

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

September 18, 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%	July 2013	\$1.7735	\$0.1108	\$1.8122	\$0.1133	
	August 2013	\$1.7727	\$0.1108	\$1.8114	\$0.1132	
	September 2013	\$1.7981	\$0.1124	\$1.8368	\$0.1148	
	October 2013	\$1.8029	\$0.1127	\$1.8416	\$0.1151	
2.00%	July 2013	\$1.6111	\$0.1007	\$1.6499	\$0.1031	
	August 2013	\$1.6196	\$0.1012	\$1.6584	\$0.1036	
	September 2013	\$1.6515	\$0.1032	\$1.6903	\$0.1056	
	October 2013	\$1.6640	\$0.1040	\$1.7028	\$0.1064	
1.00%	July 2013	\$1.4779	\$0.0924	\$1.5167	\$0.0948	
	August 2013	\$1.4938	\$0.0934	\$1.5326	\$0.0958	
	September 2013	\$1.5309	\$0.0957	\$1.5697	\$0.0981	
	October 2013	\$1.5496	\$0.0969	\$1.5884	\$0.0993	
0.06%	July 2013	\$1.3543	\$0.0846	\$1.3931	\$0.0871	
	August 2013	\$1.3771	\$0.0861	\$1.4160	\$0.0885	
	September 2013	\$1.4191	\$0.0887	\$1.4579	\$0.0911	
	October 2013	\$1.4438	\$0.0902	\$1.4826	\$0.0927	
<u>Chocolate Milk *</u>						
3.25%	July 2013	\$1.6498	\$0.1031	\$1.6858	\$0.1054	
	August 2013	\$1.6490	\$0.1031	\$1.6850	\$0.1053	
	September 2013	\$1.6726	\$0.1045	\$1.7086	\$0.1068	
	October 2013	\$1.6771	\$0.1048	\$1.7131	\$0.1071	
1.00%	July 2013	\$1.3716	\$0.0857	\$1.4076	\$0.0880	
	August 2013	\$1.3863	\$0.0866	\$1.4223	\$0.0889	
	September 2013	\$1.4208	\$0.0888	\$1.4568	\$0.0910	
	October 2013	\$1.4382	\$0.0899	\$1.4742	\$0.0921	
0.06%	July 2013	\$1.2554	\$0.0785	\$1.2914	\$0.0807	
	August 2013	\$1.2766	\$0.0798	\$1.3126	\$0.0820	
	September 2013	\$1.3155	\$0.0822	\$1.3515	\$0.0845	
	October 2013	\$1.3384	\$0.0836	\$1.3744	\$0.0859	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		July 2013	\$15.60	\$1.7013	\$16.05	\$1.7058
		August 2013	\$15.87	\$1.6179	\$16.32	\$1.6224
		September 2013	\$16.36	\$1.5630	\$16.81	\$1.5675
		October 2013	\$16.65	\$1.4937	\$17.10	\$1.4982

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.