



United States  
Department of  
Agriculture

# Announcement of Class and Component Prices

United States Department of Agriculture

Agricultural Marketing Service

Dairy Program

Market Information Branch

CLS - 0920

September 30, 2020

## September 2020 Highlights

**Class II Price** was \$13.16 per hundredweight for the month of September 2020. The price per hundredweight decreased \$0.11 from the previous month. **Class III Price** was \$16.43 per hundredweight for the month of September 2020. The price per hundredweight decreased \$3.34 from the previous month. **Class IV Price** was \$12.75 per hundredweight for the month of September 2020. The price per hundredweight increased \$0.22 from the previous month.

## Announcement of Class and Component Prices for September 2020

|   |  |
|---|--|
| Class II Price:                         | \$13.16 (per hundredweight)            |
| Class II Butterfat Price:               | \$1.6002 (per pound)                   |
| Class II Skim Milk Price <sup>1</sup> : | \$7.83 (per hundredweight)             |
| Class III Price:                        | \$16.43 (per hundredweight)            |
| Class III Skim Milk Price:              | \$11.25 (per hundredweight)            |
| Class IV Price:                         | \$12.75 (per hundredweight)            |
| Class IV Skim Milk Price:               | \$7.43 (per hundredweight)             |
| Butterfat Price:                        | \$1.5932 (per pound)                   |
| Nonfat Solids Price:                    | \$0.8253 (per pound)                   |
| Protein Price:                          | \$3.3935 (per pound)                   |
| Other Solids Price:                     | \$0.1241 (per pound)                   |
| Somatic Cell Adjustment Rate:           | 0.00089 (per 1,000 somatic cell count) |
| Product Price Averages:                 |  |
| Butter                                  | \$1.4871 (per pound)                   |
| Nonfat Dry Milk                         | \$1.0014 (per pound)                   |
| Cheese                                  | \$1.7741 (per pound)                   |
| 40-Pound Blocks                         | \$1.9496 (per pound)                   |
| 500-Pound Barrels                       | \$1.5736 (per pound)                   |
| Dry Whey                                | \$0.3196 (per pound)                   |

<sup>1</sup> August 2020 Advanced Price Announcement

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**Federal Milk Order Class II, Class III, and Class IV Milk Prices, 2020**

| Month | Class II Price  | Class II Butterfat Price | Class III Price | Class III Skim Milk Price | Class IV Price           | Class IV Skim Milk Price |
|-------|-----------------|--------------------------|-----------------|---------------------------|--------------------------|--------------------------|
|       | <i>(\$/cwt)</i> | <i>(\$/lb)</i>           |                 |                           | <i>(dollars per cwt)</i> |                          |
| Jan   | 17.05           | 2.1187                   | 17.05           | 10.01                     | 16.65                    | 9.60                     |
| Feb   | 16.84           | 1.9883                   | 17.00           | 10.43                     | 16.20                    | 9.60                     |
| Mar   | 16.75           | 1.9247                   | 16.25           | 9.88                      | 14.87                    | 8.45                     |
| Apr   | 13.87           | 1.3288                   | 13.07           | 8.75                      | 11.40                    | 7.02                     |
| May   | 12.30           | 1.3826                   | 12.14           | 7.59                      | 10.67                    | 6.07                     |
| Jun   | 12.99           | 1.8661                   | 21.04           | 15.06                     | 12.90                    | 6.62                     |
| Jul   | 13.79           | 1.9653                   | 24.54           | 18.33                     | 13.76                    | 7.16                     |
| Aug   | 13.27           | 1.6345                   | 19.77           | 14.58                     | 12.53                    | 7.08                     |
| Sep   | 13.16           | 1.6002                   | 16.43           | 11.25                     | 12.75                    | 7.43                     |

