



Marketing Order Statistics Price Formulas 2013

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

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Note: Milk prices are per 100 pounds or cwt., rounded to the nearest cent. Component prices are per pound, rounded to nearest one-hundredth cent. Cheese, dry whey, butter, and nonfat dry milk prices are weighted monthly averages of weekly NASS survey prices, rounded to the nearest one-hundredth cent.

Class I:

Class I price = (Class I skim milk price x 0.965) + (Class I butterfat price x 3.5).

Class I Skim Milk Price = Higher of advanced Class III or IV skim milk pricing factors + applicable Class I differential.

Class I Butterfat Price = Advanced butterfat pricing factor + (applicable Class I differential divided by 100).

Note: Advanced pricing factors are computed using applicable price formulas listed below, except that product price averages are for two weeks.

Class II:

Class II Price = (Class II skim milk price x 0.965) + (Class II butterfat price x 3.5).

Class II Skim Milk Price = Advanced Class IV skim milk pricing factor + \$0.70.

Class II Butterfat Price = Butterfat price + \$0.007.

Class II Nonfat Solids Price = Class II skim milk price divided by 9.

Class III:

Class III Price = (Class III skim milk price x 0.965) + (Butterfat price x 3.5).

Class III Skim Milk Price = (Protein price x 3.1) + (Other solids price x 5.9).

Protein Price = ((Cheese price - 0.2003) x 1.383) + (((Cheese price - 0.2003) x 1.572) - Butterfat price x 0.9) x 1.17).

Other Solids Price = (Dry whey price - 0.1991) times 1.03.

Butterfat Price = (Butter price - 0.1715) times 1.211.

Class IV:

Class IV Price = (Class IV skim milk price x 0.965) + (Butterfat price x 3.5).

Class IV Skim Milk Price = Nonfat solids price x 9.

Nonfat Solids Price = (Nonfat dry milk price – 0.1678) times 0.99.

Butterfat Price = See Class III.

Somatic Cell Adjustment Rate = Cheese price x 0.0005, rounded to fifth decimal place. Rate is per 1,000 somatic cell count difference from 350,000.

Information Contacts

Listed below are the specialists in the Agricultural Marketing Service, Dairy Program, Market Information Branch to contact for additional information. E-mail inquiries may be sent to dpp@ams.usda.gov

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