

**Appendix to Preliminary Analysis for
Hearing Concerning Class I and II price formulas**

November 2006

This appendix details the impacts of National Milk Producers Federation (NMPF) proposed changes to Federal order Class I and II pricing formulas. The following tables present annual changes to economic variables summarized in the Department's preliminary economic analysis. As the NMPF proposal effectively increases current Class I and II price movers, the analysis included three scenarios: the first increasing only the Class I price movers (CI I), the second increasing only the Class II price movers (CI II), and the third increasing both sets of price movers together (CI I & II). The impact for each variable is presented as change from the baseline level.

Table A-1. All-Milk Price and Producer Revenue

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
All Milk	\$/cwt.	Baseline	14.56	14.55	14.47	14.48	14.69	14.85	14.85	15.19	15.41	14.79
	\$/cwt.	CI I	0.15	0.11	0.09	0.07	0.05	0.05	0.04	0.03	0.03	0.07
	\$/cwt.	CI II	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.00	-0.01
	\$/cwt.	CI I & II	0.14	0.10	0.08	0.06	0.05	0.04	0.04	0.03	0.03	0.06
Avg. MILC Payment (MILC payments/milk production)	mil. \$	Baseline	0.10									
	mil. \$	CI I	-0.05									
	mil. \$	CI II	0.00									
	mil. \$	CI I & II	-0.04									
Producer Revenue (including MILC)	mil. \$	Baseline	26,861	27,113	27,239	27,570	28,248	28,890	29,047	29,960	30,634	28,396
	mil. \$	CI I	191	224	199	170	139	144	128	113	115	158
	mil. \$	CI II	-19	-21	-22	-23	-24	-25	-25	-26	-6	-21
	mil. \$	CI I & II	190	204	177	147	134	120	123	106	109	146

Table A-2. Milk Production Variables

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Milk Cows	1000s	Baseline	9,085	9,058	9,005	8,950	8,896	8,839	8,778	8,728	8,673	8,890
	1000s	CI I	3	5	7	8	9	10	10	10	10	8
	1000s	CI II	0	-1	-1	-1	-1	-1	-1	-1	-1	-1
	1000s	CI I & II	2	5	6	7	8	9	9	9	9	7
Yield per Cow	pounds	Baseline	20,266	20,660	20,995	21,351	21,696	22,079	22,341	22,655	22,966	21,668
	pounds	CI I	0	3	6	8	10	12	13	14	15	9
	pounds	CI II	0	0	-1	-1	-1	-1	-1	-2	-2	-1
	pounds	CI I & II	0	3	5	8	9	10	11	12	13	8
Milk Production	mil. pounds	Baseline	184,123	187,147	189,048	191,102	192,997	195,146	196,103	197,738	199,193	192,511
	mil. pounds	CI I	51	133	202	252	288	316	336	351	362	254
	mil. pounds	CI II	-5	-13	-20	-26	-30	-34	-37	-40	-42	-27
	mil. pounds	CI I & II	46	120	181	225	257	281	299	310	319	227
Farm Use	mil. pounds	Baseline	900	800	800	700	700	600	500	500	400	656
Marketings	mil. pounds	Baseline	183,223	186,347	188,248	190,402	192,297	194,546	195,603	197,238	198,793	191,855
	mil. pounds	CI I	51	133	202	252	288	316	336	351	362	254
	mil. pounds	CI II	-5	-13	-20	-26	-30	-34	-37	-40	-42	-27
	mil. pounds	CI I & II	46	120	181	225	257	281	299	310	319	227

