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Base Class I Skim Milk Price Formula
Milk Innovation Group

Federal Order Milk Utilization

- Since order reform Class I milk utilization has decreased.

FMMO Utilization	2000	2022
Class I	39.33%	27.03%
Class II	10.22%	9.39%
Class III	42.76%	53.94%
Class IV	7.68%	9.63%

Source:

2000 Federal Milk Order Statistics

<https://www.fmmacentral.com/PDFdata/sum2022.pdf>

2022 Federal Milk Order Statistics

<https://www.fmmacentral.com/PDFdata/sum2000.pdf>

Depooling

- Comparing depooling before and after May 2019 base Class I skim milk price formula change.
- Depooling has been a consistent practice since order reform. See Exhibit 30

FMMO 32 Depooling by Class	Jan. 2012 – Dec. 2013	Jan. 2021 – Dec. 2022
Class III	6 months	7 months
Class IV	5 months	13 months
Source: FMMO 32 Monthly Uniform Price Announcements		

Comparison of Monthly Average Base Class I Skim Milk Prices (\$/cwt)

Year(s)	Current Avg. + \$0.74	Proposal 15 Avg. + Rolling Adjuster	Proposal 13 Higher of
2018	\$6.56	\$6.54	\$6.23
2019	\$8.40	\$8.29	\$8.31
2020	\$11.13	\$10.89	\$12.89
2021	\$10.83	\$10.86	\$10.75
2022	\$13.03	\$13.94	\$13.64
2018 – 2022 (5 yr)	\$9.99	\$10.10	\$10.36
2013 – 2022 (10 yr)	\$10.23	\$10.30	\$10.41
2008 – 2022 (15 yr)	\$10.37	\$10.40	\$10.51
2003 – 2022 (20 yr)	\$10.05	\$10.07	\$10.15

Notes: The advanced Class III and IV skim milk pricing factors used for this analysis are from Exhibit 15 “Announcement of Advanced Prices and Pricing Factors - January 2000 - August 2023.”

