



United States
Department of
Agriculture

Announcement of Advanced Prices and Pricing Factors

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United States Department of Agriculture

Agricultural Marketing Service

Dairy Program

Market Information Branch

[ADV - 0223](#)

January 19, 2023

February 2023 Highlights

Base Class I Price was \$20.78 per hundredweight for the month of February 2023. The price per hundredweight decreased \$1.63 from the previous month.

Base Skim Milk Price for Class I was \$11.38 per hundredweight for the month of February 2023. The price per hundredweight increased \$0.06 from the previous month.

Announcement of Advanced Prices and Pricing Factors for February 2023

Base Class I Price:	\$20.78 (per hundredweight)
Base Skim Milk Price for Class I:	\$11.38 (per hundredweight)
Advanced Class III Skim Milk Pricing Factor:	\$10.28 (per hundredweight)
Advanced Class IV Skim Milk Pricing Factor:	\$11.00 (per hundredweight)
Advanced Butterfat Pricing Factor:	\$2.7990 (per pound)
Class II Skim Milk Price:	\$11.70 (per hundredweight)
Class II Nonfat Solids Price:	\$1.3000 (per pound)
Two-week Product Price Averages:	
Butter	\$2.4828 (per pound)
Nonfat Dry Milk	\$1.4025 (per pound)
Cheese	\$1.9953 (per pound)
40-Pound Blocks	\$2.1208 (per pound)
500-Pound Barrels ¹	\$1.8494 (per pound)
Dry Whey	\$0.4444 (per pound)
Special information for Appalachian and Southeast:	
Diesel Fuel Price	\$4.428 (per gallon)
Mileage Rate Factor	\$0.00511 (per hundredweight per mile)

¹ Adjusted to 38-percent moisture

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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

Federal Milk Order Class I and Class II Advanced Prices and Pricing Factors, 2022

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	19.71	12.21	10.73	12.21	2.2660	12.91	1.4344
Feb	21.64	12.44	10.43	12.97	2.7537	13.67	1.5189
Mar	22.88	12.89	10.59	13.71	2.9838	14.41	1.6011
Apr	24.38	13.98	11.97	14.51	3.1098	15.21	1.6900
May	25.45	14.99	13.68	14.82	3.1373	15.52	1.7244
Jun	25.87	15.66	15.04	14.80	3.0728	15.50	1.7222
Jul	25.87	14.64	13.07	14.72	3.3543	15.42	1.7133
Aug	25.13	13.75	11.19	14.83	3.3886	15.53	1.7256
Sep	23.62	12.07	8.84	13.82	3.4201	14.52	1.6133
Oct	22.71	10.60	7.04	12.67	3.5671	13.37	1.4856
Nov	24.09	11.63	9.17	12.61	3.6774	13.31	1.4789
Dec	22.58	11.45	9.63	11.78	3.2946	12.48	1.3867
Avg	23.66	13.03	10.95	13.62	3.1688	14.32	1.5912

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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
	<i>(dollars per pound)</i>				<i>(dollars per pound)</i>			
Jan	2.8822	1.4722	2.0660	0.4648				
Feb	2.4828	1.4025	1.9953	0.4444				

Dairy Products Price Averages Used in Federal Milk Order Price Formulas, 2022

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
	<i>(dollars per pound)</i>				<i>(dollars per pound)</i>			
Jan	2.0427	1.5385	1.7516	0.6316	2.6130	1.6488	1.8978	0.7087
Feb	2.4454	1.6240	1.8482	0.6863	2.6668	1.7284	1.9068	0.7800
Mar	2.6354	1.7062	1.8906	0.7660	2.7260	1.7954	2.0548	0.7943
Apr	2.7395	1.7963	2.0537	0.7922	2.7694	1.8314	2.2910	0.7394
May	2.7622	1.8306	2.2594	0.7508	2.7360	1.8095	2.4161	0.6707
Jun	2.7089	1.8292	2.4153	0.6844	2.9232	1.8156	2.3498	0.6161
Jul	2.9414	1.8202	2.3502	0.6182	2.9461	1.8001	2.2019	0.5482
Aug	2.9697	1.8324	2.2234	0.5348	2.9792	1.6690	1.9761	0.5045
Sep	2.9957	1.7190	2.0161	0.5069	3.1156	1.5803	1.9503	0.4902
Oct	3.1171	1.5895	1.8940	0.4892	3.1911	1.5819	2.1560	0.4857
Nov	3.2082	1.5829	2.1451	0.4869	2.9560	1.5045	2.0897	0.4745
Dec	2.8921	1.4902	2.0735	0.4749	2.7759	1.4559	2.0555	0.4566
Avg	2.7882	1.6966	2.0768	0.6185	2.8665	1.6851	2.1122	0.6057

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.

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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.

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