



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 - 0119

January 30, 2019

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January 2019 Highlights

Class II Price was \$15.74 per hundredweight for the month of January 2019. The price per hundredweight increased \$0.07 from the previous month.

Class III Price was \$13.96 per hundredweight for the month of January 2019. The price per hundredweight increased \$0.18 from the previous month.

Class IV Price was \$15.48 per hundredweight for the month of January 2019. The price per hundredweight increased \$0.39 from the previous month.

Announcement of Class and Component Prices for January 2019

Class II Price:	\$15.74	(per hundredweight)
Class II Butterfat Price:	\$2.5051	(per pound)
Class II Skim Milk Price ^{1/}	\$7.22	(per hundredweight)
Class III Price:	\$13.96	(per hundredweight)
Class III Skim Milk Price:	\$5.41	(per hundredweight)
Class IV Price:	\$15.48	(per hundredweight)
Class IV Skim Milk Price:	\$6.98	(per hundredweight)
Butterfat Price:	\$2.4981	(per pound)
Nonfat Solids Price:	\$0.7757	(per pound)
Protein Price:	\$1.1927	(per pound)
Other Solids Price:	\$0.2898	(per pound)
Somatic Cell Adjustment Rate:	0.00069	(per 1,000 somatic cell count)
Product Price Averages:		
Butter	\$2.2343	(per pound)
Nonfat Dry Milk	\$0.9513	(per pound)
Cheese	\$1.3868	(per pound)
Dry Whey	\$0.4805	(per pound)

¹ December 2018 Advanced Price Announcement

Class and Component Prices
USDA - Agricultural Marketing Service

January 30, 2019

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

Federal Milk Order Class II, Class III, and Class IV Milk Prices, 2018

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	14.11	2.4601	14.00	5.61	13.13	4.71
Feb	13.44	2.3560	13.40	5.37	12.87	4.82
Mar	13.88	2.4343	14.22	5.93	13.04	4.71
Apr	14.03	2.5183	14.47	5.89	13.48	4.86
May	14.47	2.6309	15.18	6.21	14.57	5.58
Jun	15.48	2.6762	15.21	6.08	14.91	5.77
Jul	15.20	2.5357	14.10	5.44	14.14	5.48
Aug	15.07	2.6079	14.95	6.06	14.63	5.73
Sep	15.13	2.5512	16.09	7.45	14.81	6.12
Oct	15.54	2.5621	15.53	6.83	15.01	6.29
Nov	15.63	2.5455	14.44	5.76	15.06	6.40
Dec	15.67	2.5150	13.78	5.18	15.09	6.54
Avg	14.80	2.5342	14.61	5.98	14.23	5.58

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

Federal Milk Order Component Prices, 2018

Month	Butterfat Price	Nonfat Solids Price	Protein Price	Other Solids Price	Somatic Cell Adjustment Rate
	<i>(dollars per pound)</i>				<i>(\$/count)</i>
Jan	2.4531	0.5235	1.6612	0.0787	0.00076
Feb	2.3490	0.5352	1.6265	0.0550	0.00074
Mar	2.4273	0.5232	1.8066	0.0556	0.00078
Apr	2.5113	0.5401	1.7810	0.0619	0.00079
May	2.6239	0.6196	1.8609	0.0742	0.00082
Jun	2.6692	0.6407	1.7478	0.1128	0.00081
Jul	2.5287	0.6085	1.4827	0.1422	0.00074
Aug	2.6009	0.6369	1.6245	0.1741	0.00078
Sep	2.5442	0.6801	2.0029	0.2098	0.00083
Oct	2.5551	0.6990	1.7185	0.2553	0.00078
Nov	2.5385	0.7110	1.3419	0.2714	0.00072
Dec	2.5080	0.7269	1.1417	0.2775	0.00069
Avg	2.5258	0.6204	1.6497	0.1474	0.00077

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				

Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2018

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	2.2256	0.7290	1.6513	0.2995	2.1972	0.6966	1.5175	0.2755
Feb	2.2339	0.6926	1.5391	0.2792	2.1112	0.7084	1.4727	0.2525
Mar	2.0983	0.7123	1.4694	0.2516	2.1759	0.6963	1.5542	0.2531
Apr	2.1741	0.6964	1.5468	0.2467	2.2452	0.7134	1.5737	0.2592
May	2.2175	0.7004	1.5730	0.2575	2.3382	0.7937	1.6353	0.2711
Jun	2.3246	0.7993	1.6438	0.2712	2.3756	0.8150	1.6150	0.3086
Jul	2.3714	0.8249	1.6324	0.3041	2.2596	0.7824	1.4868	0.3372
Aug	2.2659	0.7806	1.4849	0.3361	2.3192	0.8111	1.5544	0.3681
Sep	2.3282	0.8109	1.5418	0.3709	2.2724	0.8548	1.6533	0.4028
Oct	2.2684	0.8536	1.6753	0.4075	2.2814	0.8739	1.5686	0.4470
Nov	2.2836	0.8707	1.5723	0.4379	2.2677	0.8860	1.4463	0.4626
Dec	2.2595	0.8886	1.4507	0.4648	2.2425	0.9020	1.3742	0.4685
Avg	2.2542	0.7799	1.5651	0.3272	2.2572	0.7945	1.5377	0.3422

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.

For the product price averages below, j corresponds to the number of previous weeks. For example, where j=1, this corresponds to the week ending the Saturday prior to the date of the Announcement; where j=2, this corresponds to the week ending the Saturday before that; etc. The summation sign (\sum) indicates that terms are added corresponding to the previous 4 or 5 weeks, where the number of weeks equals the number of NDPSR that have occurred since the last monthly Announcement of Class and Component Prices was issued.

- Butter Price =
$$\frac{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly Butter Price})_j \times (\text{Weekly Butter Sales})_j}{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly Butter Sales})_j}$$
- Nonfat Dry Milk (NFDM) Price =
$$\frac{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly NFDM Price})_j \times (\text{Weekly NFDM Sales})_j}{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly NFDM Sales})_j}$$
- Cheese Price =
$$\frac{\sum_{j=1}^{4 \text{ or } 5} ((\text{Barrel Price} + 0.03)_j \times (\text{Barrel Sales})_j + (\text{Block Price})_j \times (\text{Block Sales})_j)}{\sum_{j=1}^{4 \text{ or } 5} ((\text{Barrel Sales})_j + (\text{Block Sales})_j)}$$
- Dry Whey Price =
$$\frac{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly Dry Whey Price})_j \times (\text{Weekly Dry Whey Sales})_j}{\sum_{j=1}^{4 \text{ or } 5} (\text{Weekly Dry Whey Sales})_j}$$
- 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

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@ams.usda.gov.

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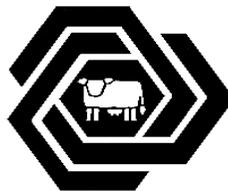
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