

**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

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 DECEMBER 2006

	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/}	\$15.53	\$10.99	\$1.4080
Transportation Credit	0.15	0.15	0.0015
<u>Processor Assessment ^{2/}</u>	<u>0.20</u>	<u>0.20</u>	<u>0.002</u>
Total	\$15.88	\$11.34	\$1.4115
CLASS II PRICE	\$12.55	\$8.09 ^{1/}	\$1.3551
CLASS III PRICE	\$13.47	\$9.07	\$1.3481
CLASS IV PRICE	\$12.30	\$7.86	\$1.3481

FACTORS USED IN PRICES FOR DECEMBER 2006

NASS Product Price Averages:	DECEMBER 2006 Monthly Averages	2 Week Averages Ending November 11, 2006 ^{1/}
Cheese <i>(per lb.)</i>	\$1.3624	\$1.2745
Butter <i>(per lb.)</i>	\$1.2384	\$1.2625
Nonfat Dry Milk <i>(per lb.)</i>	\$1.0225	\$0.9691
Dry Whey <i>(per lb.)</i>	\$0.4079	\$0.3740

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$7.89
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$7.39
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.3770

^{1/} As announced on or before the 23rd of the previous month. 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 \$3.10 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.