

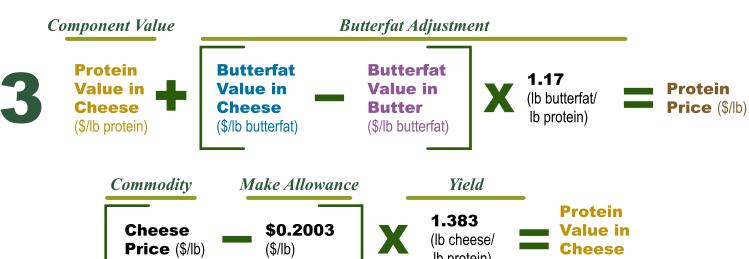
**United States Department of Agriculture** 

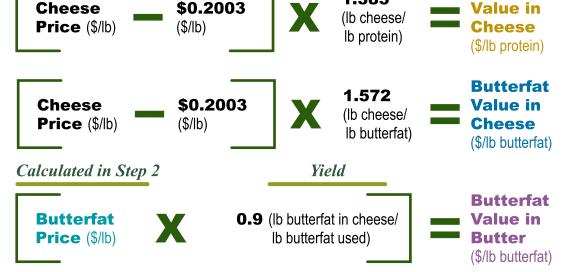
Agricultural Marketing Service

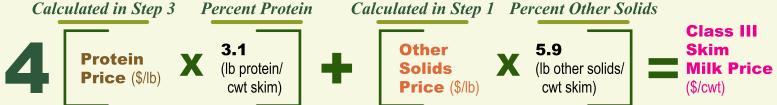
## Calculating Class III Price











Percent Protein





## Calculating Class III Price: Details



Monthly commodity prices are announced on or before the 5th day of the following month. Class prices are announced as dollars per hundredweight. CWT= hundredweight, 100 pounds.

## **Formula Details**

- **\$0.1991** = Manufacturing cost to produce 1 pound of dry whey, excluding cost of raw milk (\$/lb).
  - **1.03** = Factor representing pounds of dry whey that can be made from 1 pound of other solids (lb dry whey/lb other solids).
- **\$0.1715** = Manufacturing cost to produce 1 pound of butter, excluding cost of raw milk (\$/lb). **1.211** = Factor representing pounds of butter that can be made from 1 pound of butterfat (lb butterfat).
- **1.17** = Assuming standard cwt of milk components (3.5 lb butterfat and 2.99 lb protein), 1.17 pounds of butterfat are associated with 1 pound of protein.
  - **\$0.2003** = Manufacturing cost to produce 1 pound of cheese, excluding cost of raw milk (\$/lb).
  - **1.383** = Factor representing pounds of cheese that can be made from 1 pound of protein (lb cheese/lb protein).
  - **1.572** = Factor representing pounds of cheese that can be made from 1 pound of butterfat (lb cheese/lb butterfat).
  - **0.9** = Factor accounting for the butterfat retained in the cheese manufacturing process (90 lb butterfat in cheese/cwt of butterfat used). Accounts for the fat lost in the whey stream.
- 3.1 = Pounds of protein in 100 pounds of skim milk (lb protein/cwt skim).
  5.9 = Pounds of other solids in 100 pounds of skim milk (lb other solids/cwt skim).
- 0.965 = 96.5 pounds of skim in 100 pounds of milk (cwt skim/cwt milk).
  3.5 = Pounds of other solids in 100 pounds of skim milk (lb butterfat/cwt milk).

For more information on the Price Formulas, visit

## www.ams.usda.gov/resources/price-formulas

For more information on Advanced Prices & Pricing Factors and Class & Component Prices, visit www.ams.usda.gov/rules-regulations/mmr/dmr

Agricultural Marketing Service, October 2019. USDA is an equal opportunity employer, provider and lender.

