

CURRENT CLASS 4a FORMULA

$$\text{Fat} = (\text{CME Butter Price} - \text{\$0.0168} - \text{\$0.1560}) \times 1.2$$

Difference between CME & Aver. Price Received by Processors *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of butter from 1 lb. of fat*

$$\text{SNF} = (\text{CA NFDM Price} - \text{\$0.160}) \times 1.0$$

MCA - Amt. to deduct for Processor's costs *Yield: Lbs. of powder from 1 lb. of SNF*

NEW AMENDED CLASS 4a FORMULA - As of milk shipped on or after December 1, 2007

$$\text{Fat} = (\text{CME Butter Price} - \text{\$0.0309} - \text{\$0.1560}) \times 1.2$$

Difference between CME & Aver. Price Received by Processors *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of butter from 1 lb. of fat*

$$\text{SNF} = (\text{CA NFDM Price} - \text{\$0.1698}) \times 1.0$$

MCA - Amt. to deduct for Processor's costs *Yield: Lbs. of powder from 1 lb. of SNF*

CURRENT CLASS 4b FORMULA

$$\text{Fat} = \text{Class 4a Fat}$$

$$\text{Product Value} = (\text{Cheddar Price} - \text{\$0.0252} - \text{\$0.1780}) \times 10.2 + (\text{CME Butter} - \text{\$0.10} - \text{\$0.1560}) \times 0.27 +$$

Difference between CME & Aver. Price Received by Processors *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of cheese from cwt. of milk* *Difference between CME & Aver. Price Received by Processors* *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of whey butter from cwt. of milk*

$$+ (\text{Western Dry Whey} - \text{\$0.267}) \times 5.8$$

MCA - Amt. to deduct for Processor's costs *Yield: Lbs. of dry whey from cwt. of milk*

$$\text{SNF} = \frac{\text{Product Value} - (3.72 \times \text{Price of Class 4b fat})}{8.80}$$

Aver. % fat in milk for Cheddar *Aver. % SNF in milk for Cheddar*

NEW AMENDED CLASS 4b FORMULA - As of milk shipped on or after December 1, 2007

$$\text{Fat} = \text{Class 4a Fat}$$

$$\text{Product Value} = (\text{Cheddar Price} - \text{\$0.0252} - \text{\$0.1988}) \times 10.2 + (\text{CME Butter} - \text{\$0.10} - \text{\$0.1560}) \times 0.27 + \text{\$0.25}$$

Difference between CME & Aver. Price Received by Processors *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of cheese from cwt. of milk* *Difference between CME & Aver. Price Received by Processors* *MCA - Amt. to deduct for Processor's costs* *Yield: Lbs. of whey butter from cwt. of milk*

Fixed Whey Factor

$$\text{SNF} = \frac{\text{Product Value} - (3.72 \times \text{Price of Class 4b fat})}{8.80}$$

Aver. % fat in milk for Cheddar *Aver. % SNF in milk for Cheddar*