



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

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September 23, 2008

**ANNOUNCEMENT OF CLASS I AND II ADVANCED PRICES  
 AND PRICING FACTORS <sup>1/ 2/</sup>**

	<u>October 2008</u>
<b>CLASS I PRICE</b> <sup>3/</sup> .....	\$ 18.53
Processor Assessment <sup>4/</sup> .....	\$ .20
Total .....	\$ 18.73
Base Price (Class I mover).....	\$ 15.53
Skim Milk Price <sup>5/</sup> .....	\$ 12.76
Butterfat Price, per lb. <sup>6/</sup> .....	\$ 1.7751
<b>CLASS II</b>	
Skim Milk Price <sup>7/</sup> .....	\$ 10.46
Nonfat Solids Price, per lb. ....	\$ 1.1622
<b>ADVANCED CLASS III SKIM MILK PRICING FACTOR</b> .....	\$ 9.71
<b>ADVANCED CLASS IV SKIM MILK PRICING FACTOR</b> .....	\$ 9.76
<b>ADVANCED BUTTERFAT PRICING FACTOR, per lb.</b> .....	\$ 1.7451

**DAIRY PRODUCT AVERAGE PRICE QUOTATIONS**

	<u>SEP 2008</u>	<u>AUG 2008</u>	<u>SEP 2007</u>
<b>NASS WEIGHTED AVERAGE PRICES – TWO WEEKS</b>			
CHEDDAR CHEESE, per lb.	\$ 1.7279	\$ 1.9041	\$ 2.0214
BUTTER, per lb.	1.6125	1.5711	1.3876
NONFAT DRY MILK, per lb.	1.2628	1.3790	2.0494
DRY WHEY, per lb.	0.2241	0.2487	0.4885

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

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

- <sup>1/</sup> United States Department of Agriculture, Agricultural Marketing Service. For further information contact, 202/720-7461. Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.
- <sup>2/</sup> **The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I and Class II prices and pricing factors in this announcement, as well as future Class I and Class II prices and pricing factors, and Federal order minimum prices for Class III and Class IV milk marketed on or after October 1, 2008, will be the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617).**
- <sup>3/</sup> The Class I price announced is per hundredweight at 3.5% butterfat at Dallas County location.
- <sup>4/</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>5/</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>6/</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>7/</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