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# Final Class Prices by Order

**United States Department of Agriculture** 

**Agricultural Marketing Service** 

**Dairy Programs** 

**Market Information Branch** 

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## September 2023 Highlights

Class Prices: The following are the September 2023 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$19.98 (\$+0.07), Class III: \$18.39 (\$+1.20), and Class IV: \$19.09 (\$+0.18).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for September 2023 is \$3.1264 per pound. Thus, the Class II butterfat price is \$3.1334 per pound. The protein and other solids prices for September 2023 are \$2.3027 and \$0.0992 per pound, respectively. These component prices set the Class III skim milk price at \$7.72 per cwt. The September 2023 Class IV skim milk price is \$8.44, which is derived from the nonfat solids price of \$0.9382 per pound.

**Product Price Averages:** The product price averages for September 2023 are: butter \$2.7532, nonfat dry milk \$1.1155, cheese \$1.9366, and dry whey \$0.2954.

# Final Class Prices by Order, September 2023

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat 1 2						
		Sep 2023				Oct 2023
Federal Milk Order Marketing Area <sup>3</sup>	Order Number	Class I	Class II	Class III	Class IV	Class I
		(dollars per cwt)				
Northeast (Boston)	001	22.15	19.98	18.39	19.09	22.72
Appalachian (Charlotte)	005	22.30	19.98	18.39	19.09	22.87
Florida (Tampa)	006	24.30	19.98	18.39	19.09	24.87
Southeast (Atlanta)	007	22.70	19.98	18.39	19.09	23.27
Upper Midwest (Chicago)	030	20.70	19.98	18.39	19.09	21.27
Central (Kansas City)	032	20.90	19.98	18.39	19.09	21.47
Mideast (Cleveland)	033	20.90	19.98	18.39	19.09	21.47
California (Los Angeles)	051	21.00	19.98	18.39	19.09	21.57
Pacific Northwest (Seattle)	124	20.80	19.98	18.39	19.09	21.37
Southwest (Dallas)	126	21.90	19.98	18.39	19.09	22.47
Arizona (Phoenix)	131	21.25	19.98	18.39	19.09	21.82
All Market Average		21.72	19.98	18.39	19.09	22.29

<sup>&</sup>lt;sup>1</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. <sup>2</sup> The mandatory \$0.20 per cwt processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. <sup>3</sup> Names in parentheses are the major city in the principal pricing point of the markets. Marketing Area footnotes on page 2.

## **Marketing Area Footnotes:**

Class I prices at other cities are: Northeast (Boston): New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; Washington, DC, minus \$0.25; Appalachian (Charlotte): Knoxville, minus \$0.20; Louisville, minus \$1.10; Florida (Tampa): Orlando, same; Miami, plus \$0.60; Jacksonville, minus \$0.40; Southeast (Atlanta): New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; Springfield, minus \$1.40; Upper Midwest (Chicago): Milwaukee, minus \$0.05; Minneapolis, minus \$0.10; Central (Kansas City): Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; Denver, plus \$0.55; Mideast (Cleveland): Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; Detroit, minus \$0.20; California (Los Angeles): San Francisco, minus \$0.30; Sacramento, minus \$0.40; Tulare, minus \$0.50; Pacific Northwest (Seattle): Portland, same; Spokane, same; Southwest (Dallas): Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; El Paso, minus \$0.75.

# Methodology: Final Class Price Report

For milk associated with Federal Milk Marketing orders, product-price formulas are used to set minimum prices as reported in the <u>Announcement of Class and Component Prices</u> publication each month.

The Class and Component Prices are calculated by weighting the sales values and volumes 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.

Class I Prices for each order are calculated by adding the appropriate class I differential (determined by each order's physical county base location) to the monthly Base Class I Price. Each order's base location and class I differentials are as follows: Northeast Order 001 (Boston, MA) \$3.25; Appalachian Order 005 (Charlotte, NC) \$3.40; Florida Order 006 (Tampa, FL) \$5.40; Southeast Order 007 (Atlanta, GA) \$3.80; Upper Midwest Order 030 (Chicago, IL) \$1.80; Central Order 032 (Kansas City, KS) \$2.00; Mideast Order 033 (Cleveland, OH) \$2.00; California Order 051 (Los Angeles, CA) \$2.10; Pacific Northwest Order 124 (Seattle, WA) \$1.90; Southwest Order 126 (Dallas, TX) \$3.00; Arizona Order 131 (Phoenix, AZ) \$2.35.

The calculation formulas for Classes II, III, and IV can be found at: Price Formulas.

The Class and Component Prices are released generally at 3:00 P.M. EST no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation. Once monthly average prices have been computed, they are not revised. For more information on product price formulas and a schedule of release dates, please visit the <u>Dairy Mandatory Market Reporting</u> page.

**Numerical Formatting**: 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.

**Reliability**: National Dairy Products Sales Reports are subject to revision for four weeks following the initial weekly report. For enforcement purposes, the information in the National Dairy Products Sales Report 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. The monthly Announcements of Class and Component Prices are not subject to revision.

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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 <a href="mailto:dpp@usda.gov">dpp@usda.gov</a>.

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For the most current release, visit AMS Dairy Program (<u>Dairy Product Mandatory Reporting Program's page</u>) or Cornell University's Library (National Dairy Products Sales Report page).

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