

**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 91528
 Louisville, Kentucky 40291-0528
<http://www.malouisville.com>

**ANNOUNCEMENT OF ADVANCED CLASS PRICES AND PRICING FACTORS
 FOR OCTOBER 2016**

| | 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/} | \$20.00 | \$12.18 ^{1/} | \$2.3563 |
| 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 | \$20.35 | \$12.53 | \$2.3598 |
| CLASS II PRICE | | \$7.14 | |

FACTORS USED IN PRICES FOR OCTOBER 2016

Advanced Pricing Factors ^{1/}:

| | |
|---|----------|
| Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i> | \$8.78 |
| Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i> | \$6.44 |
| Advanced Butterfat Pricing Factor <i>(per lb.)</i> | \$2.3223 |

Product Price Averages for the Two Most Recent Weeks Ending September 17, 2016:

| | |
|----------------------------------|----------|
| Cheese <i>(per lb.)</i> | \$1.7758 |
| Butter <i>(per lb.)</i> | \$2.0892 |
| Nonfat Dry Milk <i>(per lb.)</i> | \$0.8906 |
| Dry Whey <i>(per lb.)</i> | \$0.3015 |

MILEAGE RATE FACTOR *(per cwt per mile):* \$0.00431

EIA Average Diesel Fuel Price *(per gallon) ^{3/}:* \$2.293

^{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 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

^{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).