



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

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August 22, 2008

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

	<u>September 2008</u>
<b>CLASS I PRICE</b> <sup>3/</sup> .....	\$ 20.65
Processor Assessment <sup>4/</sup> .....	\$ .20
Total .....	\$ 20.85
Base Price (Class I mover).....	\$ 17.65
Skim Milk Price <sup>5/</sup> .....	\$ 14.98
Butterfat Price, per lb. <sup>6/</sup> .....	\$ 1.7711
<b>CLASS II</b>	
Skim Milk Price <sup>7/</sup> .....	\$ 11.59
Nonfat Solids Price, per lb. ....	\$ 1.2878
<b>ADVANCED CLASS III SKIM MILK PRICING FACTOR</b> .....	\$ 11.98
<b>ADVANCED CLASS IV SKIM MILK PRICING FACTOR</b> .....	\$ 10.89
<b>ADVANCED BUTTERFAT PRICING FACTOR, per lb.</b> .....	\$ 1.7411

**DAIRY PRODUCT AVERAGE PRICE QUOTATIONS**

	<u>AUG 2008</u>	<u>JULY 2008</u>	<u>AUG 2007</u>
<b>NASS WEIGHTED AVERAGE PRICES – TWO WEEKS</b>			
CHEDDAR CHEESE, per lb.	\$ 1.9041	\$ 1.9792	\$ 1.9014
BUTTER, per lb.	1.5711	1.5205	1.4854
NONFAT DRY MILK, per lb.	1.3790	1.3957	2.0383
DRY WHEY, per lb.	0.2487	0.2690	0.6429

**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 prices and Class II nonfat solids and skim milk prices and pricing factors in this announcement are those published in the Federal Register on December 29, 2006 (71 FR 78333). A complaint to enjoin the implementation of 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) was filed in the United States District Court for the District of Columbia. The effective date of the Interim Final Rule will be postponed to October 1, 2008. The revised manufacturing allowances and butterfat yield factor will be used in computing the October 2008 Federal order minimum advance Class I and Class II prices and pricing factors to be announced on September 19, 2008 unless a court order directs otherwise. The revised manufacturing allowances and butterfat yield factor of the Interim Final Rule will be used to compute minimum Federal order Class III and Class IV prices for October 2008 and in the announcement of advanced prices and pricing factors thereafter.
- <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