

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

February 19, 2015

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 2014	\$2.0742	\$0.1296	\$2.1129	\$0.1321
	January 2015	\$1.7339	\$0.1084	\$1.7726	\$0.1108
	February 2015	\$1.5432	\$0.0964	\$1.5819	\$0.0989
	March 2015	\$1.4819	\$0.0926	\$1.5206	\$0.0950
2.00%	December 2014	\$1.8593	\$0.1162	\$1.8981	\$0.1186
	January 2015	\$1.5154	\$0.0947	\$1.5542	\$0.0971
	February 2015	\$1.3782	\$0.0861	\$1.4170	\$0.0886
	March 2015	\$1.3016	\$0.0814	\$1.3404	\$0.0838
1.00%	December 2014	\$1.6835	\$0.1052	\$1.7222	\$0.1076
	January 2015	\$1.3374	\$0.0836	\$1.3762	\$0.0860
	February 2015	\$1.2434	\$0.0777	\$1.2822	\$0.0801
	March 2015	\$1.1546	\$0.0722	\$1.1934	\$0.0746
0.06%	December 2014	\$1.5199	\$0.0950	\$1.5588	\$0.0974
	January 2015	\$1.1714	\$0.0732	\$1.2103	\$0.0756
	February 2015	\$1.1179	\$0.0699	\$1.1568	\$0.0723
	March 2015	\$1.0177	\$0.0636	\$1.0565	\$0.0660
<u>Chocolate Milk *</u>					
3.25%	December 2014	\$1.9295	\$0.1206	\$1.9655	\$0.1228
	January 2015	\$1.6130	\$0.1008	\$1.6490	\$0.1031
	February 2015	\$1.4355	\$0.0897	\$1.4715	\$0.0920
	March 2015	\$1.3785	\$0.0862	\$1.4145	\$0.0884
1.00%	December 2014	\$1.5624	\$0.0976	\$1.5984	\$0.0999
	January 2015	\$1.2412	\$0.0776	\$1.2772	\$0.0798
	February 2015	\$1.1539	\$0.0721	\$1.1899	\$0.0744
	March 2015	\$1.0716	\$0.0670	\$1.1076	\$0.0692
0.06%	December 2014	\$1.4090	\$0.0881	\$1.4450	\$0.0903
	January 2015	\$1.0859	\$0.0679	\$1.1219	\$0.0701
	February 2015	\$1.0363	\$0.0648	\$1.0723	\$0.0670
	March 2015	\$0.9434	\$0.0590	\$0.9794	\$0.0612
<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
December 2014		\$17.49	\$2.2145	\$17.94	\$2.2190
January 2015		\$13.45	\$2.1997	\$13.90	\$2.2042
February 2015		\$12.86	\$1.6929	\$13.31	\$1.6974
March 2015		\$11.69	\$1.8218	\$12.14	\$1.8263

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.