



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

February 08, 2008

RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASS 1 MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Class 1 market milk for March 2008. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Class 1 purposes as specified on the reverse side of this page.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese, Western dry whey and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

You can access class price information over the Internet on the Department's dairy homepage at <http://www.cdfa.ca.gov/dairy>. From the main menu, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference. Current class price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK.

For more information, please contact us at the telephone number or e-mail address below.

Sincerely,

David K. Ikari, Chief
Dairy Marketing Branch



**MINIMUM PRICES FOR CLASS 1 MARKET MILK
F.O.B. PROCESSING PLANT**

Released: February 8, 2008

CLASS 1: For March 2008	LB. FAT	LB. SNF	LB. FLUID	EQUIVALENT PER CWT.
Northern California	\$1.3252	\$1.2700	\$0.0366	\$18.90
Southern California	\$1.3252	\$1.2700	\$0.0397	\$19.17
Statewide Average CWT Price:				
Based Upon Production				\$18.93
Based Upon Utilization				\$19.05

COMMODITY MARKET PRICES:	\$ PER LB.
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (January 26th to February 10th)	\$1.2223
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (January 26th to February 10th)	\$1.8348
California Extra Grade & Grade A Nonfat Dry Milk - Weighted Average (For Weeks Ending January 25th and February 1st)	\$1.4868
Western Dry Whey (Mostly) - Simple Average (For Weeks Ending February 1st and February 8th)	\$0.2750

COMMODITY REFERENCE PRICE FOR MARCH CLASS 1 PRICING: \$19.0291

The April 2008 Class 1 prices will be announced no later than 4:00 p.m. on March 10, 2008.
The April and May 2008 Class 2 and 3 prices will be announced no later than 4:00 p.m. on April 1, 2008.
The February 2008 Class 4a and 4b prices will be announced no later than 4:00 p.m. on March 3, 2008.