

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

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ANNOUNCEMENT OF CLASS PRICES FOR DECEMBER 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/}	\$18.83	\$12.89	\$1.8265
Transportation Credit	0.15	0.15	0.0015
Processor Assessment ^{2/}	<u>0.20</u>	<u>0.20</u>	<u>0.002</u>
Total	\$19.18	\$13.24	\$1.8300
CLASS II PRICE	\$11.21	\$6.88 ^{1/}	\$1.3068
CLASS III PRICE	\$15.28	\$11.12	\$1.2998
CLASS IV PRICE	\$10.35	\$6.01	\$1.2998

FACTORS USED IN PRICES FOR DECEMBER 2008

NASS Product Price Averages:	DECEMBER 2008 Monthly Averages	2 Week Averages Ending November 15, 2008 ^{1/}
Cheese <i>(per lb.)</i>	\$1.7544	\$1.7420
Butter <i>(per lb.)</i>	\$1.2448	\$1.6517
Nonfat Dry Milk <i>(per lb.)</i>	\$0.8425	\$0.8617
Dry Whey <i>(per lb.)</i>	\$0.1730	\$0.1896

Advanced Pricing Factors ^{1/}:

Advanced Class III Skim Milk Pricing Factor <i>(per cwt.)</i>	\$9.49
Advanced Class IV Skim Milk Pricing Factor <i>(per cwt.)</i>	\$6.18
Advanced Butterfat Pricing Factor <i>(per lb.)</i>	\$1.7925

^{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.