

**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 JANUARY 2017**

	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/}	\$20.85	\$13.01 ^{1/}	\$2.3714
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	\$21.20	\$13.36	\$2.3749
 CLASS II PRICE		 \$7.77	

FACTORS USED IN PRICES FOR JANUARY 2017

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.61
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$7.07
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$2.3374

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

Cheese <i>(per lb.)</i>	\$1.8052
Butter <i>(per lb.)</i>	\$2.1016
Nonfat Dry Milk <i>(per lb.)</i>	\$0.9615
Dry Whey <i>(per lb.)</i>	\$0.3981

MILEAGE RATE FACTOR *(per cwt per mile):* \$0.00435

EIA Average Diesel Fuel Price *(per gallon) ^{3/}:* \$2.388

^{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).