Table A-3. Product Prices

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Cheddar cheese	\$/pound	Baseline	1.4665	1.4747	1.4407	1.4412	1.4532	1.4582	1.4436	1.4732	1.4832	1.4594
	\$/pound	CI I	-0.0037	-0.0069	-0.0092	-0.0112	-0.0126	-0.0134	-0.0139	-0.0148	-0.0150	-0.0112
	\$/pound	CI II	-0.0018	-0.0022	-0.0021	-0.0020	-0.0019	-0.0018	-0.0018	-0.0018	-0.0017	-0.0019
	\$/pound	CI I & II	-0.0054	-0.0091	-0.0113	-0.0131	-0.0145	-0.0153	-0.0157	-0.0166	-0.0167	-0.0131
Butter	\$/pound	Baseline	1.3809	1.3896	1.4898	1.5184	1.5574	1.5964	1.6049	1.5975	1.6578	1.5325
	\$/pound	CI I	-0.0126	-0.0212	-0.0270	-0.0296	-0.0309	-0.0314	-0.0321	-0.0321	-0.0321	-0.0307
	\$/pound	CI II	-0.0084	-0.0065	-0.0053	-0.0048	-0.0045	-0.0043	-0.0042	-0.0042	-0.0041	-0.0051
	\$/pound	CI I & II	-0.0210	-0.0277	-0.0323	-0.0344	-0.0354	-0.0357	-0.0364	-0.0364	-0.0348	-0.0327
Nonfat dry milk	\$/pound	Baseline	0.8904	0.8603	0.8304	0.8366	0.8341	0.8310	0.8287	0.8385	0.8492	0.8444
	\$/pound	CI I	-0.0022	-0.0016	-0.0012	-0.0016	-0.0017	-0.0017	-0.0016	-0.0019	-0.0024	-0.0018
	\$/pound	CI II	-0.0001	0.0000	0.0001	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0001
	\$/pound	CI I & II	-0.0023	-0.0016	-0.0012	-0.0016	-0.0016	-0.0016	-0.0015	-0.0018	-0.0021	-0.0017
Dry whey	\$/pound	Baseline	0.2531	0.2483	0.2492	0.2602	0.2739	0.2814	0.2923	0.3086	0.3079	0.2750
	\$/pound	CI I	-0.0006	-0.0011	-0.0014	-0.0016	-0.0017	-0.0017	-0.0017	-0.0018	-0.0017	-0.0015
	\$/pound	CI II	-0.0003	-0.0003	-0.0003	-0.0002	-0.0002	-0.0002	-0.0002	-0.0002	-0.0001	-0.0002
	\$/pound	CI I & II	-0.0009	-0.0014	-0.0017	-0.0019	-0.0019	-0.0019	-0.0019	-0.0019	-0.0018	-0.0017
Retail fluid milk ¹	\$/gallon	CI I	0.0610	0.0590	0.0576	0.0562	0.0551	0.0545	0.0541	0.0533	0.0531	0.0560
	\$/gallon	CI II	-0.0007	-0.0012	-0.0013	-0.0012	-0.0012	-0.0011	-0.0011	-0.0011	-0.0010	-0.0011
	\$/gallon	CI I & II	0.0604	0.0578	0.0564	0.0550	0.0539	0.0533	0.0530	0.0523	0.0520	0.0549

¹ Retail fluid milk prices are not projected in the model. Projected price changes are calculated by multiplying the change in Class I price per pound at test by 8.62 pounds of milk per gallon.

