



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

December 16, 2009

**RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2 and 3
MARKET MILK**

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Classes 2 and 3 market milk for January 2010. 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 Classes 2 and 3 purposes as specified on the reverse side of this page.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

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.

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 CLASSES 2 and 3 MARKET MILK
F.O.B. PROCESSING PLANT**

Released: December 16, 2009

CLASS 2:			EQUIVALENT
For January 2010	LB. FAT	LB. SNF	PER CWT.
Northern California	\$1.4327	\$0.9207	\$13.02
Southern California	\$1.4327	\$0.9474	\$13.26

CLASS 3:			EQUIVALENT
For January 2010	LB. FAT	LB. SNF	PER CWT.
Statewide	\$1.4327	\$0.9150	\$12.97

The Class 2 and 3 prices are based on previously announced Class 4a component prices for the months of October and November 2009.

The Class prices for the months January 2010 - March 2010 include the temporary price increases resulting from the November 9, 2009 public hearing. In order to calculate the class prices for these months, the additional temporary increases are added to the corresponding per pound price of the Fat and SNF after all other calculations of the current formulas have been performed. Please contact Annie AcMoody or Hyrum Eastman at 916-341-5988 with questions regarding these calculations.

February 2010 Class 1 prices will be announced no later than 4:00 p.m. on January 11, 2010.
February and March 2010 Class 2 and 3 prices will be announced no later than 4:00 p.m. on February 1, 2010.
December 2009 Class 4a and 4b prices will be announced no later than 4:00 p.m. on January 4, 2010.