



Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1

Northeast Marketing Area

89 South Street, Boston, MA 02111-2671

Mailing Address:

P.O. Box 51478

Boston, MA 02205-1478

Tel.: (617) 737-7199 — Fax: (617) 737-8002

email: MABoston@fedmilk1.com

website: www.fmmone.com

Albany:
One Columbia Circle
Albany, NY 12203-6379
Tel.: (518) 452-4410
Fax: (518) 464-6468
email: MAAlbany@fedmilk1.com

Alexandria:
P.O. Box 25828
Alexandria, VA 22313-5828
Tel.: (703) 549-7000
Fax: (703) 549-7003
email: MAAlexandria@fedmilk1.com

ANNOUNCEMENT OF CLASS AND COMPONENT PRICES

	<u>July 2003</u>	
	<u>dollars</u>	
Class I price @ Suffolk County, MA (Boston) at 3.5% butterfat ^{1/}	13.02	per hundredweight
Processor Assessment ^{1/ 2/}	0.20	per hundredweight
Total Class I price ^{1/}	13.22	per hundredweight
Class II price @ 3.5 % butterfat	10.63	per hundredweight
Class II butterfat price	1.2125	per pound
Class II skim price ^{1/}	6.62	per hundredweight
Class II nonfat solids price ^{1/}	0.7356	per pound
Class III price @ 3.5 % butterfat	11.78	per hundredweight
Class III skim price	7.83	per hundredweight
Class IV price @ 3.5 % butterfat	9.95	per hundredweight
Class IV skim milk price	5.94	per hundredweight
Component prices:		
Butterfat price	1.2055	per pound
Nonfat solids price	0.6605	per pound
Protein price	2.5480	per pound
Other solids price	(0.0124)	per pound

Product price monthly averages:	<u>dollars</u>	
Butter	1.1196	per pound
Nonfat dry milk	0.8072	per pound
Cheese	1.3497	per pound
Dry whey	0.1470	per pound

Estimated Utilization Percentages of Producer Milk for August 2003^{3/}

	<u>Class I</u>	<u>Class II, III and IV</u>
Butterfat	24	76
Skim Milk	44	56

^{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.

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

(Class I prices by location on reverse side)

Erik F. Rasmussen
Market Administrator

July 2003
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:			5.92	1.1590	9.77
Boston, MA	3.25	0.00	9.17	1.1915	13.02
Newport News/Portsmouth, VA	3.20	(0.05)	9.12	1.1910	12.97
New York, NY	3.15	(0.10)	9.07	1.1905	12.92
Long Valley, NJ	3.10	(0.15)	9.02	1.1900	12.87
Philadelphia, PA	3.05	(0.20)	8.97	1.1895	12.82
Agawam, MA/Baltimore, MD	3.00	(0.25)	8.92	1.1890	12.77
Frederick, MD/New Holland, PA	2.90	(0.35)	8.82	1.1880	12.67
Mt. Holly Springs, PA	2.80	(0.45)	8.72	1.1870	12.57
Albany/Binghamton, NY	2.70	(0.55)	8.62	1.1860	12.47
Middlebury, VT	2.60	(0.65)	8.52	1.1850	12.37
Syracuse, NY	2.50	(0.75)	8.42	1.1840	12.27
St. Albans/Swanton, VT	2.40	(0.85)	8.32	1.1830	12.17
Watertown/Rochester, NY	2.30	(0.95)	8.22	1.1820	12.07
Buffalo, NY	2.20	(1.05)	8.12	1.1810	11.97
Jamestown, NY	2.10	(1.15)	8.02	1.1800	11.87

* 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.