

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

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ANNOUNCEMENT OF CLASS PRICES FOR JANUARY 2007

	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/}	\$16.69	\$12.27	\$1.3857
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	\$17.04	\$12.62	\$1.3892
CLASS II PRICE	\$12.85	\$8.57 ^{1/}	\$1.3079
CLASS III PRICE	\$13.56	\$9.33	\$1.3009
CLASS IV PRICE	\$12.53	\$8.27	\$1.3009

FACTORS USED IN PRICES FOR JANUARY 2007

NASS Product Price Averages:	JANUARY 2007 Monthly Averages	2 Week Averages Ending December 16, 2006 ^{1/}
Cheese <i>(per lb.)</i>	\$1.3366	\$1.3758
Butter <i>(per lb.)</i>	\$1.1991	\$1.2439
Nonfat Dry Milk <i>(per lb.)</i>	\$1.0677	\$1.0233
Dry Whey <i>(per lb.)</i>	\$0.4680	\$0.4051

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.17
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$7.87
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.3547

^{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.