

NORTHEAST ORDER UNIFORM PRICE FOR AUGUST 2017

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Erik F. Rasmussen, Market Administrator for the Northeast Federal Milk Marketing Order, has announced that the statistical uniform price (SUP) paid by milk dealers (handlers) regulated under the Northeast Order during August 2017 is \$18.33 per hundredweight (\$1.58 per gallon) for milk delivered to plants located in Suffolk County, MA (Boston). The producer price differential (PPD) portion of the SUP for August is \$1.76 per hundredweight for milk delivered to plants located in Suffolk County, MA. The PPD (\$1.76) combined with the corresponding month's Class III price (\$16.57) equals the SUP (\$18.33).

The SUP represents a benchmark minimum price paid to dairy farmers, prior to allowable deductions, for farm milk containing of 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. The actual price received by an individual dairy farmer will vary as the composition of a farm's milk differs from the component benchmarks. The PPD represents each producer's share of the value generated by the marketwide pool. The PPD is added to the payment producers receive for their milk's components and is adjusted for the location of the receiving plant(s). The SUP and PPD decrease by scheduled amounts the further away the plant(s) receiving the producers' milk are from Suffolk County, MA (Boston). *

The Class prices for milk pooled in August are as follows: Class I, \$19.97 (Suffolk County, MA); Class II, \$17.56; Class III, \$16.57; and Class IV, \$16.61. Comparable prices for August 2016 were: Class I \$18.32, Class II \$15.21, Class III \$16.91, and Class IV price \$14.65. The component values for August 2017 are protein, \$1.5536 per pound; butterfat, \$3.0109 per pound; other solids, \$0.2425 per pound; and nonfat solids, \$0.6984 per pound.

Milk receipts from producers totaled 2.274 billion pounds. Class I utilization, milk processed as beverage milk, was 31.6 percent of producer milk receipts. The Class I utilization was 31.7 percent in August 2016.

The manufacture of Class II products such as cream, ice cream, yogurt, and cottage cheese utilized 25.9 percent of producer milk. Milk used to manufacture Class III products such as cheese (American and Italian) and evaporated and condensed products utilized 27.4 percent of total milk receipts. Class IV usage (butter, nonfat and whole milk powder) equaled 15.1 percent of the total.