



United States
Department of
Agriculture

Announcement of Advanced Prices and Pricing Factors

[Email us with accessibility issues
regarding this report.](#)

United States Department of Agriculture

Agricultural Marketing Service

Dairy Program

Market Information Branch

[ADV - 0124](#)

December 20, 2023

January 2024 Highlights

Base Class I Price was \$18.48 per hundredweight for the month of January 2024. The price per hundredweight decreased \$1.28 from the previous month.

Base Skim Milk Price for Class I was \$8.24 per hundredweight for the month of January 2024. The price per hundredweight increased \$0.29 from the previous month.

Announcement of Advanced Prices and Pricing Factors for January 2024

| | |
|--|--|
| Base Class I Price: | \$18.48 (per hundredweight) |
| Base Skim Milk Price for Class I: | \$8.24 (per hundredweight) |
| Advanced Class III Skim Milk Pricing Factor: | \$5.74 (per hundredweight) |
| Advanced Class IV Skim Milk Pricing Factor: | \$9.25 (per hundredweight) |
| Advanced Butterfat Pricing Factor: | \$3.0091 (per pound) |
| Class II Skim Milk Price: | \$9.95 (per hundredweight) |
| Class II Nonfat Solids Price: | \$1.1056 (per pound) |
| Two-week Product Price Averages: | |
| Butter | \$2.6563 (per pound) |
| Nonfat Dry Milk | \$1.2062 (per pound) |
| Cheese | \$1.6248 (per pound) |
| 40-Pound Blocks | \$1.6445 (per pound) |
| 500-Pound Barrels ¹ | \$1.5799 (per pound) |
| Dry Whey | \$0.4184 (per pound) |
| Special information for Appalachian and Southeast: | |
| Diesel Fuel Price | \$3.795 (per gallon) |
| Mileage Rate Factor | \$0.00487 (per hundredweight per mile) |

¹ Adjusted to 38-percent moisture

Advanced Prices and Pricing Factors Announcement
USDA - Agricultural Marketing Service

December 20, 2023

Federal Milk Order Class I and Class II Advanced Prices and Pricing Factors, 2024

| Month | Class I Base Price | Base Skim Milk Price for Class I | Advanced Class III Skim Milk Pricing Factor | Advanced Class IV Skim Milk Pricing Factor | Advanced Butterfat Pricing Factor | Class II Skim Milk Price | Class II Nonfat Solids Price |
|-------|-----------------------|--|--|---|---|--------------------------------|------------------------------------|
| | | <i>(dollars per cwt)</i> | | | <i>(\$/lb)</i> | <i>(\$/cwt)</i> | <i>(\$/lb)</i> |
| Jan | 18.48 | 8.24 | 5.74 | 9.25 | 3.0091 | 9.95 | 1.1056 |

Federal Milk Order Class I and Class II Advanced Prices and Pricing Factors, 2023

| Month | Class I Base Price | Base Skim Milk Price for Class I | Advanced Class III Skim Milk Pricing Factor | Advanced Class IV Skim Milk Pricing Factor | Advanced Butterfat Pricing Factor | Class II Skim Milk Price | Class II Nonfat Solids Price |
|-------|-----------------------|--|--|---|---|--------------------------------|------------------------------------|
| | | <i>(dollars per cwt)</i> | | | <i>(\$/lb)</i> | <i>(\$/cwt)</i> | <i>(\$/lb)</i> |
| Jan | 22.41 | 11.32 | 9.54 | 11.62 | 3.2827 | 12.32 | 1.3689 |
| Feb | 20.78 | 11.38 | 10.28 | 11.00 | 2.7990 | 11.70 | 1.3000 |
| Mar | 18.99 | 9.79 | 8.49 | 9.60 | 2.7252 | 10.30 | 1.1444 |
| Apr | 18.85 | 9.66 | 8.46 | 9.37 | 2.7217 | 10.07 | 1.1189 |
| May | 19.57 | 10.47 | 10.37 | 9.08 | 2.7059 | 9.78 | 1.0867 |
| Jun | 18.01 | 8.72 | 7.17 | 8.78 | 2.7412 | 9.48 | 1.0533 |
| Jul | 17.32 | 7.88 | 5.33 | 8.94 | 2.7757 | 9.64 | 1.0711 |
| Aug | 16.62 | 7.22 | 4.00 | 8.95 | 2.7566 | 9.65 | 1.0722 |
| Sep | 18.90 | 8.64 | 7.15 | 8.64 | 3.0170 | 9.34 | 1.0378 |
| Oct | 19.47 | 9.12 | 8.20 | 8.55 | 3.0477 | 9.25 | 1.0278 |
| Nov | 19.75 | 7.24 | 4.29 | 8.70 | 3.6466 | 9.40 | 1.0444 |
| Dec | 19.76 | 7.95 | 5.34 | 9.08 | 3.4526 | 9.78 | 1.0867 |
| Avg | 19.20 | 9.12 | 7.39 | 9.36 | 2.9727 | 10.06 | 1.1177 |