**Federal Milk Order Class II, Class III, and Class IV Milk Prices, 2019**

| Month | Class II Price  | Class II Butterfat Price | Class III Price | Class III Skim Milk Price | Class IV Price           | Class IV Skim Milk Price |
|-------|-----------------|--------------------------|-----------------|---------------------------|--------------------------|--------------------------|
|       | <i>(\$/cwt)</i> | <i>(\$/lb)</i>           |                 |                           | <i>(dollars per cwt)</i> |                          |
| Jan   | 15.74           | 2.5051                   | 13.96           | 5.41                      | 15.48                    | 6.98                     |
| Feb   | 16.13           | 2.5415                   | 13.89           | 5.20                      | 15.86                    | 7.24                     |
| Mar   | 16.61           | 2.5531                   | 15.04           | 6.35                      | 15.71                    | 7.05                     |
| Apr   | 16.38           | 2.5445                   | 15.96           | 7.34                      | 15.72                    | 7.09                     |
| May   | 16.48           | 2.5788                   | 16.38           | 7.65                      | 16.29                    | 7.55                     |
| Jun   | 17.30           | 2.6649                   | 16.27           | 7.22                      | 16.83                    | 7.80                     |
| Jul   | 17.61           | 2.6928                   | 17.55           | 8.45                      | 16.90                    | 7.77                     |
| Aug   | 17.60           | 2.6644                   | 17.60           | 8.60                      | 16.74                    | 7.71                     |
| Sep   | 16.93           | 2.5052                   | 18.31           | 9.91                      | 16.35                    | 7.88                     |
| Oct   | 16.68           | 2.4101                   | 18.72           | 10.68                     | 16.39                    | 8.27                     |
| Nov   | 16.85           | 2.3265                   | 20.45           | 12.78                     | 16.60                    | 8.79                     |
| Dec   | 16.81           | 2.2022                   | 19.37           | 12.11                     | 16.70                    | 9.34                     |
| Avg   | 16.76           | 2.5158                   | 16.96           | 8.48                      | 16.30                    | 7.79                     |

Class and Component Prices  
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**Federal Milk Order Component Prices, 2020**

| Month | Butterfat Price            | Nonfat Solids Price | Protein Price | Other Solids Price | Somatic Cell Adjustment Rate |
|-------|----------------------------|---------------------|---------------|--------------------|------------------------------|
|       | <i>(dollars per pound)</i> |                     |               |                    | <i>(\$/count)</i>            |
| Jan   | 2.1117                     | 1.0665              | 2.9606        | 0.1417             | 0.00090                      |
| Feb   | 1.9813                     | 1.0667              | 3.0309        | 0.1750             | 0.00089                      |
| Mar   | 1.9177                     | 0.9387              | 2.8424        | 0.1810             | 0.00085                      |
| Apr   | 1.3218                     | 0.7795              | 2.4822        | 0.1793             | 0.00070                      |
| May   | 1.3756                     | 0.6746              | 2.0918        | 0.1882             | 0.00065                      |
| Jun   | 1.8591                     | 0.7354              | 4.5349        | 0.1696             | 0.00111                      |
| Jul   | 1.9583                     | 0.7959              | 5.6294        | 0.1492             | 0.00129                      |
| Aug   | 1.6275                     | 0.7862              | 4.4394        | 0.1387             | 0.00105                      |
| Sep   | 1.5932                     | 0.8253              | 3.3935        | 0.1241             | 0.00089                      |

**Federal Milk Order Component Prices, 2019**

| Month | Butterfat Price            | Nonfat Solids Price | Protein Price | Other Solids Price | Somatic Cell Adjustment Rate |
|-------|----------------------------|---------------------|---------------|--------------------|------------------------------|
|       | <i>(dollars per pound)</i> |                     |               |                    | <i>(\$/count)</i>            |
| Jan   | 2.4981                     | 0.7757              | 1.1927        | 0.2898             | 0.00069                      |
| Feb   | 2.5345                     | 0.8041              | 1.1776        | 0.2631             | 0.00070                      |
| Mar   | 2.5461                     | 0.7832              | 1.6303        | 0.2200             | 0.00077                      |
| Apr   | 2.5375                     | 0.7883              | 1.9890        | 0.1990             | 0.00082                      |
| May   | 2.5718                     | 0.8386              | 2.1159        | 0.1847             | 0.00085                      |
| Jun   | 2.6579                     | 0.8665              | 2.0046        | 0.1702             | 0.00085                      |
| Jul   | 2.6858                     | 0.8628              | 2.4032        | 0.1689             | 0.00091                      |
| Aug   | 2.6574                     | 0.8570              | 2.4453        | 0.1730             | 0.00091                      |
| Sep   | 2.4982                     | 0.8753              | 2.8633        | 0.1758             | 0.00095                      |
| Oct   | 2.4031                     | 0.9186              | 3.1700        | 0.1447             | 0.00098                      |
| Nov   | 2.3195                     | 0.9763              | 3.9118        | 0.1112             | 0.00109                      |
| Dec   | 2.1952                     | 1.0378              | 3.6515        | 0.1341             | 0.00103                      |
| Avg   | 2.5088                     | 0.8654              | 2.3796        | 0.1862             | 0.00088                      |

