

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

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ANNOUNCEMENT OF CLASS PRICES FOR SEPTEMBER 2010

| | 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/} | \$18.90 | \$12.19 | \$2.0387 |
| Transportation Credit | 0.15 | 0.15 | 0.0015 |
| Processor Assessment ^{2/} | <u>0.20</u> | <u>0.20</u> | <u>0.002</u> |
| Total | \$19.25 | \$12.54 | \$2.0422 |
| CLASS II PRICE | \$17.60 | \$9.49 ^{1/} | \$2.4114 |
| CLASS III PRICE | \$16.26 | \$8.13 | \$2.4044 |
| CLASS IV PRICE | \$16.76 | \$8.65 | \$2.4044 |

FACTORS USED IN PRICES FOR SEPTEMBER 2010

| NASS Product Price Averages: | SEPTEMBER 2010 Monthly Averages | 2 Week Averages Ending August 14, 2010 ^{1/} |
|----------------------------------|------------------------------------|---|
| Cheese <i>(per lb.)</i> | \$1.7016 | \$1.6008 |
| Butter <i>(per lb.)</i> | \$2.1570 | \$1.8269 |
| Nonfat Dry Milk <i>(per lb.)</i> | \$1.1383 | \$1.1542 |
| Dry Whey <i>(per lb.)</i> | \$0.3615 | \$0.3586 |

Advanced Pricing Factors ^{1/}:

| | |
|---|----------|
| Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i> | \$8.41 |
| Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i> | \$8.79 |
| Advanced Butterfat Pricing Factor <i>(per lb.)</i> | \$2.0047 |

^{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 \$3.40 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.