Advanced Prices and Pricing Factors Announcement
USDA - Agricultural Marketing Service

December 20, 2023

Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2024

| Month | Product Price Averages For: | | | | | | | |
|-------|--|-----------------|--------|----------|---|-----------------|--------|----------|
| | Class I (Skim, Bfat.), Class II (Skim, Nonfat Solids) | | | | Class II (Bfat.), Class III, Class IV, Components | | | |
| | Butter | Nonfat dry milk | Cheese | Dry Whey | Butter | Nonfat dry milk | Cheese | Dry Whey |
| Jan | <i>(dollars per pound)</i> 2.6563 1.2062 1.6248 0.4184 | | | | <i>(dollars per pound)</i> | | | |

Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2023

| Month | Product Price Averages For: | | | | | | | |
|-------|--|-----------------|--------|----------|--|-----------------|--------|----------|
| | Class I (Skim, Bfat.), Class II (Skim, Nonfat Solids) | | | | Class II (Bfat.), Class III, Class IV, Components | | | |
| | Butter | Nonfat dry milk | Cheese | Dry Whey | Butter | Nonfat dry milk | Cheese | Dry Whey |
| Jan | <i>(dollars per pound)</i> 2.8822 1.4722 2.0660 0.4648 | | | | <i>(dollars per pound)</i> 2.4599 1.3662 1.9767 0.4266 | | | |
| Feb | 2.4828 | 1.4025 | 1.9953 | 0.4444 | 2.4158 | 1.2553 | 1.8224 | 0.4031 |
| Mar | 2.4219 | 1.2449 | 1.8191 | 0.3986 | 2.4258 | 1.1935 | 1.8399 | 0.4261 |
| Apr | 2.4190 | 1.2197 | 1.8012 | 0.4221 | 2.4018 | 1.1551 | 1.8775 | 0.4398 |
| May | 2.4059 | 1.1868 | 1.9675 | 0.4538 | 2.4483 | 1.1505 | 1.6600 | 0.3813 |
| Jun | 2.4351 | 1.1531 | 1.6920 | 0.3998 | 2.4510 | 1.1674 | 1.5724 | 0.3220 |
| Jul | 2.4636 | 1.1712 | 1.5677 | 0.3199 | 2.4825 | 1.1522 | 1.4870 | 0.2660 |
| Aug | 2.4478 | 1.1725 | 1.4601 | 0.2671 | 2.6668 | 1.1374 | 1.8349 | 0.2620 |
| Sep | 2.6628 | 1.1374 | 1.8617 | 0.2654 | 2.7532 | 1.1155 | 1.9366 | 0.2954 |
| Oct | 2.6882 | 1.1269 | 1.9610 | 0.2914 | 3.2387 | 1.1558 | 1.7390 | 0.3198 |
| Nov | 3.1827 | 1.1439 | 1.7549 | 0.3092 | 3.0293 | 1.1860 | 1.7421 | 0.3831 |
| Dec | 3.0225 | 1.1868 | 1.7486 | 0.3869 | | | | |

Methodology: Advanced Prices and Pricing Factors

Data: The Advanced Prices and Pricing Factors are calculated using the most recent two weeks of data from the latest National Dairy Products Sales Report (NDPSR).

