

**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 DECEMBER 2008**

	PRICE @ 3.5% BF <i>(per cwt.)</i>	SKIM MILK PRICE <i>(per cwt.)</i>	BUTTERFAT PRICE <i>(per lb.)</i>
<b>CLASS I PRICE <sup>1/</sup></b>	<b>\$18.83</b>	<b>\$12.89 <sup>1/</sup></b>	<b>\$1.8265</b>
Transportation Credit	0.15	0.15	0.0015
<u>Processor Assessment <sup>2/</sup></u>	<u>0.20</u>	<u>0.20</u>	<u>0.0020</u>
Total	\$19.18	\$13.24	\$1.8300
<b>CLASS II PRICE</b>		<b>\$6.88</b>	

**FACTORS USED IN PRICES FOR DECEMBER 2008**

**Advanced Pricing Factors <sup>1/</sup>:**

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.49
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$6.18
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.7925

**NASS Product Price Averages for the Two Most Recent Weeks Ending November 15, 2008:**

Cheese <i>(per lb.)</i>	\$1.7420
Butter <i>(per lb.)</i>	\$1.6517
Nonfat Dry Milk <i>(per lb.)</i>	\$0.8617
Dry Whey <i>(per lb.)</i>	\$0.1896

**MILEAGE RATE FACTOR** (per cwt per mile): \$0.00459

**EIA Average Diesel Fuel Price** (per gallon) <sup>3/</sup>: \$3.023

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> 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).