

**UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
DAIRY PROGRAMS  
MILK MARKET ADMINISTRATOR**

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**ANNOUNCEMENT OF CLASS PRICES FOR AUGUST 2009**

|                                    | PRICE @ 3.5% BF<br><i>(per cwt.)</i> | SKIM MILK PRICE<br><i>(per cwt.)</i> | BUTTERFAT PRICE<br><i>(per lb.)</i> |
|------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>CLASS I PRICE <sup>1/</sup></b> | <b>\$13.44</b>                       | <b>\$9.40</b>                        | <b>\$1.2489</b>                     |
| Transportation Credit              | 0.15                                 | 0.15                                 | 0.0015                              |
| Processor Assessment <sup>2/</sup> | <u>0.20</u>                          | <u>0.20</u>                          | <u>0.002</u>                        |
| Total                              | \$13.79                              | \$9.75                               | \$1.2524                            |
| <b>CLASS II PRICE</b>              | <b>\$10.86</b>                       | <b>\$6.70 <sup>1/</sup></b>          | <b>\$1.2561</b>                     |
| <b>CLASS III PRICE</b>             | <b>\$11.20</b>                       | <b>\$7.08</b>                        | <b>\$1.2491</b>                     |
| <b>CLASS IV PRICE</b>              | <b>\$10.38</b>                       | <b>\$6.23</b>                        | <b>\$1.2491</b>                     |

**FACTORS USED IN PRICES FOR AUGUST 2009**

| NASS Product Price Averages:     | AUGUST 2009<br>Monthly Averages | 2 Week Averages<br>Ending July 11, 2009 <sup>1/</sup> |
|----------------------------------|---------------------------------|---|
| Cheese <i>(per lb.)</i>          | \$1.2605                        | \$1.1339  |
| Butter <i>(per lb.)</i>          | \$1.2030                        | \$1.1747  |
| Nonfat Dry Milk <i>(per lb.)</i> | \$0.8666                        | \$0.8416  |
| Dry Whey <i>(per lb.)</i>        | \$0.2925                        | \$0.2873  |

**Advanced Pricing Factors <sup>1/</sup>:**

|   |          |
|---|----------|
| Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i> | \$5.90   |
| Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>  | \$6.00   |
| Advanced Butterfat Pricing Factor <i>(per lb.)</i>            | \$1.2149 |

<sup>1/</sup> As announced on or before the 23<sup>rd</sup> 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.

<sup>2/</sup> 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.