



# Final Class Prices by Order, January 2020

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

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## January 2020 Highlights

**Class Prices:** The following are the January 2020 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$17.05 (+\$0.24), Class III: \$17.05 (-\$2.32), and Class IV: \$16.65 (-\$0.05).

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for January 2020 is \$2.1117 per pound. Thus, the Class II butterfat price is \$2.1187 per pound. The protein and other solids prices for January 2020 are \$2.9606 and \$0.1417 per pound, respectively. These component prices set the Class III skim milk price at \$10.01 per cwt. The January 2020 Class IV skim milk price is \$9.60, which is derived from the nonfat solids price of \$1.0665 per pound.

**Product Price Averages:** The product price averages for January 2020 are: butter: \$1.9153, nonfat dry milk: \$1.2451, cheese: \$1.8092 (40-pound blocks: \$1.8995 and 500-pound barrels: \$1.6869) and dry whey: \$0.3367.

## Final Class Prices for January 2020

### Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat <sup>1,2</sup>

Federal Milk Order Marketing Area <sup>3</sup>	Order Number	Jan 2020				Feb 2020
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per cwt)</i>						
Northeast (Boston) *	001	22.26	17.05	17.05	16.65	20.80
Appalachian (Charlotte) *	005	22.41	17.05	17.05	16.65	20.95
Florida (Tampa) *	006	24.41	17.05	17.05	16.65	22.95
Southeast (Atlanta) *	007	22.81	17.05	17.05	16.65	21.35
Upper Midwest (Chicago) *	030	20.81	17.05	17.05	16.65	19.35
Central (Kansas City) *	032	21.01	17.05	17.05	16.65	19.55
Mideast (Cleveland) *	033	21.01	17.05	17.05	16.65	19.55
California (Los Angeles) *	051	21.11	17.05	17.05	16.65	19.65
Pacific Northwest (Seattle) *	124	20.91	17.05	17.05	16.65	19.45
Southwest (Dallas) *	126	22.01	17.05	17.05	16.65	20.55
Arizona (Phoenix)	131	21.36	17.05	17.05	16.65	19.90
All-Market Average		21.83	17.05	17.05	16.65	20.37

<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, and Washington, DC, minus \$0.25; Appalachian (Charlotte): Knoxville, minus \$0.20; and Louisville, minus \$1.10; Florida (Tampa): Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40; Southeast (Atlanta): New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40; Upper Midwest (Chicago): Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10; Central (Kansas City): Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55; Mideast (Cleveland): Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and 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; and Spokane, same; Southwest (Dallas): Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and 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 [Announcement of Class and Component Prices](#) 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 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 (Woodland), \$2.10; Pacific Northwest Order 124 (Seattle, WA) \$1.90; Southwest Order 126 (Dallas, TX) \$3.00; and, 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 [Dairy Mandatory Market Reporting 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. Note that the monthly Announcements of Class and Component Prices are not subject to revision.

## 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](mailto:dpp@ams.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 Mann Library ([National Dairy Products Sales Report page](#)). To receive e-mail notification for AMS Dairy Program publications, [visit Cornell University's Mann Library](#) and follow the instructions.



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