

Release No. AMS-322 -00

Becky Unkenholz (202) 720-8998

becky.unkenholz@usda.gov

Billy Cox (202) 720-8998

billy.cox@usda.gov

USDA ANNOUNCES TENTATIVE FINAL DECISION ON CLASS III AND IV PRICE FORMULAS FOR ALL FEDERAL MILK ORDERS

WASHINGTON, D.C., Dec. 1, 2000 - The United States Department of Agriculture today announced a tentative final decision to amend the current Class III and Class IV pricing formulas under Federal milk orders. This decision is based on testimony and data presented at a public hearing held May 8-12, 2000, in Alexandria, Va., to consider proposals submitted by the industry to change the formulas.

The decision provides for separate butterfat prices for milk used in Class III (cheese) and Class IV (butter and dry milk products) based on the value of butterfat in cheese and butter. The manufacturing (make) allowance for cheese is proposed to be reduced slightly, from 17.02 cents per pound of cheese to 16.5 cents. The make allowance for dry whey, also a factor in calculating Class III value, would be increased from \$0.137 to \$0.140 per pound of dry whey.

The make allowances used in calculating Class IV value are proposed to increase slightly, from 11.4 to 11.5 cents per pound of butter and from 13.7 cents to 14 cents per pound of nonfat dry milk.

The proposed changes are expected to have limited impact on returns to dairy farmers.

Interested persons have until Feb. 5, 2001, to file comments in response to the tentative decision. A tentative final decision is being issued because the Congressional deadlines of Dec. 1, 2000, for publication of a final decision and Jan. 1, 2001, for effectuating order amendments do not allow enough time to issue a recommended decision and receive and consider comments before issuance of a final decision.

USDA will determine whether dairy farmers approve the amended orders.

-more--

The following market administrators can provide additional information about the decision.

Northeast: Erik F. Rasmussen
USDA/AMS/Dairy Programs
P.O. Box 1478 (FT Point Station), Boston, MA. 02205-1478
Tel. (617) 542-8966; email: Erik.Rasmussen@USDA.GOV

Appalachian: Arnold M. Stallings
USDA/AMS/Dairy Programs
P.O. Box 18030, Louisville, KY. 40261-0030
Tel. (502) 499-0040; email: Arnold.Stallings@USDA.GOV

Florida and Southeast: Sue. L. Mosley
USDA/AMS/Dairy Programs
P.O. Box 1208, Norcross, GA. 30091-1208
Tel. (770) 448-1194; email: Sue.Mosley@USDA.GOV

Upper Midwest: H. Paul Kyburz
USDA/AMS/Dairy Programs
Suite 210, 4570 West 77th St., Minneapolis, MN. 55435-5037
Tel. (952) 831-5292; email: Paul.Kyburz@USDA.GOV

Central: Donald R. Nicholson
USDA/AMS/Dairy Programs
P.O. Box 14650, Shawnee Mission, KS. 66285-4650
Tel. (913) 495-9300; email: Donald.Nicholson@USDA.GOV

Mideast: Marvin A. Baumer
USDA/AMS/Dairy Programs
P.O. Box 30128, Cleveland, OH. 44130-0128
Tel. (440) 826-3220; email: Marvin.Baumer@USDA.GOV

Pacific Northwest, Arizona-Las Vegas, & Western: James R. Daugherty
USDA/AMS/Dairy Programs
Building J, Suite 102; 1930-220th St., SE., Bothell, WA. 98021-8471
Tel. (425) 487-6009; email: James.Daugherty@USDA.GOV

Southwest: J. Richard Fleming
USDA/AMS/Dairy Programs
P.O. Box 110939, Carrollton, TX 75011-0939
Tel. (972) 245-6060; email: Richard.Fleming@USDA.GOV

Return to [AMS News Releases](#)