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

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ANNOUNCEMENT OF CLASS PRICES FOR SEPTEMBER 2008

	PRICE @ 3.5% BF	SKIM MILK PRICE (per cwt.)	BUTTERFAT PRICE (per lb.)
CLASS I PRICE 1/	\$21.05	\$15.38	\$1.7751
Transportation Credit	0.15	0.15	0.0015
Processor Assessment 2/	0.20	0.20	0.002
Total	\$21.40	\$15.73	\$1.7786
CLASS II PRICE	\$17.58	\$11.59 ^{1/}	\$1.8266
CLASS III PRICE	\$16.28	\$10.27	\$1.8196
CLASS IV PRICE	\$15.45	\$9.41	\$1.8196

FACTORS USED IN PRICES FOR SEPTEMBER 2008

NASS Product Price Averages:	SEPTEMBER 2008 Monthly Averages	2 Week Averages Ending August 16, 2008 ¹
Cheese (per lb.)	\$1.7773	\$1.9041
Butter (per lb.)	\$1.6365	\$1.5711
Nonfat Dry Milk (per lb.)	\$1.2131	\$1.3790
Dry Whey (per lb.)	\$0.2183	\$0.2487
Advanced Pricing Factors ^{1/} :		
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$11.98	
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$10.89	
Advanced Butterfat Pricing Factor (per lb.)	\$1.7411	

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 \$3.40 and is subject to location adjustments.

HAROLD H. FRIEDLY, JR. Market Administrator

^{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.