



Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1

Northeast Marketing Area

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ANNOUNCEMENT OF CLASS AND COMPONENT PRICES

	<u>August 2002</u>	
	<u>dollars</u>	
Class I price @ <i>Suffolk County, MA (Boston)</i> at 3.5% butterfat ^{1/}	13.73	per hundredweight
Processor Assessment ^{1/2/}	<u>0.20</u>	per hundredweight
Total Class I price ^{1/}	13.93	per hundredweight
Class II price @ 3.5 % butterfat	11.07	per hundredweight
Class II butterfat price	1.0771	per pound
Class II skim price ^{1/}	7.56	per hundredweight
Class II nonfat solids price ^{1/}	0.8400	per pound
Class III price @ 3.5 % butterfat	9.54	per hundredweight
Class III skim price	6.00	per hundredweight
Class IV price @ 3.5 % butterfat	10.41	per hundredweight
Class IV skim milk price	6.91	per hundredweight
Component prices:		
Butterfat price	1.0701	per pound
Nonfat solids price	0.7674	per pound
Protein price	1.9021	per pound
Other solids price	0.0177	per pound

Product price monthly averages:	<u>dollars</u>	
Butter	<u>0.9925</u>	per pound
Nonfat dry milk	0.9074	per pound
Cheese	1.1189	per pound
Dry whey	0.1571	per pound

Estimated Utilization Percentages of Producer Milk for September 2002^{3/}

	<u>Class I</u>	<u>Class II, III and IV</u>
Butterfat	24	76
Skim Milk	45	55

^{1/} Previously announced in *Announcement of Class I Price and Advanced Pricing Factors*.

^{2/} The processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 *et seq.*).

^{3/} Utilization percentages for assigning bulk receipts at pool distributing plants from other federal order markets, Section 1000.45(a) of the Order.

* **These prices were computed using the formulas in the U.S. District Court's preliminary injunction order dated January 31, 2001.**

Note: Price formulas are available at www.ams.usda.gov/dairy/price_formula.htm.

(Class I prices by location and Regional Milk Production Costs on reverse side)

AUGUST 2002
Class I Price Information for the Northeast Order

Selected locations	Differential*	Adjustment	Prices		
			Skim	Butterfat	Class I#
			per cwt.	per pound	per cwt.
Class I Mover Factor:			6.86	1.1022	10.48
Boston, MA	3.25	0.00	10.11	1.1347	13.73
Newport News/Portsmouth, VA	3.20	(0.05)	10.06	1.1342	13.68
New York, NY	3.15	(0.10)	10.01	1.1337	13.63
Long Valley, NJ	3.10	(0.15)	9.96	1.1332	13.58
Philadelphia, PA	3.05	(0.20)	9.91	1.1327	13.53
Agawam, MA/Baltimore, MD	3.00	(0.25)	9.86	1.1322	13.48
Frederick, MD/New Holland, PA	2.90	(0.35)	9.76	1.1312	13.38
Mt. Holly Springs, PA	2.80	(0.45)	9.66	1.1302	13.28
Albany/Binghamton, NY	2.70	(0.55)	9.56	1.1292	13.18
Middlebury, VT	2.60	(0.65)	9.46	1.1282	13.08
Syracuse, NY	2.50	(0.75)	9.36	1.1272	12.98
St. Albans/Swanton, VT	2.40	(0.85)	9.26	1.1262	12.88
Watertown/Rochester, NY	2.30	(0.95)	9.16	1.1252	12.78
Buffalo, NY	2.20	(1.05)	9.06	1.1242	12.68
Jamestown, NY	2.10	(1.15)	8.96	1.1232	12.58

* Differentials listed apply to states included in the Northeast marketing area. Outside of this area, differentials may be above or below this range. Cities listed are for reference purposes only. Differentials apply on a county basis.

Price at 3.5% butterfat. Does not include the 20 cent per hundredweight processor assessment, an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.).

Regional Milk Production Costs

USDA's Economic Research Service (ERS) has discontinued calculating estimated monthly Cost of Production (COP) for milk effective with data provided on 5/31/02. ERS has recently developed a new approach for computing milk COP estimates using data from the 2000 Agricultural Resource Management Study of dairy farmers. This COP information can be found at www.ers.usda.gov/data/costsandreturns/testpick.htm under the "milk" selection. For additional information contact Sara Short (202) 694-5588, Jim Johnson (202) 694-5560, or Bill McBride (202) 694-5577.