



STATE MILK COMMISSION
Crafton O. Wilkes, Administrator

Announcement of Producer Class I Price at 3.5% Butterfat

September 2019

	JUL 2019	AUG 2019	SEP 2019
Eastern Market			
Established Price	\$8.46	\$8.46	\$8.46
Add Adjustment (per §2VAC15-20-81)	\$13.39	\$14.11	\$14.07
Eastern Market Class I Price (per cwt)	\$21.85	\$22.57	\$22.53
Eastern Market Skim Price (per cwt)	12.8540	13.4840	13.5440
Eastern Market Butterfat Price (per lb)	2.6996	2.7297	2.7022
Western Market			
Established Price	\$8.16	\$8.16	\$8.16
Add Adjustment (per §2VAC15-20-81)	\$13.49	\$14.21	\$14.17
Western Market Class I Price (per cwt)	\$21.65	\$22.37	\$22.33
Western Market Skim Price (per cwt)	12.6540	13.2840	13.3440
Western Market Butterfat Price (per lb)	2.6976	2.7277	2.7002
Southwestern Market			
Established Price	\$7.96	\$7.96	\$7.96
Add Adjustment (per §2VAC15-20-81)	\$13.19	\$13.90	\$13.86
Southwestern Market Class I Price (per cwt)	\$21.15	\$21.86	\$21.82
Southwestern Market Skim Price (per cwt)	12.1495	12.7795	12.8395
Southwestern Market Butterfat Price (per lb)	2.6926	2.7227	2.6952
Class II Price Announcement Date			
	JUL 31, 2019	SEP 5, 2019	OCT 2, 2019
Milk Commission Class II Price (per cwt)	\$17.61		
Milk Commission Class II Skim Price (per cwt)	\$8.4800	\$8.5700	\$8.4600
Milk Commission Class II Butterfat Price (per lb)	2.6928		
Milk Commission Bi-Monthly Composite Index			
	344.4	345.3	345.0
Milk Commission Assessment Rate (per cwt)			
	0.03950	0.03950	0.03950
Federal Order Base Class I Price (per cwt)			
	\$17.18	\$17.89	\$17.85

Price Change from August 2019

	Class I (cwt)	Skim (cwt)	Butterfat (lb)
Eastern Market	▼ -\$0.04	▲ \$0.06	▼ -\$0.0275
Western Market	▼ -\$0.04	▲ \$0.06	▼ -\$0.0275
Southwestern Market	▼ -\$0.04	▲ \$0.06	▼ -\$0.0275

Next Class I Announcement: Sep. 18, 2019

Next Class II Announcement: Sep. 5, 2019

Virginia Department of Agriculture and Consumer Services
State Milk Commission

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Virginia State Milk Commission Skim and Butterfat Prices, 2019

Month	Eastern Market		Western Market		Southwestern Market		Bi-Monthly Index
	Skim per cwt	Butterfat per pound	Skim per cwt	Butterfat per pound	Skim per cwt	Butterfat per pound	
January	10.9965	2.5665	10.7965	2.5645	10.3025	2.5595	329.1
February	11.2765	2.5410	11.0765	2.5390	10.5825	2.5340	329.9
March	11.7265	2.6118	11.5265	2.6098	11.0325	2.6048	332.4
April	11.5265	2.6047	11.3265	2.6027	10.8325	2.5977	334.2
May	12.2965	2.5803	12.0965	2.5783	11.6025	2.5733	337.0
June	13.0640	2.6101	12.8640	2.6081	12.3595	2.6031	341.3
July	12.8540	2.6996	12.6540	2.6976	12.1495	2.6926	344.4
August	13.4840	2.7297	13.2840	2.7277	12.7795	2.7227	345.3
September	13.5440	2.7022	13.3440	2.7002	12.8395	2.6952	345.0
October							
November							
December							
AVERAGE	12.3076	2.6273	12.1076	2.6253	11.6089	2.6203	337.6

Virginia State Milk Commission Skim and Butterfat Prices, 2018

Month	Eastern Market		Western Market		Southwestern Market		Bi-Monthly Index
	Skim per cwt	Butterfat per pound	Skim per cwt	Butterfat per pound	Skim per cwt	Butterfat per pound	
January	11.8555	2.5363	11.6555	2.5343	11.0495	2.5282	329.7
February	10.5855	2.5464	10.3855	2.5444	9.7795	2.5383	325.5
March	9.7680	2.3773	9.5680	2.3753	9.0950	2.3706	322.0
April	10.2080	2.4690	10.0080	2.4670	9.5350	2.4623	320.8
May	10.3680	2.5216	10.1680	2.5196	9.6950	2.5149	323.3
June	10.7380	2.6513	10.5380	2.6493	10.0650	2.6446	327.2
July	10.6380	2.7080	10.4380	2.7060	9.9650	2.7013	330.1
August	9.8480	2.5802	9.6480	2.5782	9.1750	2.5735	329.6
September	10.3445	2.6560	10.1445	2.6540	9.6540	2.6491	326.0
October	12.1345	2.5835	11.9345	2.5815	11.4440	2.5766	324.2
November	11.2345	2.6020	11.0345	2.6000	10.5440	2.5951	326.6
December	10.8445	2.5728	10.6445	2.5708	10.1540	2.5659	329.2
AVERAGE	10.7139	2.5670	10.5139	2.5650	10.0129	2.5600	326.2

Prevailing Market	Bristol	Charleston	Raleigh	Winston-Salem	Washington, DC
Over Order Premium	\$0.61	\$0.73	\$0.75	\$0.75	\$0.60

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Terms and Definitions:

Announced producer milk prices are per 100 pounds (cwt). Butterfat prices are per pound.

Established Price = The base price of milk as set forth by Virginia Regulation 2VAC15-20-81.

Market	<u>Established Price</u>	
	March - June	July-February
Eastern	\$8.26	\$8.46
Western	\$7.96	\$8.16
Southwestern	\$7.76	\$7.96

Class I Adjustment = The Index Value of the average of the last two month's weighted components.

Component	Multiplier	Weight*
NASS Prices Received Index, 1910-14 Base	1	107.20
NASS Prices Paid (PPITW) Index	1	77.00
NASS Complete Feeds Index	1	140.50
Market Basket Survey	1	35.16
VEC Weekly Earnings - Manufacturing	1	140.49
Average of Prevailing Prices	2	10.57

*Smaller weight indicates greater influence on the Class I Adjustment

Prevailing Markets = The simple average of two regional markets is used to determine the adjustment for each Virginia Market.

Virginia Market	Prevailing Market 1	Prevailing Market 2
Eastern	Raleigh, NC	Washington, DC
Western	Winston-Salem, NC	Washington, DC
Southwestern	Bristol, VA	Charleston, WV

Market Class I Price = (Class I Skim Price x 0.965) + (Class I Butterfat Price x 3.5)

Class I Skim Price = Prevailing market Net Skim Price + Milk Commission Adjustment per Regulation 2VAC15-20-81.

Prevailing Market Net Skim Price = USDA AMS Base Skim Milk Price for Class I + USDA location differential + Prevailing Market Over Order Premium

Prevailing Market Over Order Premium = The difference in the reported price paid by processors for raw milk in select markets and the announced USDA Base Class I Price

Class I Butterfat Price = USDA AMS Advanced Butterfat Pricing Factor + (USDA location differential ÷ 100) + (Prevailing Market Over Order Premium ÷ 100)

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