

# **PRICES RECEIVED BY FARMERS**

**FOR MANUFACTURING GRADE MILK  
IN MINNESOTA AND WISCONSIN**

**1966-68**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
Statistical Reporting Service Crop Reporting Board**

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Prepared by the Statistical Reporting Service

The Statistical Reporting Service of the U.S. Department of Agriculture publishes on or about the 5th of each month an estimate of the average price received by farmers and the average milkfat test for milk of manufacturing grade for the preceding month for the two-State, Minnesota-Wisconsin area. This report shows the final estimates for 1968 and provides comparable data for 1967 and 1966.

These two States produce over half of the manufacturing-grade milk marketed in the United States, and the estimates represent prices paid to farmers for this milk. The estimates relate only to manufacturing-grade milk purchased from farmers and do not include Grade A milk diverted to manufacturing uses. The price concept used is that represented by dividing total dollars paid to producers, before hauling costs are deducted, by the hundredweight of manufacturing-grade milk purchased from farmers. This is an estimate of the average price for all milk of manufacturing grade delivered in bulk tanks and in cans, f. o. b. plant or receiving station, before hauling costs are deducted. It includes bulk tank, quantity, or other premiums paid to producers, but excludes hauling subsidies.

Comparison of Current and Final Estimates

The attached table gives a comparison of the Minnesota-Wisconsin manufacturing-grade milk price with the final estimate combined for the two States from 1966 through 1968, together with the corresponding comparison for milkfat percentage. The entries in the column headed "Final two-State Estimate" are weighted averages of the monthly final prices for Minnesota-Wisconsin combined, using complete monthly marketings for each State as weights.

Since August, 1961, when the Minnesota-Wisconsin estimates were begun, and continuing through 1968, the latest year for which complete data are available, the difference between the monthly Minnesota-Wisconsin estimates of price per cwt. and the final data average less than 1 cent; the differences in milkfat test average less than one-thousandth of 1 percent.

Since the Minnesota-Wisconsin price for use in Federal milk orders is reported on a 3.5 percent butterfat basis, another table is attached, prepared by the Dairy Division, C&MS, showing the same comparisons converted to a 3.5 percent basis. The price at average test is converted to a 3.5 percent basis using a butterfat differential per point (1/10 of one percent) that is calculated by multiplying the average price of Grade A (92-score) butter at Chicago by 0.120. This is the method specified in Federal milk orders.

#### Publication

The report on price per cwt. at the average test and on a 3.5 percent basis for a given month is issued about the 5th of the following month from the Chicago office of the Statistical Reporting Service, Room 1300-A, Main Post Office Building, 433 W. Van Buren Street, Chicago, Ill., 60797. This report is available on request. The price series is also published in the Dairy and Poultry Market News reports issued by several offices of the Dairy and Poultry Market News Service.

A more detailed description of the Minnesota-Wisconsin price series is given in a bulletin numbered SRS-11 which was published in November 1967. Tables in this bulletin contain historical comparisons beginning with August 1961 when the series began. This report is also available on request.

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Table 1.--Comparison of Minnesota-Wisconsin Manufacturing Grade Milk Price and Milkfat Test with the Two-State Average of Final Estimates, Average Price per Cwt. at Test, by Months, 1966-68 1/

