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**ANNOUNCEMENT OF CLASS PRICES AND RELATED DATA  
FOR AUGUST 2008**

	Market Class I Differential Rate	Class I Prices <sup>1/</sup>		
		Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
<b>Base Zone</b>	<b>\$ 1.80</b>	<b>\$14.85</b>	<b>\$ 1.6984</b>	<b>\$20.27</b>
Other Zones	\$ 1.75	\$14.80	\$ 1.6979	\$20.22
	1.70	14.75	1.6974	20.17
	1.65	14.70	1.6969	20.12
	1.60	14.65	1.6964	20.07
<b>Class II Prices</b>	Nonfat Solids		(Per pound)	\$ 1.3044
	Butterfat		(Per pound)	1.7483
	Skim Milk		(Per cwt.)	11.74
	3.50% BF		(Per cwt.)	17.45
<b>Class III Prices</b>	Protein		(Per pound)	\$ 3.6497
	Other Solids		(Per pound)	0.0529
	Butterfat		(Per pound)	1.7413
	Skim Milk		(Per cwt.)	11.63
	3.50% BF		(Per cwt.)	17.32
<b>Class IV Prices</b>	Nonfat Solids		(Per pound)	\$ 1.2147
	Butterfat		(Per pound)	1.7413
	Skim Milk		(Per cwt.)	10.93
	3.50% BF		(Per cwt.)	16.64
<b>Somatic Cell Adjustment Rate</b>			(Per cwt. per 1,000 SCC)	\$ 0.00093

**Factors Used in Prices for August 2008**

Advanced Class III Skim Milk Price		(Per cwt.)	\$13.05	
Advanced Class IV Skim Milk Price		(Per cwt.)	11.04	
Class I Skim Milk Price Mover		(Per cwt.)	\$13.05	
Advanced Butterfat Price		(Per pound)	1.6804	
		<u>2-Week Average</u>	<u>Monthly Average</u>	
NASS Survey Prices	Butter	(Per pound)	\$ 1.5205	\$ 1.5713
	Cheese	(Per pound)	1.9792	1.8699
	Dry Whey	(Per pound)	0.2690	0.2470
	Nonfat Dry Milk	(Per pound)	1.3957	1.3840
Component Prices	Butterfat	(Per pound)	\$ 1.6804	\$ 1.7413
	Protein	(Per pound)	4.0660	3.6497
	Other Solids	(Per pound)	0.0756	0.0529
	Nonfat Solids	(Per pound)	1.2263	1.2147

**ADVANCED CLASS PRICES AND RELATED DATA  
FOR SEPTEMBER 2008 \***

	Market Class I Differential Rate	Class I Prices <sup>1/</sup>		
		Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
<b>Base Zone</b>	<b>\$ 1.80</b>	<b>\$13.78</b>	<b>\$1.7591</b>	<b>\$19.45</b>
Other Zones	\$ 1.75	\$13.73	\$1.7586	\$19.40
	1.70	13.68	1.7581	19.35
	1.65	13.63	1.7576	19.30
	1.60	13.58	1.7571	19.25
<b>Class II Nonfat Solids Price</b>			(Per pound)	\$ 1.2878
<b>Class II Skim Milk Price</b>			(Per cwt.)	\$11.59
<b>Factors Used in Prices for September 2008</b>				
Advanced Class III Skim Milk Price			(Per cwt.)	\$11.98
Advanced Class IV Skim Milk Price			(Per cwt.)	10.89
Class I Skim Milk Price Mover			(Per cwt.)	\$11.98
Advanced Butterfat Price			(Per pound)	1.7411
NASS Survey Prices -- Two-Week Average				
Butter			(Per pound)	\$ 1.5711
Cheese			(Per pound)	1.9041
Dry Whey			(Per pound)	0.2487
Nonfat Dry Milk			(Per pound)	1.3790
Advanced Component Prices				
Butterfat			(Per pound)	\$ 1.7411
Protein			(Per pound)	3.7601
Other Solids			(Per pound)	0.0547
Nonfat Solids			(Per pound)	1.2098

**Estimated Utilization of Producer Milk in Class I**

(Pursuant to § 1030.45(a))

August 2008	Class I Skim Milk	18%	Class I Butterfat	7%
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\* 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>1/</sup> There is also a \$0.20 per cwt. processor assessment which 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.

September 5, 2008

H. Paul Kyburz, Market Administrator

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