Reliability: The NDPSR is subject to revisions for four weeks following the initial weekly report. For enforcement purposes, the information in the NDPSR is subject to verification for up to two years from the time of submission. The AMS audit staff periodically review a company's sales records to ensure accurate reports during onsite verifications. Note that the monthly Announcement of Advanced Prices and Pricing Factors is not subject to revision.

Terms and Definitions: Announced milk prices are per 100 pounds or cwt, rounded to the nearest cent. Component prices are per pound, rounded to nearest one-hundredth cent. Announced product prices and pricing factors are per pound, rounded to the nearest one-hundredth cent. The diesel fuel price is per gallon, rounded down to the nearest one-tenth cent. The mileage rate factor is per hundredweight per mile, rounded down to the nearest one-thousandth cent.

The NDPSR provides current wholesale market prices for basic dairy commodities. These commodity prices for the previous two weeks are used in the following formulas to calculate the USDA's Advanced Prices and Pricing Factors used in the Federal Milk Marketing Order Program.

- Commodity Prices (Butter, Nonfat Dry Milk, Cheddar Cheese, and Dry Whey)
 - Commodity prices are calculated on the NDPSR ¹.
 - The prices are weighted averages for the previous two weeks, weighted by sales volume in pounds.
 - Cheddar cheese in 500-pound barrels is adjusted to 38 percent moisture content.
 - For more information, see the Price Formulas publication ².
- Base Class I Price ³ = (Base Skim Milk Price for Class I x 0.965) + (Advanced Butterfat Pricing Factor x 3.5)
- Base Skim Milk Price for Class I = ((Advanced Class III Skim Milk Pricing Factor + Advanced Class IV Skim Milk Pricing Factor) / 2) + \$0.74
- Advanced Class III Skim Milk Pricing Factor = (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) - Advanced Butterfat Pricing Factor x 0.9) x 1.17)
 - Other Solids Price = (Dry Whey Price - 0.1991) x 1.03
- Advanced Class IV Skim Milk Pricing Factor = Nonfat Solids Price x 9
 - Nonfat Solids Price = (Nonfat Dry Milk Price - 0.1678) x 0.99
- Advanced Butterfat Pricing Factor = (Butter Price - 0.1715) x 1.211
- Class II Skim Milk Price = Advanced Class IV Skim Milk Pricing Factor + 0.70
- Class II Nonfat Solids Price = Class II Skim Milk Price / 9

¹ <https://www.ams.usda.gov/mnreports/dywdairyproductssales.pdf>

² <https://www.ams.usda.gov/resources/price-formulas>

³ The Class I Base Price is shown for informational purposes only; it is not defined in Section 1000.50 of the order. The Class I skim milk price equals the Base Skim Milk Price plus the applicable Class I differential. The Class I Butterfat Price equals Advanced Butterfat Pricing Factor plus the (applicable Class I differential divided by 100).

Revisions: The monthly Announcement of Advanced Prices and Pricing Factors is not subject to revision.

Advanced Prices and Pricing Factors Announcement
USDA - Agricultural Marketing Service

December 20, 2023

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@usda.gov.

Lorie Warren Cashman
Chief, Market Information
(202) 720-4405

Dairy Product Mandatory Reporting Program

Jessica Newsome
Dairy Products Marketing Specialist, Coordinator
(202) 260-9091

Joshua McNeff
Dairy Products Marketing Specialist
(202) 937-4934

Alexis Gonzalez
Dairy Products Marketing Specialist
(202) 799-7296

Hripsime Tamrazyan
Dairy Products Marketing Specialist
(202) 260-8953

Bradley Vierra
Dairy Products Marketing Specialist
(817) 313-2131

Federal Milk Order Information Program

Joshua McNeff
Dairy Products Marketing Specialist, Coordinator
(202) 937-4934

Hripsime Tamrazyan
Dairy Products Marketing Specialist
(202) 260-8953

For the most current release, visit AMS Dairy Program ([Dairy Product Mandatory Reporting Program's page](#)) or Cornell University's Library ([National Dairy Products Sales Report page](#)).

To receive e-mail notification for AMS Dairy Program publications, [visit Cornell University's Library](#) and follow the instructions.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.