CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
A. G. Kawamura, Secretary

November 9, 2007

**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 December 2007. 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

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

**Released:** **November 9, 2007**

| **CLASS 1:** | | | | **EQUIVALENT** |
|---|---|---|---|---|
| **For December 2007** | **LB. FAT** | **LB. SNF** | **LB. FLUID** | **PER CWT.** |
| Northern California | $1.4490 | $1.5888 | $0.0466 | $22.99 |
| Southern California | $1.4490 | $1.5888 | $0.0497 | $23.26 |
| **Statewide Average CWT Price:** | | | | |
| Based Upon Production | | | | $23.01 |
| Based Upon Utilization | | | | $23.13 |

| **COMMODITY MARKET PRICES:** | **$ PER LB.** |
|---|---|
| Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (October 26th to November 10th) | $1.3255 |
| Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (October 26th to November 10th) | $2.0170 |
| California Extra Grade & Grade A Nonfat Dry Milk - Weighted Average (For Weeks Ending October 26th and November 2nd) | $2.0370 |
| Western Dry Whey (Mostly) - Simple Average (For Weeks Ending November 2nd and November 9th) | $0.4250 |

**COMMODITY REFERENCE PRICE FOR DECEMBER CLASS 1 PRICING:** **$23.1118**

The January 2008 Class 1 prices will be announced no later than 4:00 p.m. on December 10, 2007.
The December 2007 and January 2008 Class 2 and 3 prices will be announced no later than 4:00 p.m. on December 3, 2007.
The November 2007 Class 4a and 4b prices will be announced no later than 4:00 p.m. on December 3, 2007.