Year and month	Minnesota-Wisconsin Series		Final two-State Estimate		Difference between Final two-State and Minn.-Wis. Series	
	Price	Milkfat	Price	Milkfat	Price	Milkfat
	per cwt.	test	per cwt.	test	per cwt.	test
	Dollars	Percent	Dollars	Percent	Dollars	Percent
<u>1966</u>						
January	3.56	3.62	3.58	3.63	+0.02	+0.01
February	3.65	3.59	3.68	3.59	+0.03	0
March	3.73	3.57	3.74	3.57	+0.01	0
April	3.68	3.56	3.70	3.57	+0.02	+0.01
May	3.70	3.57	3.74	3.56	+0.04	-0.01
June	3.86	3.55	3.84	3.52	-0.02	-0.03
July	4.09	3.55	4.15	3.54	+0.06	-0.01
August	4.35	3.60	4.38	3.60	+0.03	0
September	4.51	3.69	4.51	3.69	0	0
October	4.48	3.76	4.48	3.78	0	+0.02
November	4.35	3.75	4.38	3.77	+0.03	+0.02
December	4.32	3.73	4.30	3.72	-0.02	-0.01
<u>1967</u>						
January	4.21	3.66	4.20	3.65	-0.01	-0.01
February	4.11	3.61	4.10	3.62	-0.01	+0.01
March	4.09	3.60	4.07	3.61	-0.02	+0.01
April	4.05	3.59	4.04	3.59	-0.01	0
May	4.04	3.60	4.01	3.57	-0.03	-0.03
June	4.00	3.55	3.99	3.56	-0.01	+0.01
July	4.01	3.57	4.00	3.55	-0.01	-0.02
August	4.04	3.59	4.02	3.58	-0.02	-0.01
September	4.10	3.66	4.10	3.66	0	0
October	4.16	3.73	4.18	3.74	+0.02	+0.01
November	4.18	3.73	4.19	3.75	+0.01	+0.02
December	4.19	3.69	4.19	3.71	0	+0.02
<u>1968</u>						
January	4.15	3.67	4.16	3.66	+0.01	-0.01
February	4.09	3.61	4.10	3.61	+0.01	0
March	4.09	3.59	4.08	3.59	-0.01	0
April	4.24	3.58	4.25	3.56	+0.01	-0.02
May	4.25	3.57	4.26	3.57	+0.01	0
June	4.23	3.56	4.24	3.56	+0.01	0
July	4.24	3.57	4.24	3.57	0	0
August	4.28	3.60	4.27	3.59	-0.01	-0.01
September	4.38	3.68	4.41	3.70	+0.03	+0.02
October	4.50	3.77	4.50	3.77	0	0
November	4.47	3.75	4.51	3.77	+0.04	+0.02
December	4.48	3.72	4.49	3.72	+0.01	0
<u>Simple Average</u>						
1968	4.2833	3.6391	4.292	3.639	+0.0092	0
36 Months	4.1350	3.6330	4.1411	3.6333	+0.0061	+0.0002

1/ Data from August 1969 through 1966 are given in Bulletin SRS-11 published in November 1967.

Table 2.--Comparison of Minnesota-Wisconsin Manufacturing Grade Milk Price with Final Two-State Estimated Price, for Milk of 3.5 Percent Butterfat Content, by Months, 1966-68 <sup>1/</sup> <sub>2/</sub>

Year and month	Minnesota-Wisconsin Series	Final two-State Estimate	Difference between Final two-State and Minn.-Wis. Series
- - - <u>Dollars per cwt.</u> - - -			
<u>1966</u>			
January	3.47	3.49	+ .02
February	3.58	3.61	+ .03
March	3.68	3.69	+ .01
April	3.64	3.65	+ .01
May	3.65	3.69	+ .04
June	3.82	3.82	0
July	4.05	4.12	+ .07
August	4.26	4.29	+ .03
September	4.34	4.34	0
October	4.26	4.25	- .01
November	4.15	4.16	+ .01
December	4.14	4.12	- .02
<u>1967</u>			
January	4.08	4.08	0
February	4.02	4.00	- .02
March	4.01	3.98	- .03
April	3.98	3.97	- .01
May	3.96	3.95	- .01
June	3.96	3.94	- .02
July	3.95	3.96	+ .01
August	3.97	3.96	- .01
September	3.97	3.97	0
October	3.98	3.99	+ .01
November	4.00	3.99	- .01
December	4.04	4.02	- .02
<u>1968</u>			
January	4.01	4.03	+ .02
February	4.00	4.01	+ .01
March	4.02	4.01	- .01
April	4.18	4.20	+ .02
May	4.19	4.20	+ .01
June	4.18	4.19	+ .01
July	4.18	4.18	0
August	4.20	4.20	0
September	4.23	4.25	+ .02
October	4.28	4.28	0
November	4.27	4.29	+ .02
December	4.30	4.31	+ .01
<u>Simple Average</u>			
1968	4.170	4.179	+ .009
36 Months	4.028	4.033	+ .005

<sup>1/</sup> Prepared by the Dairy Division, C&MS, from data in Table 1. Prices have been converted from the average butterfat test to 3.5 percent using the butterfat differential specified in Federal orders (Chicago Grade A butter X 0.120).

<sup>2/</sup> Data from August 1961 through 1966 are given in Bulletin SRS-11 published in November 1967.



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