

Agricultural Marketing Service
Dairy Programs

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**ADVANCED ANNOUNCEMENT OF CLASS PRICES AND RELATED DATA
FOR SEPTEMBER 2008 ***

| | Market Class I Differential Rate (Per cwt.) | Class I Prices ^{1/} | | |
|-------------------------------------|--|------------------------------|--------------------------|-----------------------|
| | | Skim Milk (Per cwt.) | Butterfat (Per Pound) | 3.5% BF (Per cwt.) |
| | | | | |
| Base Zone | \$ 1.80 | \$13.78 | \$ 1.7591 | \$19.45 |
| 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 |
| Class II Nonfat Solids Price | | (Per pound) | | \$ 1.2878 |
| Class II Skim Milk Price | | (Per cwt.) | | \$ 11.59 |

Factors Used in Prices for September 2008

| | | |
|--|-------------|-----------|
| 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 |

* 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.

^{1/} 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.

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H. Paul Kyburz, Market Administrator

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