



# Calculating Class II Price

\* Price announced on or before the 23<sup>rd</sup> of the preceding month

\*\* Price announced on or before the 5<sup>th</sup> of the following month

<https://www.ams.usda.gov/market-news/dairy>



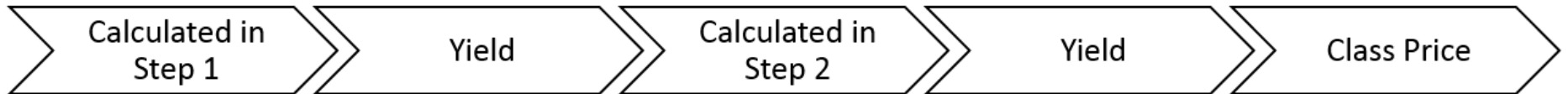
1

$$\begin{matrix} \text{*Advanced} \\ \text{Class IV Skim} \\ \text{Milk Pricing} \\ \text{Factor} \\ (\$/\text{cwt}) \end{matrix} + \$0.70 \text{ (\$/cwt)} = \begin{matrix} \text{*Class II} \\ \text{Skim Milk} \\ \text{Price} \\ (\$/\text{cwt}) \end{matrix}$$



2

$$\begin{matrix} \text{**Butterfat} \\ \text{Price} \\ (\$/\text{lb}) \end{matrix} + \$0.007 \text{ (\$/lb)} = \begin{matrix} \text{**Class II} \\ \text{Butterfat} \\ \text{Price} \\ (\$/\text{lb}) \end{matrix}$$



3

$$\begin{matrix} \text{*Class II} \\ \text{Skim Milk} \\ \text{Price} \\ (\$/\text{cwt}) \end{matrix} \times 0.965 \text{ (cwt skim/} \\ \text{cwt milk)} + \begin{matrix} \text{**Class II} \\ \text{Butterfat} \\ \text{Price} \\ (\$/\text{lb}) \end{matrix} \times 3.5 \text{ (lb butterfat/} \\ \text{cwt milk)} = \begin{matrix} \text{**Class II} \\ \text{Price} \\ (\$/\text{cwt}) \end{matrix}$$

- cwt = hundredweight, 100 pounds.
- Class prices are announced as dollars per hundredweight.
- 0.965 represents standard assumption of 96.5 pounds of skim in 100 pounds of milk.