Table A-4. Federal Order Component Prices and Pricing Factors

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class III and IV butterfat	\$/pound	Baseline	1.5191	1.5295	1.6498	1.6841	1.7309	1.7777	1.7879	1.7790	1.8514	1.7010
	\$/pound	CI I	-0.0151	-0.0255	-0.0324	-0.0355	-0.0370	-0.0377	-0.0386	-0.0385	-0.0369	-0.0330
	\$/pound	CI II	-0.0100	-0.0077	-0.0063	-0.0058	-0.0054	-0.0051	-0.0051	-0.0051	-0.0049	-0.0062
	\$/pound	CI I & II	-0.0251	-0.0332	-0.0388	-0.0413	-0.0425	-0.0428	-0.0437	-0.0436	-0.0418	-0.0392
Class I butterfat	\$/pound	Baseline	1.5191	1.5295	1.6498	1.6841	1.7309	1.7777	1.7879	1.7790	1.8514	1.7010
	\$/pound	CI I	-0.0078	-0.0182	-0.0251	-0.0282	-0.0297	-0.0304	-0.0313	-0.0312	-0.0296	-0.0257
	\$/pound	CI II	-0.0100	-0.0077	-0.0063	-0.0058	-0.0054	-0.0051	-0.0051	-0.0051	-0.0049	-0.0062
	\$/pound	CI I & II	-0.0178	-0.0259	-0.0315	-0.0340	-0.0352	-0.0355	-0.0364	-0.0363	-0.0345	-0.0319
Class II butterfat	\$/pound	Baseline	1.5191	1.5295	1.6498	1.6841	1.7309	1.7777	1.7879	1.7790	1.8514	1.7010
	\$/pound	CI I	-0.0151	-0.0255	-0.0324	-0.0355	-0.0370	-0.0377	-0.0386	-0.0385	-0.0369	-0.0330
	\$/pound	CI II	0.0063	0.0086	0.0100	0.0105	0.0109	0.0112	0.0112	0.0112	0.0114	0.0101
	\$/pound	CI I & II	-0.0088	-0.0169	-0.0225	-0.0250	-0.0262	-0.0265	-0.0274	-0.0273	-0.0255	-0.0229
Protein	\$/pound	Baseline	2.5943	2.6098	2.3733	2.3389	2.3284	2.2950	2.2375	2.3422	2.2981	2.3797
	\$/pound	CI I	0.0042	0.0045	0.0043	0.0014	-0.0015	-0.0036	-0.0043	-0.0072	-0.0096	-0.0013
	\$/pound	CI II	0.0048	0.0012	0.0000	-0.0003	-0.0004	-0.0005	-0.0003	-0.0003	-0.0003	0.0004
	\$/pound	CI I & II	0.0089	0.0056	0.0044	0.0012	-0.0019	-0.0041	-0.0046	-0.0075	-0.0099	-0.0009
Nonfat Solids	\$/pound	Baseline	0.7429	0.7131	0.6835	0.6896	0.6872	0.6841	0.6818	0.6916	0.7021	0.6973
	\$/pound	CI I	-0.0022	-0.0016	-0.0012	-0.0016	-0.0017	-0.0017	-0.0016	-0.0019	-0.0023	-0.0018
	\$/pound	CI II	-0.0001	0.0000	0.0001	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0001
	\$/pound	CI I & II	-0.0023	-0.0016	-0.0012	-0.0015	-0.0016	-0.0015	-0.0014	-0.0017	-0.0021	-0.0017
Other Solids	\$/pound	Baseline	0.0970	0.0920	0.0929	0.1042	0.1183	0.1261	0.1373	0.1541	0.1534	0.1195
	\$/pound	CI I	-0.0006	-0.0011	-0.0014	-0.0017	-0.0018	-0.0018	-0.0018	-0.0018	-0.0017	-0.0015
	\$/pound	CI II	-0.0003	-0.0003	-0.0003	-0.0002	-0.0002	-0.0002	-0.0002	-0.0002	-0.0001	-0.0002
	\$/pound	CI I & II	-0.0009	-0.0015	-0.0017	-0.0019	-0.0020	-0.0020	-0.0020	-0.0020	-0.0019	-0.0018

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Table A-4 Continued. Federal Order Component Prices and Pricing Factors

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.	
Class I Skim	\$/cwt.	Baseline	11.32	11.34	10.62	10.58	10.63	10.57	10.46	10.88	10.74	10.79	
	\$/cwt.	CI I	0.74	0.74	0.73	0.72	0.71	0.71	0.71	0.70	0.69	0.72	
	\$/cwt.	CI II	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	\$/cwt.	CI I & II	0.75	0.74	0.73	0.72	0.71	0.71	0.70	0.69	0.69	0.72	
Class II Skim	\$/cwt.	Baseline	7.39	7.12	6.85	6.91	6.88	6.86	6.84	6.92	7.02	6.98	
	\$/cwt.	CI I	-0.02	-0.01	-0.01	-0.01	-0.02	-0.01	-0.01	-0.01	-0.02	-0.02	-0.02
	\$/cwt.	CI II	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	\$/cwt.	CI I & II	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Class III Skim	\$/cwt.	Baseline	8.61	8.63	7.91	7.87	7.92	7.86	7.75	8.17	8.03	8.08	
	\$/cwt.	CI I	0.01	0.01	0.00	-0.01	-0.02	-0.02	-0.02	-0.03	-0.04	-0.01	
	\$/cwt.	CI II	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	\$/cwt.	CI I & II	0.02	0.01	0.00	-0.01	-0.02	-0.02	-0.03	-0.04	-0.04	-0.01	
Class IV Skim	\$/cwt.	Baseline	6.69	6.42	6.15	6.21	6.18	6.16	6.14	6.22	6.32	6.28	
	\$/cwt.	CI I	-0.02	-0.01	-0.01	-0.01	-0.02	-0.01	-0.01	-0.01	-0.02	-0.02	-0.02
	\$/cwt.	CI II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	\$/cwt.	CI I & II	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.02	-0.02	-0.02

