

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 for January 2006
Federal Order No. 5

NASS Survey Price Quotations for Two Most Recent Weeks Ending December 17, 2005

Weighted Average Cheddar Cheese	\$1.3979
AA Butter	\$1.3663
Nonfat Dry Milk	\$1.0018
Dry Whey	\$0.3244
Advance Pricing Factors:	
Class III	\$8.42
Class IV	\$7.68
Butterfat	\$1.5016

<u>January 2006</u>	<u>Class I Price Per Cwt.</u>	<u>Skim Milk Price Per Cwt.</u>	<u>Butterfat Price Per Lb.</u>
Class I Price *	\$16.48	\$11.52	\$1.5326
Transportation Credit ^{1/}	.095	.095	.00095
Processor Assessment **	<u>.20</u>	<u>.20</u>	<u>.0020</u>
Total **	\$16.775	\$11.815	\$1.53555
Class II Skim Milk Price		\$8.38	

* 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.

^{1/} The U.S. Department of Agriculture announced a final rule that amends the Appalachian and Southeast Milk Marketing Orders on October 12, 2005. The final rule increases the transportation credit from \$0.065 per cwt to \$0.095 per cwt effective November 1, 2005.