



Commonwealth of Pennsylvania

Milk Marketing Board
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Edward G. Rendell - Governor
 Keith Bierly - Secretary

Minimum Producer Price Data
Official General Order A-903 Amended

Boyd E. Wolff - Chairman
 Luke F. Brubaker - Member
 Barbara Grumbine - Consumer Member

For Milk Purchased From Producers in September, 2004

AREA-ZONE		CLASS I DIFF.	OVER-ORDER* PREM. (A927 & A929)	BUTTERFAT VALUE(per lb.)	SKIM VALUE(per cwt.)	CLASS I PRICE
1-0	Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$1.44	\$1.8339	\$12.45	\$18.43
2-0	East Central Pennsylvania Milk Marketing Area	\$2.80	\$1.44	\$1.8314	\$12.20	\$18.18
3-0	Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$1.44	\$1.8314	\$12.20	\$18.18
4-0	South Central Pennsylvania Milk Marketing Area	\$2.90	\$1.44	\$1.8324	\$12.30	\$18.28
5-0	Western Pennsylvania Milk Marketing Area	\$2.30	\$1.44	\$1.8264	\$11.70	\$17.68
6-0	West Central Pennsylvania Milk Marketing Area	\$2.50	\$1.44	\$1.8284	\$11.90	\$17.88

* Includes Fuel Adjustment of \$0.14 Per Hundredweight

Advance Cheddar Price	\$1.5047
Advance Butter Price	\$1.6058
Advance Nonfat Dry Milk Price	\$0.8596
Advance Dry Whey Price	\$0.2280
Somatic Cell Rate	\$0.00079
Advance Class III Price	\$13.94
Advance Class IV Price	\$12.45

Cheddar Price	\$1.5867
AA Butter Price	\$1.7278
Nonfat Dry Milk Price	\$0.8639
Dry Whey Price	\$0.2162
Producer Price Differential - August, 2004	
Federal Order 1	\$1.53
Federal Order 33	\$0.57

Class I	
Skim Price	\$7.96
Butterfat Price	\$1.7890
Base Price @3.5% Butterfat	\$13.9429
Butterfat Differential	\$0.1709

Class II	
Skim Price	\$7.11
Butterfat Price	\$1.9424
Price @ 3.5% Butterfat	\$13.6596
Butterfat Differential	\$0.1871
Class II Nonfat Solids Price	\$0.7900

Class III	
Skim Price	\$8.23
Butterfat Price	\$1.9354
Price @ 3.5% Butterfat	\$14.7159
Butterfat Differential	\$0.1853
Protein Price	\$2.5431
Other Solids Price	\$0.0589

Class IV	
Skim Price	\$6.45
Butterfat Price	\$1.9354
Price @ 3.5% Butterfat	\$12.9982
Butterfat Differential	\$0.1871
Nonfat Solids Price	\$0.7167

Statistical Average Minimum Price for Pennsylvania Producer Selling Into Pennsylvania \$16.06

Issued on October 01, 2004

STATISTICAL AVERAGE PRODUCER PRICE

Beginning in October, the Milk Marketing Board's Minimum Producer Price Data announcement will include a "Statistical Average Minimum Price for Pennsylvania Producers Selling into Pennsylvania" in addition to the traditional Class I price announcement. The Board recognizes that producers receive a blend price based on the percentage of utilization among the four classes, rather than the full Class I price. Simply using the Class I price as an indicator of the farm price may be misleading, both to producers, who receive the considerably lower blend price, and to consumers, who may think farmers are receiving more for their milk than they actually are. The statistical average minimum price is the average price received by Pennsylvania producers selling milk into Pennsylvania, based upon the state-wide average utilization among all four classes. An individual producer's price may be above or below this average, depending upon the actual class utilization in that producer's market, as well as that producer's actual premiums, butterfat, protein, and solids. The Board believes this statistical average price is a more realistic indicator of the actual price received by producers and will therefore be more useful both to producers and to consumers in making farm-to-farm and farm-to-retail price comparisons.