Table A-5. Federal Order Milk Prices at 3.5 Percent Butterfat

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I	\$/cwt.	Baseline	16.34	16.39	16.11	16.19	16.41	16.52	16.44	16.82	16.94	16.46
	\$/cwt.	CI I	0.69	0.65	0.62	0.60	0.59	0.58	0.57	0.56	0.56	0.60
	\$/cwt.	CI II	-0.02	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
	\$/cwt.	CI I & II	0.66	0.62	0.60	0.58	0.56	0.56	0.55	0.54	0.54	0.58
Class II	\$/cwt.	Baseline	12.47	12.25	12.41	12.58	12.73	12.86	12.88	12.93	13.28	12.71
	\$/cwt.	CI I	-0.07	-0.10	-0.12	-0.14	-0.14	-0.15	-0.15	-0.15	-0.15	-0.13
	\$/cwt.	CI II	0.03	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.04
	\$/cwt.	CI I & II	-0.04	-0.07	-0.08	-0.09	-0.10	-0.10	-0.10	-0.10	-0.10	-0.09
Class III	\$/cwt.	Baseline	13.63	13.68	13.40	13.48	13.70	13.81	13.73	14.11	14.23	13.75
	\$/cwt.	CI I	-0.04	-0.08	-0.11	-0.13	-0.14	-0.15	-0.16	-0.17	-0.17	-0.13
	\$/cwt.	CI II	-0.02	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
	\$/cwt.	CI I & II	-0.07	-0.11	-0.13	-0.15	-0.17	-0.17	-0.18	-0.19	-0.19	-0.15
Class IV	\$/cwt.	Baseline	11.77	11.55	11.71	11.88	12.03	12.16	12.18	12.23	12.58	12.01
	\$/cwt.	CI I	-0.07	-0.10	-0.12	-0.14	-0.14	-0.15	-0.15	-0.15	-0.15	-0.13
	\$/cwt.	CI II	-0.04	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
	\$/cwt.	CI I & II	-0.11	-0.13	-0.15	-0.16	-0.16	-0.16	-0.17	-0.17	-0.16	-0.15
Uniform at 3.5% BF	\$/cwt.	Baseline	14.26	14.23	14.05	14.15	14.33	14.44	14.38	14.67	14.83	14.37
	\$/cwt.	CI I	0.21	0.17	0.14	0.12	0.11	0.10	0.09	0.08	0.08	0.12
	\$/cwt.	CI II	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	\$/cwt.	CI I & II	0.21	0.16	0.14	0.12	0.10	0.10	0.09	0.08	0.08	0.12

Table A-6. Average Class Butterfat Test

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I	percent	Baseline	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
	percent	CI I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI I & II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Class II	percent	Baseline	8.19	8.18	8.18	8.17	8.17	8.16	8.14	8.13	8.12	8.16
	percent	CI I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI I & II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Class III	percent	Baseline	3.49	3.49	3.48	3.48	3.48	3.48	3.49	3.49	3.50	3.49
	percent	CI I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	percent	CI I & II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Class IV	percent	Baseline	4.50	4.46	4.48	4.44	4.40	4.35	4.30	4.22	4.16	4.37
	percent	CI I	-0.02	-0.03	-0.03	-0.03	-0.03	-0.03	-0.04	-0.03	-0.03	-0.03
	percent	CI II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
	percent	CI I & II	-0.02	-0.02	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03

