

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

August 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%	June 2014	\$2.1018	\$0.1314	\$2.1405	\$0.1338	
	July 2014	\$2.1108	\$0.1319	\$2.1495	\$0.1343	
	August 2014	\$2.1802	\$0.1363	\$2.2189	\$0.1387	
	September 2014	\$2.1571	\$0.1348	\$2.1958	\$0.1372	
2.00%	June 2014	\$1.8826	\$0.1177	\$1.9214	\$0.1201	
	July 2014	\$1.8693	\$0.1168	\$1.9081	\$0.1193	
	August 2014	\$1.9190	\$0.1199	\$1.9578	\$0.1224	
	September 2014	\$1.8829	\$0.1177	\$1.9217	\$0.1201	
1.00%	June 2014	\$1.7033	\$0.1065	\$1.7421	\$0.1089	
	July 2014	\$1.6721	\$0.1045	\$1.7109	\$0.1069	
	August 2014	\$1.7060	\$0.1066	\$1.7448	\$0.1091	
	September 2014	\$1.6595	\$0.1037	\$1.6983	\$0.1061	
0.06%	June 2014	\$1.5366	\$0.0960	\$1.5754	\$0.0985	
	July 2014	\$1.4884	\$0.0930	\$1.5273	\$0.0955	
	August 2014	\$1.5075	\$0.0942	\$1.5463	\$0.0966	
	September 2014	\$1.4512	\$0.0907	\$1.4900	\$0.0931	
<u>Chocolate Milk *</u>						
3.25%	June 2014	\$1.9551	\$0.1222	\$1.9911	\$0.1244	
	July 2014	\$1.9636	\$0.1227	\$1.9996	\$0.1250	
	August 2014	\$2.0281	\$0.1268	\$2.0641	\$0.1290	
	September 2014	\$2.0066	\$0.1254	\$2.0426	\$0.1277	
1.00%	June 2014	\$1.5808	\$0.0988	\$1.6168	\$0.1010	
	July 2014	\$1.5518	\$0.0970	\$1.5878	\$0.0992	
	August 2014	\$1.5833	\$0.0990	\$1.6193	\$0.1012	
	September 2014	\$1.5401	\$0.0963	\$1.5761	\$0.0985	
0.06%	June 2014	\$1.4244	\$0.0890	\$1.4604	\$0.0913	
	July 2014	\$1.3798	\$0.0862	\$1.4158	\$0.0885	
	August 2014	\$1.3975	\$0.0873	\$1.4335	\$0.0896	
	September 2014	\$1.3452	\$0.0841	\$1.3812	\$0.0863	
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	
		June 2014	\$17.68	\$2.2566	\$18.13	\$2.2611
		July 2014	\$17.11	\$2.4587	\$17.56	\$2.4632
		August 2014	\$17.32	\$2.6445	\$17.77	\$2.6490
		September 2014	\$16.66	\$2.7583	\$17.11	\$2.7628

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.