

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

February 20, 2014

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 2013 | \$1.9013 | \$0.1188 | \$1.9400 | \$0.1212 |
| | January 2014 | \$1.9933 | \$0.1246 | \$2.0320 | \$0.1270 |
| | February 2014 | \$2.0407 | \$0.1275 | \$2.0794 | \$0.1300 |
| | March 2014 | \$2.1741 | \$0.1359 | \$2.2128 | \$0.1383 |
| 2.00% | December 2013 | \$1.7499 | \$0.1094 | \$1.7887 | \$0.1118 |
| | January 2014 | \$1.8233 | \$0.1140 | \$1.8621 | \$0.1164 |
| | February 2014 | \$1.8777 | \$0.1174 | \$1.9165 | \$0.1198 |
| | March 2014 | \$1.9789 | \$0.1237 | \$2.0177 | \$0.1261 |
| 1.00% | December 2013 | \$1.6253 | \$0.1016 | \$1.6641 | \$0.1040 |
| | January 2014 | \$1.6836 | \$0.1052 | \$1.7224 | \$0.1076 |
| | February 2014 | \$1.7436 | \$0.1090 | \$1.7823 | \$0.1114 |
| | March 2014 | \$1.8187 | \$0.1137 | \$1.8575 | \$0.1161 |
| 0.06% | December 2013 | \$1.5100 | \$0.0944 | \$1.5488 | \$0.0968 |
| | January 2014 | \$1.5540 | \$0.0971 | \$1.5929 | \$0.0996 |
| | February 2014 | \$1.6193 | \$0.1012 | \$1.6581 | \$0.1036 |
| | March 2014 | \$1.6700 | \$0.1044 | \$1.7089 | \$0.1068 |
| <u>Chocolate Milk *</u> | | | | | |
| 3.25% | December 2013 | \$1.7686 | \$0.1105 | \$1.8046 | \$0.1128 |
| | January 2014 | \$1.8543 | \$0.1159 | \$1.8903 | \$0.1181 |
| | February 2014 | \$1.8984 | \$0.1186 | \$1.9344 | \$0.1209 |
| | March 2014 | \$2.0224 | \$0.1264 | \$2.0584 | \$0.1286 |
| 1.00% | December 2013 | \$1.5084 | \$0.0943 | \$1.5444 | \$0.0965 |
| | January 2014 | \$1.5625 | \$0.0977 | \$1.5985 | \$0.0999 |
| | February 2014 | \$1.6181 | \$0.1011 | \$1.6541 | \$0.1034 |
| | March 2014 | \$1.6879 | \$0.1055 | \$1.7239 | \$0.1077 |
| 0.06% | December 2013 | \$1.3997 | \$0.0875 | \$1.4357 | \$0.0897 |
| | January 2014 | \$1.4406 | \$0.0900 | \$1.4766 | \$0.0923 |
| | February 2014 | \$1.5011 | \$0.0938 | \$1.5371 | \$0.0961 |
| | March 2014 | \$1.5481 | \$0.0968 | \$1.5841 | \$0.0990 |
| <u>Class I Prices</u> | | <u>Skim</u> | <u>Butterfat</u> | <u>Skim</u> | <u>Butterfat</u> |
| December 2013 | | \$17.41 | \$1.6196 | \$17.86 | \$1.6241 |
| January 2014 | | \$17.91 | \$1.8001 | \$18.36 | \$1.8046 |
| February 2014 | | \$18.67 | \$1.7435 | \$19.12 | \$1.7480 |
| March 2014 | | \$19.24 | \$2.0508 | \$19.69 | \$2.0553 |

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.