Table A-7. Federal Order Milk Prices at Test

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I	\$/cwt.	Baseline	14.25	14.29	13.83	13.86	14.00	14.04	13.95	14.35	14.36	14.10
	\$/cwt.	CI I	0.71	0.69	0.67	0.65	0.64	0.63	0.63	0.62	0.62	0.65
	\$/cwt.	CI II	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
	\$/cwt.	CI I & II	0.70	0.67	0.65	0.64	0.63	0.62	0.62	0.61	0.60	0.64
Class II	\$/cwt.	Baseline	19.28	19.10	19.84	20.16	20.51	20.85	20.90	20.88	21.54	20.34
	\$/cwt.	CI I	-0.14	-0.22	-0.28	-0.31	-0.32	-0.32	-0.33	-0.33	-0.32	-0.28
	\$/cwt.	CI II	0.06	0.08	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.09
	\$/cwt.	CI I & II	-0.09	-0.15	-0.19	-0.21	-0.22	-0.22	-0.23	-0.23	-0.22	-0.19
Class III	\$/cwt.	Baseline	13.61	13.66	13.37	13.45	13.66	13.78	13.71	14.10	14.22	13.73
	\$/cwt.	CI I	-0.04	-0.08	-0.11	-0.13	-0.14	-0.15	-0.15	-0.16	-0.16	-0.13
	\$/cwt.	CI II	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
	\$/cwt.	CI I & II	-0.06	-0.11	-0.13	-0.15	-0.16	-0.17	-0.17	-0.18	-0.18	-0.15
Class IV	\$/cwt.	Baseline	13.22	12.96	13.26	13.41	13.52	13.62	13.57	13.47	13.77	13.42
	\$/cwt.	CI I	-0.11	-0.16	-0.20	-0.22	-0.23	-0.24	-0.24	-0.24	-0.24	-0.23
	\$/cwt.	CI II	-0.04	-0.03	-0.02	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.02
	\$/cwt.	CI I & II	-0.16	-0.20	-0.23	-0.24	-0.25	-0.25	-0.25	-0.25	-0.24	-0.23
Uniform	\$/cwt.	Baseline	14.56	14.54	14.38	14.48	14.68	14.80	14.74	15.03	15.21	14.71
	\$/cwt.	CI I	0.21	0.17	0.14	0.11	0.10	0.09	0.08	0.07	0.07	0.12
	\$/cwt.	CI II	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	\$/cwt.	CI I & II	0.20	0.16	0.13	0.11	0.10	0.09	0.08	0.07	0.07	0.11

Table A-8. Federal Order Marketings

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I	mil. pounds	Baseline	45,723	45,884	45,846	45,873	45,879	46,015	45,911	45,873	45,870	45,875
	mil. pounds	CI I	-81	-77	-74	-71	-68	-67	-65	-63	-62	-70
	mil. pounds	CI II	1	2	2	1	1	1	1	1	1	1
	mil. pounds	CI I & II	-80	-76	-72	-69	-67	-65	-64	-62	-61	-68
Class II	mil. pounds	Baseline	16,724	17,000	17,048	17,219	17,405	17,642	17,859	18,151	18,356	17,489
	mil. pounds	CI I	28	45	57	64	69	73	76	78	78	63
	mil. pounds	CI II	-11	-16	-18	-20	-21	-23	-23	-24	-25	-20
	mil. pounds	CI I & II	16	29	38	44	48	50	53	55	53	43
Class III	mil. pounds	Baseline	47,811	48,990	49,928	50,683	51,337	52,086	52,649	53,180	53,704	51,152
	mil. pounds	CI I	8	15	20	26	32	37	41	45	49	30
	mil. pounds	CI II	2	3	4	4	4	5	5	5	5	4
	mil. pounds	CI I & II	10	18	24	30	36	41	46	50	54	34
Class IV	mil. pounds	Baseline	14,670	14,987	15,116	15,497	15,829	16,136	16,073	16,333	16,607	15,694
	mil. pounds	CI I	70	101	129	147	159	168	173	174	175	144
	mil. pounds	CI II	2	-2	-5	-8	-10	-12	-14	-15	-16	-9
	mil. pounds	CI I & II	72	100	124	139	148	155	158	158	159	135
Total	mil. pounds	Baseline	124,928	126,861	127,938	129,272	130,450	131,879	132,493	133,536	134,538	130,211
	mil. pounds	CI I	25	83	132	167	191	210	224	234	241	167
	mil. pounds	CI II	-6	-12	-18	-22	-26	-29	-31	-33	-34	-24
	mil. pounds	CI I & II	19	71	114	144	165	181	193	201	206	144

