



United States  
Department of  
Agriculture

National  
Agricultural  
Statistics  
Service



Pr 1-4 (99)

# Prices Received Minnesota-Wisconsin Manufacturing Grade Milk 1998 Summary

June 1999

# USDA



## Minnesota-Wisconsin Manufacturing Grade Milk Price Series, Base Month and Final Two-State Estimates for 1996-98

**Minnesota and Wisconsin** produce over one-third of the manufacturing grade milk marketed in the United States. The estimates relate only to manufacturing grade milk purchased from farmers and do not include Grade A milk diverted to manufacturing uses. Data needed for the preparation of the two-State series are collected by the Minnesota and Wisconsin Agricultural Statistics Offices. These data come from regularly scheduled monthly reports submitted by plants receiving manufacturing grade milk. After data are summarized and analyzed by the Federal-State Statisticians, estimates are forwarded to Washington, D.C. for final review and consolidated into the two-State average price and test.

**The Base-Month Price and test** are determined using reports from about 90 procurers of Grade B milk in Wisconsin and 51 in Minnesota. These plants purchase over 80 percent of all manufacturing-grade milk sold in the two States. Plants report total pounds of manufacturing-grade milk received from producers, total pounds of milkfat in the milk, and total dollars paid to producers. The price is f.o.b. plant or receiving station, before hauling costs and producer assessments under various dairy collection programs are deducted. It includes quantity, quality, protein, and other premiums paid to producers.

**The estimated monthly two-State** prices and fat tests are weighted by the total quantity of manufacturing-grade milk purchased from farmers in each State. During the first four months of the year, these weights are based on milk purchases for the same month two years earlier. During the remaining eight months of the year, weights are based on purchases for the corresponding month in the preceding year. These weights are shown in the table on page 4.

**Plants in Minnesota and Wisconsin** are classified into three major product groups according to the proportion of manufacturing-grade milk purchased for cheese, for butter and its by-products, and for varied products. In both Minnesota and Wisconsin, the varied-products group consists mostly of plants which make butter, cheese, or other products in such proportions that they cannot be clearly classified in any one specific group. In Minnesota during 1998, the cheese group accounted for 73 percent of all manufacturing-grade milk in the State, butter and by-products 16 percent, and the varied-products group 11 percent. The proportion of manufacturing-grade milk in Wisconsin purchased in 1998 by each product group was: cheese, 79 percent; butter and by-products, 1 percent; and varied products, 20 percent. These product group percentages are used as weights for combining reported price and milkfat test data by groups for the monthly manufacturing-grade average price and milkfat estimates in each State.

**Basic Formula Price:** The Basic Formula Price is calculated by adjusting the preceding month's Base Month Price with changes in product prices. Information on the formula can be obtained by contacting the Dairy Division, AMS, at (202)720-2352. Comparisons between the Basic Formula Price, Base Month Price and the final two-State estimate are shown in the table on page 3.

**Publication:** The monthly Base Month Minnesota-Wisconsin price and Basic Formula Price are issued on or about the 5th of the following month by the Wisconsin Agricultural Statistics Service, P.O. Box 8934, Madison, Wisconsin 53708. The report is available on a subscription basis from that office. The price series is also published in the Dairy Market News reports issued by the Dairy Division, Agricultural Marketing Service, USDA.

**Base Month Milk Price, Milkfat Test, Protein Test and Solids-Not-Fat Test,  
and the Two-State Average of Final Estimates, by Months, 1996-98**

