



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 2003</u>	
	<u>dollars</u>	
Class I price @ Suffolk County, MA (Boston) at 3.5% butterfat ^{1/}	14.22	per hundredweight
Processor Assessment ^{1/ 2/}	<u>0.20</u>	per hundredweight
Total Class I price ^{1/}	14.42	per hundredweight
Class II price @ 3.5 % butterfat	10.81	per hundredweight
Class II butterfat price	1.2584	per pound
Class II skim price ^{1/}	6.64	per hundredweight
Class II nonfat solids price ^{1/}	0.7378	per pound
Class III price @ 3.5 % butterfat	13.80	per hundredweight
Class III skim price	9.76	per hundredweight
Class IV price @ 3.5 % butterfat	10.14	per hundredweight
Class IV skim milk price	5.97	per hundredweight
Component prices:		
Butterfat price	1.2514	per pound
Nonfat solids price	0.6638	per pound
Protein price	3.1438	per pound
Other solids price	0.0026	per pound

Product price monthly averages:	<u>dollars</u>	
Butter	1.1578	per pound
Nonfat dry milk	0.8105	per pound
Cheese	1.5496	per pound
Dry whey	0.1615	per pound

Estimated Utilization Percentages of Producer Milk for September 2003^{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.

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

(Class I prices by location on reverse side)

August 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:			7.07	1.1854	10.97
Boston, MA	3.25	0.00	10.32	1.2179	14.22
Newport News/Portsmouth, VA	3.20	(0.05)	10.27	1.2174	14.17
New York, NY	3.15	(0.10)	10.22	1.2169	14.12
Long Valley, NJ	3.10	(0.15)	10.17	1.2164	14.07
Philadelphia, PA	3.05	(0.20)	10.12	1.2159	14.02
Agawam, MA/Baltimore, MD	3.00	(0.25)	10.07	1.2154	13.97
Frederick, MD/New Holland, PA	2.90	(0.35)	9.97	1.2144	13.87
Mt. Holly Springs, PA	2.80	(0.45)	9.87	1.2134	13.77
Albany/Binghamton, NY	2.70	(0.55)	9.77	1.2124	13.67
Middlebury, VT	2.60	(0.65)	9.67	1.2114	13.57
Syracuse, NY	2.50	(0.75)	9.57	1.2104	13.47
St. Albans/Swanton, VT	2.40	(0.85)	9.47	1.2094	13.37
Watertown/Rochester, NY	2.30	(0.95)	9.37	1.2084	13.27
Buffalo, NY	2.20	(1.05)	9.27	1.2074	13.17
Jamestown, NY	2.10	(1.15)	9.17	1.2064	13.07

* 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.