



Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1

Northeast Marketing Area

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ANNOUNCEMENT OF CLASS AND COMPONENT PRICES

	<u>September 2002</u>	
	<u>dollars</u>	
Class I price @ Suffolk County, MA (Boston) at 3.5% butterfat ^{1/}	13.71	per hundredweight
Processor Assessment ^{1/2/}	0.20	per hundredweight
Total Class I price ^{1/}	13.91	per hundredweight
Class II price @ 3.5 % butterfat	10.91	per hundredweight
Class II butterfat price	1.0169	per pound
Class II skim price ^{1/}	7.62	per hundredweight
Class II nonfat solids price ^{1/}	0.8467	per pound
Class III price @ 3.5 % butterfat	9.92	per hundredweight
Class III skim price	6.62	per hundredweight
Class IV price @ 3.5 % butterfat	10.22	per hundredweight
Class IV skim milk price	6.93	per hundredweight
Component prices:		
Butterfat price	1.0099	per pound
Nonfat solids price	0.7696	per pound
Protein price	2.0646	per pound
Other solids price	0.0367	per pound

Product price monthly averages:	<u>dollars</u>	
Butter	0.9431	per pound
Nonfat dry milk	0.9096	per pound
Cheese	1.1438	per pound
Dry whey	0.1755	per pound

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

	<u>Class I</u>	<u>Class II, III and IV</u>
Butterfat	25	75
Skim Milk	47	53

^{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.). The Order requires that all persons who process and market commercially more than 3,000,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous states and District of Columbia on a monthly basis, excluding those fluid milk products delivered to a residence of a consumer, be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

^{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)

SEPTEMBER 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:			6.92	1.0805	10.46
Boston, MA	3.25	0.00	10.17	1.1130	13.71
Newport News/Portsmouth, VA	3.20	(0.05)	10.12	1.1125	13.66
New York, NY	3.15	(0.10)	10.07	1.1120	13.61
Long Valley, NJ	3.10	(0.15)	10.02	1.1115	13.56
Philadelphia, PA	3.05	(0.20)	9.97	1.1110	13.51
Agawam, MA/Baltimore, MD	3.00	(0.25)	9.92	1.1105	13.46
Frederick, MD/New Holland, PA	2.90	(0.35)	9.82	1.1095	13.36
Mt. Holly Springs, PA	2.80	(0.45)	9.72	1.1085	13.26
Albany/Binghamton, NY	2.70	(0.55)	9.62	1.1075	13.16
Middlebury, VT	2.60	(0.65)	9.52	1.1065	13.06
Syracuse, NY	2.50	(0.75)	9.42	1.1055	12.96
St. Albans/Swanton, VT	2.40	(0.85)	9.32	1.1045	12.86
Watertown/Rochester, NY	2.30	(0.95)	9.22	1.1035	12.76
Buffalo, NY	2.20	(1.05)	9.12	1.1025	12.66
Jamestown, NY	2.10	(1.15)	9.02	1.1015	12.56

* 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.