.0902	
	November 2012	\$1.5386	\$0.0962	\$1.5774	\$0.0986	
	December 2012	\$1.6085	\$0.1005	\$1.6473	\$0.1030	
	January 2013	\$1.4690	\$0.0918	\$1.5078	\$0.0942	
0.06%	October 2012	\$1.2533	\$0.0783	\$1.2921	\$0.0808	
	November 2012	\$1.3798	\$0.0862	\$1.4187	\$0.0887	
	December 2012	\$1.4538	\$0.0909	\$1.4926	\$0.0933	
	January 2013	\$1.3400	\$0.0837	\$1.3788	\$0.0862	
<u>Chocolate Milk *</u>						
3.25%	October 2012	\$1.6410	\$0.1026	\$1.6770	\$0.1048	
	November 2012	\$1.7842	\$0.1115	\$1.8202	\$0.1138	
	December 2012	\$1.8402	\$0.1150	\$1.8762	\$0.1173	
	January 2013	\$1.6535	\$0.1033	\$1.6895	\$0.1056	
1.00%	October 2012	\$1.3030	\$0.0814	\$1.3390	\$0.0837	
	November 2012	\$1.4280	\$0.0892	\$1.4640	\$0.0915	
	December 2012	\$1.4928	\$0.0933	\$1.5288	\$0.0956	
	January 2013	\$1.3634	\$0.0852	\$1.3994	\$0.0875	
0.06%	October 2012	\$1.1618	\$0.0726	\$1.1978	\$0.0749	
	November 2012	\$1.2791	\$0.0799	\$1.3151	\$0.0822	
	December 2012	\$1.3477	\$0.0842	\$1.3837	\$0.0865	
	January 2013	\$1.2421	\$0.0776	\$1.2781	\$0.0799	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		October 2012	\$14.41	\$2.0218	\$14.86	\$2.0263
		November 2012	\$15.87	\$2.1381	\$16.32	\$2.1426
		December 2012	\$16.73	\$2.0973	\$17.18	\$2.1018
		January 2013	\$15.43	\$1.7662	\$15.88	\$1.7707

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.