

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

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Announcement Of Class I Skim Milk And Butterfat
And Class II Skim Milk Prices January 2005
Federal Order No. 5

NASS Survey Price Quotations for Two Most Recent Weeks Ending December 18, 2004

Weighted Average Cheddar Cheese	\$1.7648
AA Butter	\$1.8498
Nonfat Dry Milk	\$0.8698
Dry Whey	\$0.2436
Advance Pricing Factors:	
Class III	\$9.70
Class IV	\$6.50
Butterfat	\$2.0818

<u>January 2005</u>	<u>Class I Price Per Cwt.</u>	<u>Skim Milk Price Per Cwt.</u>	<u>Butterfat Price Per Lb.</u>
Class I Price *	\$19.75	\$12.80	\$2.1128
Transportation Credit	.065	.065	.00065
Processor Assessment **	.20	.20	.0020
Hurricane Relief ***	<u>.025</u>	<u>.025</u>	<u>.00025</u>
Total **	\$20.04	\$13.09	\$2.1157
Class II Skim Milk Price		\$7.20	

* Class I skim milk is announced at the higher of the Class III or IV advance pricing factors plus the base zone (Mecklenburg County, NC) differential of \$3.10 and is subject to location adjustments.

** 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.

*** A final rule has been announced that amends § 1005.60 of the Appalachian Federal Milk Marketing Order, on an emergency basis. For a 3-month period beginning January 1, 2005, the rule implements a supplemental increase in the Class I milk price at a rate not to exceed \$.04 per hundredweight of milk in the Appalachian Order. The amount generated will be disbursed during February 2005 through April 2005 to qualifying handlers who incurred extraordinary transportation costs as a result of the hurricanes experienced in August and September 2004.

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HAROLD H. FRIEDLY, JR.
 Market Administrator