

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 OCTOBER 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/}	\$18.93	\$13.16 ^{1/}	\$1.7791
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	\$19.28	\$13.51	\$1.7826
CLASS II PRICE		\$10.46	

FACTORS USED IN PRICES FOR OCTOBER 2008

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.71
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.76
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.7451

NASS Product Price Averages for the Two Most Recent Weeks Ending September 13, 2008:

Cheese <i>(per lb.)</i>	\$1.7279
Butter <i>(per lb.)</i>	\$1.6125
Nonfat Dry Milk <i>(per lb.)</i>	\$1.2628
Dry Whey <i>(per lb.)</i>	\$0.2241

MILEAGE RATE FACTOR (per cwt per mile): \$0.00496

EIA Average Diesel Fuel Price (per gallon) ^{3/}: \$4.018

^{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 \$3.40 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 Coast regions is used to determine the variable Mileage Rate Factor (§ 1005.83).

* The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I and Class II prices and pricing factors in this announcement, as well as future Class I and Class II prices and pricing factors, and Federal order minimum prices for Class III and Class IV milk marketed on or after October 1, 2008, will be the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617).

HAROLD H. FRIEDLY, JR.
 Market Administrator