

**United States Department of Agriculture
Agricultural Marketing Service
Dairy Programs
Milk Market Administrator
Federal Orders 124, 131, & 135**

Ex. 62

December 19, 2003

Federal Order Minimum Cost for Selected Products/Containers

Value reflects Federal order minimum cost of raw skim and butterfat in milk products at the base zone of each order and effect of Processor Assessment (See Note 1). Not included in these costs are the expenses of standardization, pasteurization, processing, packaging, labor, delivery, etc.

<u>White Milk</u>		<u>FO 124</u>		<u>FO 135</u>		<u>FO 131</u>	
		<u>Gallons</u>	<u>Half Pints</u>	<u>Gallons</u>	<u>Half Pints</u>	<u>Gallons</u>	<u>Half Pints</u>
3.25%	October 2003	\$1.3840	\$0.0865	\$1.3840	\$0.0866	\$1.4227	\$0.0889
	November 2003	\$1.3912	\$0.0870	\$1.3912	\$0.0870	\$1.4299	\$0.0894
	December 2003	\$1.3456	\$0.0841	\$1.3456	\$0.0841	\$1.3843	\$0.0865
	January 2004	\$1.1726	\$0.0733	\$1.1726	\$0.0733	\$1.2113	\$0.0757
2.00%	October 2003	\$1.2691	\$0.0793	\$1.2691	\$0.0793	\$1.3079	\$0.0817
	November 2003	\$1.2702	\$0.0794	\$1.2702	\$0.0794	\$1.3090	\$0.0818
	December 2003	\$1.2212	\$0.0763	\$1.2212	\$0.0763	\$1.2600	\$0.0788
	January 2004	\$1.0402	\$0.0650	\$1.0402	\$0.0650	\$1.0790	\$0.0674
1.00%	October 2003	\$1.1746	\$0.0734	\$1.1746	\$0.0734	\$1.2134	\$0.0758
	November 2003	\$1.1709	\$0.0732	\$1.1709	\$0.0732	\$1.2096	\$0.0756
	December 2003	\$1.1192	\$0.0699	\$1.1192	\$0.0699	\$1.1680	\$0.0724
	January 2004	\$0.9321	\$0.0583	\$0.9321	\$0.0583	\$0.9709	\$0.0607
0.06%	October 2003	\$1.0870	\$0.0679	\$1.0870	\$0.0679	\$1.1259	\$0.0704
	November 2003	\$1.0787	\$0.0674	\$1.0787	\$0.0674	\$1.1175	\$0.0698
	December 2003	\$1.0245	\$0.0640	\$1.0245	\$0.0640	\$1.0633	\$0.0665
	January 2004	\$0.8315	\$0.0520	\$0.8315	\$0.0520	\$0.8704	\$0.0544
<u>Chocolate Milk *</u>							
3.25%	October 2003	\$1.2876	\$0.0805	\$1.2875	\$0.0805	\$1.3235	\$0.0827
	November 2003	\$1.2942	\$0.0809	\$1.2942	\$0.0809	\$1.3302	\$0.0831
	December 2003	\$1.2517	\$0.0782	\$1.2517	\$0.0782	\$1.2877	\$0.0805
	January 2004	\$1.0908	\$0.0682	\$1.0908	\$0.0682	\$1.1268	\$0.0704
1.00%	October 2003	\$1.0901	\$0.0681	\$1.0901	\$0.0681	\$1.1261	\$0.0704
	November 2003	\$1.0866	\$0.0679	\$1.0866	\$0.0679	\$1.1226	\$0.0702
	December 2003	\$1.0387	\$0.0649	\$1.0387	\$0.0649	\$1.0747	\$0.0672
	January 2004	\$0.8651	\$0.0541	\$0.8651	\$0.0541	\$0.9011	\$0.0563
<u>Class I Prices</u>							
		<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>	<u>Skim</u>	<u>Butterfat</u>
	October 2003	\$12.53	\$1.2217	\$12.53	\$1.2217	\$12.98	\$1.2262
	November 2003	\$12.43	\$1.2773	\$12.43	\$1.2773	\$12.88	\$1.2818
	December 2003	\$11.80	\$1.3016	\$11.80	\$1.3016	\$12.25	\$1.3061
	January 2004	\$9.56	\$1.3493	\$9.56	\$1.3493	\$10.01	\$1.3538

Conversion Factors

<u>White 3.25% Gal.</u> 8.60	<u>White 3.25% 1/2 Pint</u> 0.59790	<u>White 2.00% Gal.</u> 8.62	<u>White 2.00% 1/2 Pint</u> 0.53676	<u>White 1.00% Gal.</u> 8.62	<u>White 1.00% 1/2 Pint</u> 0.53675	<u>White 0.06% Gal.</u> 8.63	<u>White 0.06% 1/2 Pint</u> 0.536375
<u>Chocolate Gal.</u> 8.00	<u>Chocolate 1/2 Pint</u> 0.50000						

- Note 1: All prices include the \$0.20 per cwt. Processor Assessment (Fluid Milk Promotion Order, 7 CFR, 1160.101 et seq). These prices do not include any other assessments or costs associated with bottling milk.
- Note 2: Prices were determined by following formula:

$$[(\text{Percent Skim} \div 100 \times \text{Skim Price}) + (\text{Percent Butterfat} \times \text{Butterfat Price})] \div 100 \times \text{Conversion Factor}$$
- Note 3: Asterisk (*): Conversion factors for chocolate milk vary between products.