



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 - 0720

August 5, 2020

## July 2020 Highlights

**Class II Price** was \$13.79 per hundredweight for the month of July 2020. The price per hundredweight increased \$0.80 from the previous month. **Class III Price** was \$24.54 per hundredweight for the month of July 2020. The price per hundredweight increased \$3.50 from the previous month. **Class IV Price** was \$13.76 per hundredweight for the month of July 2020. The price per hundredweight increased \$0.86 from the previous month.

## Announcement of Class and Component Prices for July 2020

Class II Price:	\$13.79 (per hundredweight)
Class II Butterfat Price:	\$1.9653 (per pound)
Class II Skim Milk Price <sup>1</sup> :	\$7.16 (per hundredweight)
Class III Price:	\$24.54 (per hundredweight)
Class III Skim Milk Price:	\$18.33 (per hundredweight)
Class IV Price:	\$13.76 (per hundredweight)
Class IV Skim Milk Price:	\$7.16 (per hundredweight)
Butterfat Price:	\$1.9583 (per pound)
Nonfat Solids Price:	\$0.7959 (per pound)
Protein Price:	\$5.6294 (per pound)
Other Solids Price:	\$0.1492 (per pound)
Somatic Cell Adjustment Rate:	0.00129 (per 1,000 somatic cell count)
Product Price Averages:	
Butter	\$1.7886 (per pound)
Nonfat Dry Milk	\$0.9717 (per pound)
Cheese	\$2.5873 (per pound)
40-Pound Blocks	\$2.6978 (per pound)
500-Pound Barrels	\$2.4374 (per pound)
Dry Whey	\$0.3440 (per pound)

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

Class and Component Prices  
USDA - Agricultural Marketing Service

August 5, 2020

**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

**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  
USDA - Agricultural Marketing Service

August 5, 2020

**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

**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

Class and Component Prices  
USDA - Agricultural Marketing Service

August 5, 2020

**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				

**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 – 2.003) 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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For the most current release, visit AMS Dairy Program ([Dairy Products Mandatory Reporting Program's page](#)) or Cornell University's Library ([National Dairy Products Sales Report page](#)).

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