

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

June 18, 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%	April 2014	\$2.1750	\$0.1359	\$2.2137	\$0.1384	
	May 2014	\$2.2416	\$0.1401	\$2.2803	\$0.1425	
	June 2014	\$2.1018	\$0.1314	\$2.1405	\$0.1338	
	July 2014	\$2.1108	\$0.1319	\$2.1495	\$0.1343	
2.00%	April 2014	\$1.9821	\$0.1239	\$2.0209	\$0.1263	
	May 2014	\$2.0308	\$0.1269	\$2.0696	\$0.1293	
	June 2014	\$1.8826	\$0.1177	\$1.9214	\$0.1201	
	July 2014	\$1.8693	\$0.1168	\$1.9081	\$0.1193	
1.00%	April 2014	\$1.8238	\$0.1140	\$1.8625	\$0.1164	
	May 2014	\$1.8580	\$0.1161	\$1.8968	\$0.1185	
	June 2014	\$1.7033	\$0.1065	\$1.7421	\$0.1089	
	July 2014	\$1.6721	\$0.1045	\$1.7109	\$0.1069	
0.06%	April 2014	\$1.6768	\$0.1048	\$1.7157	\$0.1072	
	May 2014	\$1.6975	\$0.1061	\$1.7364	\$0.1085	
	June 2014	\$1.5366	\$0.0960	\$1.5754	\$0.0985	
	July 2014	\$1.4884	\$0.0930	\$1.5273	\$0.0955	
<u>Chocolate Milk *</u>						
3.25%	April 2014	\$2.0233	\$0.1265	\$2.0593	\$0.1287	
	May 2014	\$2.0852	\$0.1303	\$2.1212	\$0.1326	
	June 2014	\$1.9551	\$0.1222	\$1.9911	\$0.1244	
	July 2014	\$1.9636	\$0.1227	\$1.9996	\$0.1250	
1.00%	April 2014	\$1.6926	\$0.1058	\$1.7286	\$0.1080	
	May 2014	\$1.7244	\$0.1078	\$1.7604	\$0.1100	
	June 2014	\$1.5808	\$0.0988	\$1.6168	\$0.1010	
	July 2014	\$1.5518	\$0.0970	\$1.5878	\$0.0992	
0.06%	April 2014	\$1.5544	\$0.0972	\$1.5904	\$0.0994	
	May 2014	\$1.5736	\$0.0984	\$1.6096	\$0.1006	
	June 2014	\$1.4244	\$0.0890	\$1.4604	\$0.0913	
	July 2014	\$1.3798	\$0.0862	\$1.4158	\$0.0885	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		April 2014	\$19.32	\$2.0304	\$19.77	\$2.0349
		May 2014	\$19.55	\$2.2000	\$20.00	\$2.2045
		June 2014	\$17.68	\$2.2566	\$18.13	\$2.2611
		July 2014	\$17.11	\$2.4587	\$17.56	\$2.4632

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.