

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 JANUARY 2012

	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/}	\$22.20	\$16.57 ^{1/}	\$1.7735
Transportation Credit	0.15	0.15	0.0015
Processor Assessment ^{2/}	<u>0.20</u>	<u>0.20</u>	<u>0.0020</u>
Total	\$22.55	\$16.92	\$1.7770
CLASS II PRICE		\$12.05	

FACTORS USED IN PRICES FOR JANUARY 2012

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$13.17
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$11.35
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.7395

NASS Product Price Averages for the Two Most Recent Weeks Ending December 17, 2011:

Cheese <i>(per lb.)</i>	\$1.8102
Butter <i>(per lb.)</i>	\$1.6079
Nonfat Dry Milk <i>(per lb.)</i>	\$1.4419
Dry Whey <i>(per lb.)</i>	\$0.6549

MILEAGE RATE FACTOR *(per cwt per mile):* \$0.00489

EIA Average Diesel Fuel Price *(per gallon) ^{3/}:* \$3.821

^{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).