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**Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2020**

| Month | Product Price Averages For:                           |                 |        |          |   |                 |        |          |
|-------|---|-----------------|--------|----------|---|-----------------|--------|----------|
|       | Class I (Skim, Bfat.), Class II (Skim, Nonfat Solids) |                 |        |          | Class II (Bfat.), Class III, Class IV, Components |                 |        |          |
|       | Butter  | Nonfat dry milk | Cheese | Dry Whey | Butter  | Nonfat dry milk | Cheese | Dry Whey |
|       | <i>(dollars per pound)</i>                            |                 |        |          | <i>(dollars per pound)</i>                        |                 |        |          |
| Jan   | 1.9894  | 1.2095          | 2.1082 | 0.3266   | 1.9153  | 1.2451          | 1.8092 | 0.3367   |
| Feb   | 1.9311  | 1.2388          | 1.8081 | 0.3295   | 1.8076  | 1.2453          | 1.7884 | 0.3690   |
| Mar   | 1.8277  | 1.2541          | 1.8032 | 0.3644   | 1.7551  | 1.1160          | 1.7091 | 0.3748   |
| Apr   | 1.7767  | 1.1609          | 1.7346 | 0.3729   | 1.2630  | 0.9552          | 1.4026 | 0.3732   |
| May   | 1.2407  | 0.9564          | 1.4120 | 0.3724   | 1.3074  | 0.8492          | 1.2990 | 0.3818   |
| Jun   | 1.2538  | 0.8395          | 1.1859 | 0.3822   | 1.7067  | 0.9106          | 2.2152 | 0.3638   |
| Jul   | 1.6598  | 0.8923          | 2.0174 | 0.3674   | 1.7886  | 0.9717          | 2.5873 | 0.3440   |
| Aug   | 1.8018  | 0.9666          | 2.5653 | 0.3467   | 1.5154  | 0.9619          | 2.1099 | 0.3338   |
| Sep   | 1.5567  | 0.9683          | 2.4073 | 0.3413   | 1.4871  | 1.0014          | 1.7741 | 0.3196   |
| Oct   | 1.4872  | 1.0042          | 1.7481 | 0.3232   |   |                 |        |          |

**Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2019**

| Month | Product Price Averages For:                           |                 |        |          |   |                 |        |          |
|-------|---|-----------------|--------|----------|---|-----------------|--------|----------|
|       | Class I (Skim, Bfat.), Class II (Skim, Nonfat Solids) |                 |        |          | Class II (Bfat.), Class III, Class IV, Components |                 |        |          |
|       | Butter  | Nonfat dry milk | Cheese | Dry Whey | Butter  | Nonfat dry milk | Cheese | Dry Whey |
|       | <i>(dollars per pound)</i>                            |                 |        |          | <i>(dollars per pound)</i>                        |                 |        |          |
| Jan   | 2.2538  | 0.8996          | 1.3786 | 0.4659   | 2.2343  | 0.9513          | 1.3868 | 0.4805   |
| Feb   | 2.2328  | 0.9315          | 1.3930 | 0.4793   | 2.2644  | 0.9800          | 1.3940 | 0.4545   |
| Mar   | 2.2912  | 0.9811          | 1.3769 | 0.4616   | 2.2740  | 0.9589          | 1.5383 | 0.4127   |
| Apr   | 2.2854  | 0.9587          | 1.5430 | 0.4118   | 2.2669  | 0.9641          | 1.6468 | 0.3923   |
| May   | 2.2652  | 0.9556          | 1.6274 | 0.3909   | 2.2952  | 1.0149          | 1.6974 | 0.3784   |
| Jun   | 2.2883  | 1.0167          | 1.7007 | 0.3839   | 2.3663  | 1.0431          | 1.6910 | 0.3643   |
| Jul   | 2.3622  | 1.0407          | 1.6745 | 0.3669   | 2.3893  | 1.0393          | 1.8238 | 0.3631   |
| Aug   | 2.3870  | 1.0507          | 1.8061 | 0.3622   | 2.3659  | 1.0335          | 1.8276 | 0.3671   |
| Sep   | 2.3643  | 1.0391          | 1.8153 | 0.3673   | 2.2344  | 1.0519          | 1.9053 | 0.3698   |
| Oct   | 2.2665  | 1.0477          | 1.8531 | 0.3684   | 2.1559  | 1.0957          | 1.9694 | 0.3396   |
| Nov   | 2.1496  | 1.1014          | 1.9402 | 0.3406   | 2.0869  | 1.1540          | 2.1723 | 0.3071   |
| Dec   | 2.0879  | 1.1479          | 2.2000 | 0.2997   | 1.9842  | 1.2161          | 2.0509 | 0.3293   |
| Avg   | 2.2695  | 1.0142          | 1.6924 | 0.3915   | 2.2431  | 1.0419          | 1.7586 | 0.3799   |

