

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

February 21, 2013

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%	December 2012	\$1.9782	\$0.1236	\$2.0169	\$0.1261	
	January 2013	\$1.7775	\$0.1111	\$1.8162	\$0.1135	
	February 2013	\$1.7139	\$0.1071	\$1.7526	\$0.1095	
	March 2013	\$1.6786	\$0.1049	\$1.7173	\$0.1073	
2.00%	December 2012	\$1.7749	\$0.1109	\$1.8136	\$0.1134	
	January 2013	\$1.6080	\$0.1005	\$1.6467	\$0.1029	
	February 2013	\$1.5548	\$0.0972	\$1.5936	\$0.0996	
	March 2013	\$1.5175	\$0.0948	\$1.5563	\$0.0973	
1.00%	December 2012	\$1.6085	\$0.1005	\$1.6473	\$0.1030	
	January 2013	\$1.4690	\$0.0918	\$1.5078	\$0.0942	
	February 2013	\$1.4243	\$0.0890	\$1.4631	\$0.0914	
	March 2013	\$1.3854	\$0.0866	\$1.4242	\$0.0890	
0.06%	December 2012	\$1.4538	\$0.0909	\$1.4926	\$0.0933	
	January 2013	\$1.3400	\$0.0837	\$1.3788	\$0.0862	
	February 2013	\$1.3032	\$0.0815	\$1.3420	\$0.0839	
	March 2013	\$1.2627	\$0.0789	\$1.3016	\$0.0813	
<u>Chocolate Milk *</u>						
3.25%	December 2012	\$1.8402	\$0.1150	\$1.8762	\$0.1173	
	January 2013	\$1.6535	\$0.1033	\$1.6895	\$0.1056	
	February 2013	\$1.5943	\$0.0996	\$1.6303	\$0.1019	
	March 2013	\$1.5615	\$0.0976	\$1.5975	\$0.0998	
1.00%	December 2012	\$1.4928	\$0.0933	\$1.5288	\$0.0956	
	January 2013	\$1.3634	\$0.0852	\$1.3994	\$0.0875	
	February 2013	\$1.3219	\$0.0826	\$1.3579	\$0.0849	
	March 2013	\$1.2858	\$0.0804	\$1.3218	\$0.0826	
0.06%	December 2012	\$1.3477	\$0.0842	\$1.3837	\$0.0865	
	January 2013	\$1.2421	\$0.0776	\$1.2781	\$0.0799	
	February 2013	\$1.2081	\$0.0755	\$1.2441	\$0.0778	
	March 2013	\$1.1706	\$0.0732	\$1.2066	\$0.0754	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		December 2012	\$16.73	\$2.0973	\$17.18	\$2.1018
		January 2013	\$15.43	\$1.7662	\$15.88	\$1.7707
		February 2013	\$15.01	\$1.6637	\$15.46	\$1.6682
		March 2013	\$14.54	\$1.6774	\$14.99	\$1.6819

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.