



**UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS**

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**Milk Market Administrator
SOUTHWEST MILK MARKETING AREA
Federal Order No. 126**

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ANNOUNCEMENT OF CLASS I AND II ADVANCED PRICES AND PRICING FACTORS ^{1/2/}

February 2007

CLASS I PRICE^{3/}	\$ 16.39
Processor Assessment ^{4/}	\$.20
Total	\$ 16.59
Base Price (Class I mover)	\$ 13.39
Skim Milk Price ^{5/}	\$ 12.19
Butterfat Price, per lb. ^{6/}	\$ 1.3206
CLASS II	
Skim Milk Price ^{7/}	\$ 8.77
Nonfat Solids Price, per lb.	\$ 0.9744
ADVANCED CLASS III SKIM MILK PRICING FACTOR	\$ 9.19
ADVANCED CLASS IV SKIM MILK PRICING FACTOR	\$ 8.07
ADVANCED BUTTERFAT PRICING FACTOR, per lb.	\$ 1.2906

DAIRY PRODUCT AVERAGE PRICE QUOTATIONS

	<u>JAN 2007</u>	<u>DEC 2006</u>	<u>JAN 2006</u>
NASS WEIGHTED AVERAGE PRICES – TWO WEEKS			
CHEDDAR CHEESE, per lb.	\$ 1.3279	\$ 1.3758	\$ 1.3895
BUTTER, per lb.	1.1905	1.2439	1.3459
NONFAT DRY MILK, per lb.	1.0461	1.0233	1.9782
DRY WHEY, per lb.	0.4539	0.4051	0.3394

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		

- ^{1/} In light of litigation commenced in United States District Court for the Northern District of Ohio, the manufacturing allowances used to compute the Federal order minimum advance Class I and Class II prices and pricing factors in this announcement are the current manufacturing allowances, rather than the revised manufacturing allowances contained in the Interim Final Rule published in the Federal Register on December 29, 2006 (71 FR 78333-78335). As long as the Interim Final Rule is not enjoined as a result of the litigation, Federal order minimum prices for Class III and Class IV milk for February 2007, as well as the Federal order minimum advance Class I and Class II prices and pricing factors for March 2007 and thereafter, will be computed using the revised manufacturing allowances contained in the Final Rule.
- ^{2/} Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.
- ^{3/} The Class I price announced is per hundredweight at 3.5% butterfat at Dallas County location.
- ^{4/} 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.
- ^{5/} 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.
- ^{6/} 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.
- ^{7/} 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