Year and Month	Base Month Series				Final Two-State Estimates	
	Price per Cwt <sup>1</sup>	Milkfat Test	Protein Test	Solids not Fat Test	Price per Cwt <sup>1</sup>	Milkfat Test
	<i>Dollars</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Dollars</i>	<i>Percent</i>
1996						
Jan	12.92	3.91	3.23	8.64	12.98	3.91
Feb	12.82	3.89	3.21	8.62	12.91	3.89
Mar	12.87	3.90	3.21	8.65	12.96	3.89
Apr	13.30	3.86	3.18	8.62	13.37	3.86
May	13.91	3.81	3.16	8.62	13.96	3.81
Jun	14.04	3.69	3.17	8.60	14.06	3.70
Jul	14.45	3.62	3.10	8.48	14.46	3.62
Aug	15.02	3.64	3.13	8.49	15.07	3.63
Sep	15.70	3.75	3.21	8.56	15.72	3.75
Oct	14.81	3.92	3.29	8.64	14.82	3.91
Nov	12.52	4.01	3.29	8.69	12.57	4.00
Dec	11.92	3.97	3.28	8.64	11.97	3.97
1997						
Jan	12.34	3.93	3.32	8.63	12.37	3.92
Feb	12.74	3.88	3.25	8.64	12.75	3.88
Mar	12.72	3.87	3.19	8.58	12.72	3.87
Apr	11.73	3.84	3.16	8.57	11.73	3.83
May	10.99	3.77	3.16	8.57	11.02	3.77
Jun	10.85	3.63	3.16	8.59	10.86	3.62
Jul	10.99	3.60	3.09	8.51	11.01	3.60
Aug	12.21	3.64	3.14	8.52	12.18	3.64
Sep	12.96	3.76	3.20	8.58	12.98	3.77
Oct	13.51	3.89	3.28	8.67	13.55	3.90
Nov	13.90	3.99	3.30	8.67	13.95	3.99
Dec	13.81	3.94	3.27	8.64	13.83	3.95
1998						
Jan	13.70	3.89	3.24	8.64	13.75	3.88
Feb	13.67	3.85	3.20	8.62	13.69	3.84
Mar	13.17	3.85	3.18	8.60	13.18	3.85
Apr	12.25	3.80	3.13	8.58	12.25	3.80
May	11.35	3.67	3.14	8.59	11.45	3.68
Jun	13.47	3.64	3.13	8.58	13.47	3.63
Jul	14.40	3.55	3.05	8.47	14.41	3.56
Aug	14.91	3.59	3.09	8.48	14.88	3.59
Sep	15.76	3.68	3.20	8.58	15.76	3.69
Oct	17.41	3.92	3.32	8.70	17.40	3.92
Nov	17.91	3.98	3.34	8.71	17.86	3.98
Dec	17.92	3.93	3.30	8.66	17.87	3.91

<sup>1</sup> Average price for milk of average milkfat test.

**Base Month Milk Price per cwt, Final Two-State Estimated Price, for Milk  
of 3.5 Percent Milkfat Content, and Basic Formula Price by Months, 1996-98 <sup>1</sup>**

Year and Month	Base Month Price	Final Two-State Estimate	Basic Formula Price <sup>2</sup>
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1996			
Jan	12.65	12.71	12.73
Feb	12.61	12.70	12.59
Mar	12.65	12.75	12.70
Apr	13.09	13.16	13.09
May	13.65	13.70	13.77
Jun	13.77	13.78	13.92
Jul	14.26	14.27	14.49
Aug	14.80	14.86	14.94
Sep	15.31	15.33	15.37
Oct	14.26	14.28	14.13
Nov	12.19	12.24	11.61
Dec	11.60	11.65	11.34
1997			
Jan	12.00	12.04	11.94
Feb	12.36	12.37	12.46
Mar	12.31	12.31	12.49
Apr	11.41	11.42	11.44
May	10.75	10.78	10.70
Jun	10.70	10.72	10.74
Jul	10.88	10.90	10.86
Aug	12.06	12.03	12.07
Sep	12.68	12.69	12.79
Oct	12.91	12.94	12.83
Nov	13.08	13.13	12.96
Dec	13.27	13.28	13.29
1998			
Jan	13.26	13.32	13.25
Feb	13.18	13.21	13.32
Mar	12.70	12.71	12.81
Apr	11.82	11.82	12.01
May	11.05	11.13	10.88
Jun	13.17	13.19	13.10
Jul	14.29	14.28	14.77
Aug	14.69	14.66	14.99
Sep	15.18	15.14	15.10
Oct	16.26	16.25	16.04
Nov	17.06	17.01	16.84
Dec	17.35	17.33	17.34

<sup>1</sup> Prices have been converted from the average milkfat test to 3.5 percent using the milkfat differential specified in federal orders.

