

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

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**ANNOUNCEMENT OF ADVANCED CLASS PRICES AND PRICING FACTORS
 FOR OCTOBER 2006**

	PRICE @ 3.5% BF <i>(per cwt.)</i>	SKIM MILK PRICE <i>(per cwt.)</i>	BUTTERFAT PRICE <i>(per lb.)</i>
CLASS I PRICE *	\$15.52	\$10.82 *	\$1.4517
Transportation Credit	0.095	0.095	0.00095
<u>Processor Assessment **</u>	<u>0.20</u>	<u>0.20</u>	<u>0.0020</u>
Total	\$15.815	\$11.115	\$1.45465
 CLASS II PRICE		 \$7.06	

FACTORS USED IN PRICES FOR OCTOBER 2006

Advanced Pricing Factors *:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$7.72
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$6.36
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.4207

NASS Product Price Averages for the Two Most Recent Weeks Ending September 16, 2006:

Cheese <i>(per lb.)</i>	\$1.3063
Butter <i>(per lb.)</i>	\$1.2989
Nonfat Dry Milk <i>(per lb.)</i>	\$0.8542
Dry Whey <i>(per lb.)</i>	\$0.3162

* 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.

** 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.