Table A-9. Federal Order Cash Receipts

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I	mil. \$	Baseline	6,517	6,558	6,339	6,357	6,424	6,461	6,406	6,582	6,587	6,470
	mil. \$	CI I	312	303	296	289	283	281	279	274	273	288
	mil. \$	CI II	-3	-6	-6	-6	-6	-6	-5	-5	-5	-6
	mil. \$	CI I & II	308	296	289	283	277	275	273	269	268	282
Class II	mil. \$	Baseline	3,224	3,248	3,383	3,472	3,570	3,679	3,732	3,790	3,954	3,561
	mil. \$	CI I	-19	-30	-36	-40	-41	-42	-43	-43	-42	-37
	mil. \$	CI II	8	10	12	12	13	13	13	13	13	12
	mil. \$	CI I & II	-11	-19	-25	-28	-29	-29	-30	-30	-28	-25
Class III	mil. \$	Baseline	6,508	6,693	6,676	6,817	7,015	7,175	7,217	7,497	7,637	7,026
	mil. \$	CI I	-20	-37	-50	-61	-68	-73	-76	-81	-82	-61
	mil. \$	CI II	-10	-12	-11	-10	-10	-10	-9	-10	-9	-10
	mil. \$	CI I & II	-30	-49	-61	-71	-78	-83	-85	-90	-91	-71
Class IV	mil. \$	Baseline	1,940	1,942	2,005	2,079	2,140	2,198	2,181	2,199	2,286	2,108
	mil. \$	CI I	-8	-12	-14	-15	-16	-16	-15	-16	-15	-14
	mil. \$	CI II	-6	-5	-4	-4	-4	-4	-4	-4	-4	-4
	mil. \$	CI I & II	-14	-17	-18	-20	-20	-20	-19	-20	-19	-18
Total	mil. \$	Baseline	18,188	18,441	18,403	18,724	19,150	19,513	19,535	20,069	20,464	19,165
	mil. \$	CI I	266	224	196	173	158	151	145	134	135	176
	mil. \$	CI II	-12	-13	-10	-8	-7	-6	-6	-6	-5	-8
	mil. \$	CI I & II	254	211	185	164	151	144	139	128	130	167

Table A-10. Milk Income Loss Contract (MILC) Payments and Net Government Removals of Nonfat Dry Milk Through the Milk Price Support Program (MPSP)

	Units		2007	2008	2009	2010	2011	2012	2013	2014	2015	9 Yr. Avg.
Class I Price at Boston (3.5 percent butterfat)	\$/cwt.	Baseline	16.34									
	\$/cwt.	CI I	0.69									
	\$/cwt.	CI II	-0.02									
	\$/cwt.	CI I & II	0.66									
MILC Payments	mil. \$	Baseline	190									
	mil. \$	CI I	-83									
	mil. \$	CI II	3									
	mil. \$	CI I & II	-82									
NDM Net	mil. pounds	Baseline	145	151	319	376	381	376	338	302	224	290
Govt. Removals ¹	mil. pounds	CI I	0	7	13	14	16	17	17	16	14	13
	mil. pounds	CI II	0	0	-1	-1	-1	-1	-1	-1	-1	-1
	mil. pounds	CI I & II	0	7	12	14	15	16	16	15	13	12
MPSP Outlays ²	mil. \$	CI I	0	6	10	11	13	14	14	13	11	10
	mil. \$	CI II	0	0	0	-1	-1	-1	-1	-1	-1	-1
	mil. \$	CI I & II	0	6	10	11	12	13	13	12	10	10
Total Govt. Outlays	mil. \$	CI I	-83	6	10	11	13	14	14	13	11	1
	mil. \$	CI II	3	0	0	-1	-1	-1	-1	-1	-1	0
	mil. \$	CI I & II	-82	6	10	11	12	13	13	12	10	0

¹ Net government removals equals support price purchases plus Dairy Export Incentive Program (DEIP) removals minus unrestricted sales. To be consistent with the USDA baseline, there is no change to NDM removals for 2007 because the DEIP is assumed to be fully funded.

² MPSP outlays are not projected in the model. The change is computed by multiplying NDM net removal quantities by the NDM support price of \$0.80. No attempt is made to estimate changes in storage, handling, transportation, processing, and packaging.