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## Methodology: Monthly Class and Component Prices

**Data:** The Class and Component Prices are calculated using the most recent four or five weeks (since the last monthly Announcement of Class and Component Prices) from the latest National Dairy Products Sales Report (NDPSR).

**Reliability:** NDPSR are subject to revision for four weeks following the initial weekly report. For enforcement purposes, the information in the NDPSR is subject to verification for up to two years from the time of submission. The AMS audit staff periodically reviews a company's sales records to ensure accurate reports during onsite verifications. Note that the monthly Announcements of Class and Component Prices are not subject to revision.

**Terms and Definitions:** Announced milk prices are per 100 pounds or cwt, rounded to the nearest cent. Component prices are per pound, rounded to nearest one-hundredth cent. Announced product prices and pricing factors are per pound, rounded to the nearest one-hundredth cent. The somatic cell adjustment rate is for every 1,000 cells, rounded to the nearest one thousandth cent.

The NDPSR provides current wholesale market prices for basic dairy commodities. These commodity prices are used in the following formulas to calculate the USDA's Class and Component Prices used in the Federal Milk Marketing Order Program.

- Commodity Prices (Butter, Nonfat Dry Milk, Cheddar Cheese, and Dry Whey)
  - Commodity prices are calculated on the NDPSR <sup>1</sup>.
  - The prices are weighted averages for the previous four or five weeks (depending on date of last publication), weighted by sales volume in pounds.
  - Cheddar cheese in 500-pound barrels is adjusted to 38 percent moisture content.
  - For more information, see the Price Formulas publication <sup>2</sup>.
- Butterfat Price = (Butter Price – 0.1715) x 1.211
- Nonfat Solids Price = (NFDM Price – 0.1678) x 0.99
- Protein Price = ((Cheese Price – 0.2003) x 1.383) + (((Cheese Price – 0.2003) x 1.572) – Butterfat Price x 0.9) x 1.17)
- Other Solids Price = (Dry Whey Price-0.1991) x 1.03
- Somatic Cell Adjustment Rate = Cheese Price x 0.0005
- Class II Price = (Class II Skim Milk Price x 0.965)+(Class II Butterfat Price x 3.5)
  - Class II Skim Milk Price = See the Announcement of Advanced Prices and Pricing Factors for the applicable month.
  - Class II Butterfat Price = Butterfat Price+0.007
- Class III Price = (Class III Skim Milk Price x 0.965)+(Butterfat Price x 3.5)
  - Class III Skim Milk Price = (Protein Price x 3.1)+(Other Solids Price x 5.9)
- Class IV Price = (Class IV Skim Milk Price x 0.965)+(Butterfat Price x 3.5)
  - Class IV Skim Milk Price = Nonfat Solids Price x 9

<sup>1</sup> <https://www.ams.usda.gov/mnreports/dywdairyproductssales.pdf>

<sup>2</sup> <https://www.ams.usda.gov/resources/price-formulas>

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## Information Contacts

Listed below are the specialists in the Agricultural Marketing Service, Dairy Program, Market Information Branch to contact for additional information. E-mail inquiries may be sent to [dpp@usda.gov](mailto:dpp@usda.gov).

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