

**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 SEPTEMBER 2008 ***

	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/}	\$21.05	\$15.38 ^{1/}	\$1.7751
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	\$21.40	\$15.73	\$1.7786
CLASS II PRICE		\$11.59	

FACTORS USED IN PRICES FOR SEPTEMBER 2008

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$11.98
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$10.89
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.7411

NASS Product Price Averages for the Two Most Recent Weeks Ending August 16, 2008:

Cheese <i>(per lb.)</i>	\$1.9041
Butter <i>(per lb.)</i>	\$1.5711
Nonfat Dry Milk <i>(per lb.)</i>	\$1.3790
Dry Whey <i>(per lb.)</i>	\$0.2487

MILEAGE RATE FACTOR (per cwt per mile): \$0.00510

EIA Average Diesel Fuel Price (per gallon) ^{3/}: \$4.389

^{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 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.

^{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).

* The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I prices and Class II nonfat solids and skim milk prices and pricing factors in this announcement are those published in the Federal Register on December 29, 2006 (71 FR 78333). A complaint to enjoin the implementation of the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008, (73 FR 44617) was filed in the United States District Court for the District of Columbia. The effective date of the Interim Final Rule will be postponed to October 1, 2008. The revised manufacturing allowances and butterfat yield factor will be used in computing the October 2008 Federal order minimum advance Class I and Class II prices and pricing factors to be announced on September 19, 2008, unless a court order directs otherwise. The revised manufacturing allowances and butterfat yield factor of the Interim Final Rule will be used to compute minimum Federal order Class III and Class IV prices for October 2008 and in the announcement of advanced prices and pricing factors thereafter.