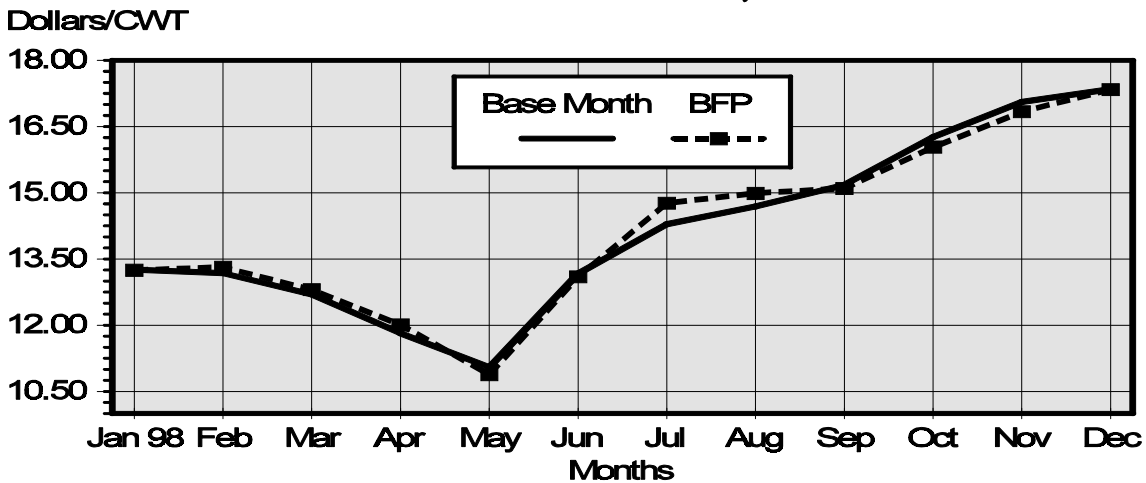
<sup>2</sup> Source: Dairy Division, Agricultural Marketing Service, USDA.

**Manufacturing Grade Milk: Weights Used to Calculate  
The Base Month Milk Price Series, by Months, 1998-00 <sup>1</sup>**

Month	1998		1999		2000	
	Minn	Wis	Minn	Wis	Minn	Wis
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Jan	35.8	64.2	35.0	65.0	32.6	67.4
Feb	35.8	64.2	35.5	64.5	33.7	66.3
Mar	35.4	64.6	35.2	64.8	33.8	66.2
Apr	34.8	65.2	34.1	65.9	33.2	66.8
May	33.2	66.8	32.7	67.3		
Jun	32.4	67.6	32.5	67.5		
Jul	31.7	68.3	31.5	68.5		
Aug	30.4	69.6	30.9	69.1		
Sep	29.9	70.1	30.4	69.6		
Oct	29.9	70.1	31.3	68.7		
Nov	30.6	69.4	32.6	67.4		
Dec	32.6	67.4	34.2	65.8		

<sup>1</sup> Weights shown for January through April are based upon purchases of manufacturing grade milk two years earlier while weights for May through December are based upon purchases from one year earlier. "Final Two-State" estimates are weighted by complete monthly marketings for the respective month.

**Base Month vs BFP, 1998**



Released June 4, 1999 by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, U.S. Department of Agriculture. For information on "Prices Received Minnesota-Wisconsin Manufacturing Grade Milk Summary" call James Hand at (202) 690-3236, office hours 7:30 a.m. to 4:00 p.m. ET.

The next "Prices Received Minnesota-Wisconsin Manufacturing Grade Milk Summary" report will be released in June 2000.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

## **ACCESS TO REPORTS!!**

---

For your convenience, there are several ways to obtain NASS reports, data products, and services:

### **INTERNET ACCESS**

All NASS reports are available free of charge on the worldwide Internet. For access, connect to the Internet and go to the NASS Home Page at: <http://www.usda.gov/nass/>. Select "Today's Reports" or Publications and then Reports by Calendar or Publications and then Search, by Title or Subject.

### **E-MAIL SUBSCRIPTION**

All NASS reports are available by subscription free of charge direct to your e-mail address. Send an e-mail message to: [usda-reports@usda.mannlib.cornell.edu](mailto:usda-reports@usda.mannlib.cornell.edu). In the body of the message type the word: **list**.

### **AUTOFAX ACCESS**

NASSFax service is available for some reports from your fax machine. Please call 202-720-2000, using the handset attached to your fax. Respond to the voice prompts. Document 0411 is a list of available reports.

-----

### **PRINTED REPORTS OR DATA PRODUCTS**

**CALL OUR TOLL-FREE ORDER DESK: 800-999-6779 (U.S. and Canada)**  
**Other areas, please call 703-834-0125 FAX: 703-834-0110**  
**(Visa, MasterCard, check, or money order acceptable for payment.)**

-----

### **ASSISTANCE**

For **assistance** with general agricultural statistics or further information about NASS or its products or services, contact the **Agricultural Statistics Hotline** at **800-727-9540**, 7:30 a.m. to 4:00 p.m. ET, or e-mail: [nass@nass.usda.gov](mailto:nass@nass.usda.gov).

---