

**UNITED STATES DEPARTMENT OF AGRICULTURE
 AGRICULTURAL MARKETING SERVICE
 DAIRY PROGRAMS
 MILK MARKET ADMINISTRATOR**

APPALACHIAN MARKETING AREA
 Federal Order No. 5
 Phone: 502-499-0040
 Fax: 502-499-8749
 E-Mail: friedly@malouisville.com

10301 Brookridge Village Blvd.
 Louisville, Kentucky 40291-4467
 (Mail) P. O. Box 18030
 Louisville, Kentucky 40261-0030
 http://www.malouisville.com

**ANNOUNCEMENT OF ADVANCED CLASS PRICES AND PRICING FACTORS
 FOR FEBRUARY 2008**

	PRICE @ 3.5% BF <i>(per cwt.)</i>	SKIM MILK PRICE <i>(per cwt.)</i>	BUTTERFAT PRICE <i>(per lb.)</i>
CLASS I PRICE ^{1/}	\$22.78	\$18.54 ^{1/}	\$1.3970
Transportation Credit	0.15	0.15	0.0015
<u>Processor Assessment ^{2/}</u>	<u>0.20</u>	<u>0.20</u>	<u>0.0020</u>
Total	\$23.13	\$18.89	\$1.4005
CLASS II PRICE		\$14.39	

FACTORS USED IN PRICES FOR FEBRUARY 2008

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$15.44
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$13.69
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.3660

NASS Product Price Averages for the Two Most Recent Weeks Ending January 12, 2008:

Cheese <i>(per lb.)</i>	\$2.0126
Butter <i>(per lb.)</i>	\$1.2585
Nonfat Dry Milk <i>(per lb.)</i>	\$1.6931
Dry Whey <i>(per lb.)</i>	\$0.4380

MILEAGE RATE FACTOR (per cwt per mile): \$0.00469

EIA Average Diesel Fuel Price (per gallon) ^{3/}: \$3.301

^{1/} Class I skim milk price is announced at the higher of the advanced Class III or IV skim milk pricing factors plus the base zone (Mecklenburg County, NC) differential of \$3.10 and is subject to location adjustments.

^{2/} The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR § 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 the District of Columbia on a monthly basis, excluding those fluid milk products delivered to the residence of a consumer, be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

^{3/} A simple average of the four most recent weeks of the Energy Information Administration's (of the U.S. Department of Energy) announced diesel fuel prices for the Lower Atlantic and Gulf South regions is used to determine the variable Mileage Rate Factor (§ 1005.83).

Released: January 18, 2008

HAROLD H. FRIEDLY, JR.
 Market Administrator