



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 - 0821

September 1, 2021

## August 2021 Highlights

**Class II Price** was \$16.51 per hundredweight for the month of August 2021. The price per hundredweight decreased \$0.32 from the previous month. **Class III Price** was \$15.95 per hundredweight for the month of August 2021. The price per hundredweight decreased \$0.54 from the previous month. **Class IV Price** was \$15.92 per hundredweight for the month of August 2021. The price per hundredweight decreased \$0.08 from the previous month.

## Announcement of Class and Component Prices for August 2021

Class II Price:	\$16.51 (per hundredweight)
Class II Butterfat Price:	\$1.8578 (per pound)
Class II Skim Milk Price <sup>1</sup> :	\$10.37 (per hundredweight)
Class III Price:	\$15.95 (per hundredweight)
Class III Skim Milk Price:	\$9.82 (per hundredweight)
Class IV Price:	\$15.92 (per hundredweight)
Class IV Skim Milk Price:	\$9.78 (per hundredweight)
Butterfat Price:	\$1.8508 (per pound)
Nonfat Solids Price:	\$1.0872 (per pound)
Protein Price:	\$2.4582 (per pound)
Other Solids Price:	\$0.3735 (per pound)
Somatic Cell Adjustment Rate:	0.00078 (per 1,000 somatic cell count)
Product Price Averages:	
Butter	\$1.6998 (per pound)
Nonfat Dry Milk	\$1.2660 (per pound)
Cheese	\$1.5680 (per pound)
40-Pound Blocks	\$1.6902 (per pound)
500-Pound Barrels	\$1.4371 (per pound)
Dry Whey	\$0.5617 (per pound)

<sup>1</sup> July 2021 Advanced Price Announcement

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**Federal Milk Order Class II, Class III, and Class IV Milk Prices, 2021**

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	14.18	1.5611	16.04	10.99	13.75	8.61
Feb	14.00	1.4446	15.75	11.11	13.19	8.45
Mar	15.07	1.7246	16.15	10.51	14.18	8.46
Apr	15.56	1.9566	17.67	11.24	15.42	8.91
May	16.22	1.9921	18.96	12.45	16.16	9.55
Jun	16.66	1.9711	17.21	10.71	16.35	9.82
Jul	16.83	1.9066	16.49	10.20	16.00	9.69
Aug	16.51	1.8578	15.95	9.82	15.92	9.78

**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
Oct	13.63	1.6458	21.61	16.45	13.47	8.01
Nov	13.86	1.5623	23.34	18.55	13.30	8.14
Dec	14.01	1.5469	15.72	10.71	13.36	8.26
Avg	14.29	1.7137	18.16	12.63	13.49	7.79

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**Federal Milk Order Component Prices, 2021**

Month	Butterfat Price	Nonfat Solids Price	Protein Price	Other Solids Price	Somatic Cell Adjustment Rate
	<i>(dollars per pound)</i>				<i>(\$/count)</i>
Jan	1.5541	0.9570	3.0355	0.2682	0.00083
Feb	1.4376	0.9391	2.9816	0.3161	0.00080
Mar	1.7176	0.9396	2.6954	0.3652	0.00080
Apr	1.9496	0.9902	2.8136	0.4268	0.00086
May	1.9851	1.0607	3.1307	0.4645	0.00091
Jun	1.9641	1.0908	2.5834	0.4579	0.00082
Jul	1.8996	1.0765	2.4957	0.4181	0.00080
Aug	1.8508	1.0872	2.4582	0.3735	0.00078

**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
Oct	1.6388	0.8902	5.0146	0.1534	0.00115
Nov	1.5553	0.9047	5.6226	0.1894	0.00123
Dec	1.5399	0.9180	3.0282	0.2245	0.00082
Avg	1.7067	0.8651	3.7559	0.1678	0.00096

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**Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2021**

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	1.4604	1.1029	1.6038	0.4180	1.4548	1.1345	1.6502	0.4595
Feb	1.4765	1.1295	1.6342	0.4487	1.3586	1.1164	1.5954	0.5060
Mar	1.3387	1.1395	1.5910	0.4992	1.5898	1.1169	1.5981	0.5537
Apr	1.5534	1.1024	1.5599	0.5394	1.7814	1.1680	1.7106	0.6135
May	1.8028	1.1645	1.6728	0.6082	1.8107	1.2392	1.8206	0.6501
Jun	1.7961	1.2247	1.8448	0.6479	1.7934	1.2696	1.6439	0.6437
Jul	1.7892	1.2713	1.6323	0.6400	1.7401	1.2552	1.5956	0.6050
Aug	1.7446	1.2531	1.5779	0.6095	1.6998	1.2660	1.5680	0.5617
Sep	1.7035	1.2622	1.5499	0.5700				

**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	1.5248	1.0670	2.2921	0.3480
Nov	1.5188	1.0657	2.2550	0.3428	1.4558	1.0816	2.4535	0.3830
Dec	1.4726	1.0891	2.6180	0.3746	1.4431	1.0951	1.6433	0.4171
Avg	1.6264	1.0538	1.9719	0.3537	1.5808	1.0417	1.9236	0.3621

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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).

Lorie Warren Cashman  
Chief, Market Information  
(202) 720-4405

### Dairy Products Mandatory Reporting Program

Patsy Emmons  
Dairy Products Marketing Specialist, Coordinator  
(202) 720-6491

Kerry Siekmann  
Dairy Products Marketing Specialist  
(952) 277-2363

Jessica Newsome  
Dairy Products Marketing Specialist  
(202) 260-9091

Hripsime Tamrazyan  
Dairy Products Marketing Specialist  
(202) 260-8953

### Federal Milk Order Information Program

Kerry Siekmann  
Dairy Products Marketing Specialist, Coordinator  
(952) 277-2363

Randal Stoker  
Dairy Products Marketing Specialist  
(202) 690-1932

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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