

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: fo5@malouisville.com

4511 Bardstown Road, Suite 103
 Louisville, Kentucky 40218-4001
 (Mail) P. O. Box 18030
 Louisville, Kentucky 40261-0030
<http://members.aye.net/~usda>

ANNOUNCEMENT OF CLASS PRICES FOR FEBRUARY 2005
Federal Order No. 5

<u>NASS Survey Price Quotations</u>	<u>2 Week Average January 8-15, 2005</u>	<u>February 2005 Average</u>
Weighted Average Cheddar Cheese	\$1.4790	\$1.5711
AA Butter	\$1.5682	\$1.5945
Nonfat Dry Milk	\$0.8892	\$0.8990
Dry Whey	\$0.2481	\$0.2478

<u>February 2005</u>	<u>Class I Price/Cwt.</u>	<u>Skim Price/Cwt.</u>	<u>B.F. Price/Lbs</u>
Class I Price *			
Formula Price	\$16.89	\$11.07	\$1.7748
Transportation Credit	.065	.065	.00065
Processor Assessment **	.20	.20	.0020
Hurricane Relief ***	<u>.000</u>	<u>.000</u>	<u>.00000</u>
Total	\$17.155	\$11.335	\$1.77745
Class II Price *	\$13.36	\$7.38	\$1.7824
Class III Price	\$14.70	\$8.79	\$1.7754
Class IV Price	\$12.74	\$6.76	\$1.7754

* Class I prices and the Class II skim price as announced on or before 23rd of last month. Class I is announced at base zone 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.

*** A final rule has been announced that amends § 1005.60 of the Appalachian Federal Milk Marketing Order, on an emergency basis. For a 3-month period beginning January 1, 2005, the rule implements a supplemental increase in the Class I milk price at a rate not to exceed \$.04 per hundredweight of milk in the Appalachian Order. The amount generated will be disbursed during February 2005 through April 2005 to qualifying handlers who incurred extraordinary transportation costs as a result of the hurricanes experienced in August and September 2004.

HAROLD H. FRIEDLY, JR.
 Market Administrator

Released: March 4, 2005