



**UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 DAIRY PROGRAMS  
 Milk Market Administrator  
 Southwest Marketing Area**

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September 17, 2004

**ANNOUNCEMENT OF CLASS I AND II ADVANCED PRICES  
 AND PRICING FACTORS <sup>1/</sup>**

October 2004

|  |           |
|--|-----------|
| <b>CLASS I PRICE<sup>2/</sup></b> .....                  | \$ 17.78  |
| Processor Assessment <sup>3/</sup> .....                 | \$ .20    |
| Total.....   | \$ 17.98  |
| Base Price (Class I mover).....                          | \$ 14.78  |
| Skim Milk Price <sup>4/</sup> .....                      | \$ 11.53  |
| Butterfat Price, per lb. <sup>5/</sup> .....             | \$ 1.9015 |
| <b>CLASS II</b>  |           |
| Skim Milk Price <sup>6/</sup> .....                      | \$ 7.14   |
| Nonfat Solids Price, per lb.....                         | \$ 0.7933 |
| <b>ADVANCED CLASS III SKIM MILK PRICING FACTOR</b> ..... | \$ 8.53   |
| <b>ADVANCED CLASS IV SKIM MILK PRICING FACTOR</b> .....  | \$ 6.44   |
| <b>ADVANCED BUTTERFAT PRICING FACTOR, per lb.</b> .....  | \$ 1.8715 |

**DAIRY PRODUCT AVERAGE PRICE QUOTATIONS**

|   | <u>SEP 2004</u> | <u>AUG 2004</u> | <u>SEP 2003</u> |
|---|-----------------|-----------------|-----------------|
| <b>NASS WEIGHTED AVERAGE PRICES – TWO WEEKS</b> |                 |                 |                 |
| CHEDDAR CHEESE, per lb.                         | \$ 1.5958       | \$ 1.5047       | \$ 1.5943       |
| BUTTER, per lb.                                 | 1.6746          | 1.6058          | 1.1156          |
| NONFAT DRY MILK, per lb.                        | 0.8622          | 0.8569          | 0.8094          |
| DRY WHEY, per lb.                               | 0.2155          | 0.2280          | 0.1716          |

**CLASS I PRICE ADJUSTMENTS FROM BASE DIFFERENTIAL – DALLAS COUNTY**

|                |         |                 |         |                            |         |
|----------------|---------|-----------------|---------|----------------------------|---------|
| Albuquerque    | -\$0.65 | El Paso         | -\$0.75 | Sulphur Springs, Winnsboro | \$0.00  |
| Amarillo       | -\$0.60 | Floresville     | +\$0.45 | Tyler                      | \$0.00  |
| Austin         | +\$0.30 | Houston, Conroe | +\$0.60 | Waco                       | +\$0.15 |
| Bryan          | +\$0.30 | Lubbock         | -\$0.60 |                            |         |
| Corpus Christi | +\$0.65 | San Antonio     | +\$0.45 |                            |         |

- <sup>1/</sup> United States Department of Agriculture, Agricultural Marketing Service. For further information contact John Rourke, 202/720-7461. Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.
- <sup>2/</sup> The Class I price announced is per hundredweight at 3.5% butterfat at Dallas County location.
- <sup>3/</sup> The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR § 1160.101 et seq.). The Order requires that all persons who process and market commercially more than 3,000,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia on a monthly basis, excluding those fluid milk products delivered to the residence of a consumer, be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.
- <sup>4/</sup> The Class I skim price for the Southwest Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$3.00, subject to the adjustment for that location.
- <sup>5/</sup> The Class I butterfat price for the Southwest Marketing Area is the advanced butterfat pricing factor plus \$0.030 (\$3.00 divided by 100), subject to the adjustment for that location.
- <sup>6/</sup> The Class II skim price for the Southwest Marketing Area is the advanced Class IV skim milk pricing factor plus \$0.70.

Richard Fleming  
 Market Administrator