Calculating Class II Price

1. **Commodity** + **Differential** = **Commodity** + **Differential**

   - *Advanced Class IV Skim Milk Pricing Factor* ($/cwt)
   - $0.70 ($/cwt)
   - **Class II Skim Milk Price** ($/cwt)

2. **Commodity** + **Differential** = **Commodity** + **Differential**

   - **Butterfat Price** ($/lb)
   - $0.007 ($/lb)
   - **Class II Butterfat Price** ($/lb)

3. **Commodity** + **Differential** = **Commodity** + **Differential**

   - *Class II Skim Milk Price* ($/cwt)
   - 0.965 (cwt skim/cwt milk)
   - **Class II Butterfat Price** ($/lb)
   - 3.5 (lb butterfat/cwt milk)
   - **Class II Price** ($/cwt)

- 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.