

01- MAINE DEPARTMENT OF AGRICULTURE
015- MAINE MILK COMMISSION
CHAPTER 3 SCHEDULE OF MINIMUM PRICES FOR MILK ORDER #2-12

SUMMARY: Effective **January 29, 2012** the Maine Milk Commission hereby establishes minimum prices for milk. **The Federal Order minimum Class I producer price is \$20.28/cwt effective January 29, 2012 and further adjusted by the Commission by \$1.35/cwt. for increased cost of production and \$1.53/cwt. which reflects premiums being offered and are prevailing in southern New England and further adjusted by \$0.93/cwt which reflects a handling fee. A final dealer cost is \$24.29/cwt. which includes a \$.20/cwt. Processor Assessment.** The minimum dealer and retail prices effective **January 29, 2012** are set forth on page 2 and shall be effective in Maine until superseded

1. PRODUCER-TO-DEALER-SALES:

Dealers shall pay for milk purchases from producers, f.o.b. dealer's plant.

For Class II the price for all zones as announced by the U.S. Department of Agriculture for the Northeast Marketing Area for **December 2011** is **\$18.08/cwt. that includes \$0.15/cwt cost of production.** The Federal Order **Class I butterfat price (per pound) for January 2012** announced as **\$1.7720** Such prices except skim and buttermilk shall be increased by the butterfat differential for each 1/10 of 1% average butterfat content above said test and decreased a like amount for each 1/10 of 1% average butterfat content below said test. The Chicago Mercantile Exchange Price for Grade AA Butter announced **January 13, 2012** was **\$1.6125.** A Federal Order Class III minimum of **\$18.77/cwt.** for **December 2011** and a Federal Order Class IV minimum of **\$16.87/cwt.** for **December 2011** milk was announced and recognized by the Commission.

2. SALES TO CONSUMERS

The schedule of prices listed on Page 2, effective **January 29, 2012** shall be the minimum wholesale and retail prices to be charged for milk distributed within Maine for fluid consumption wherever produced, and shall hold until further revision by the Commission.

BASIS STATEMENT

Pursuant to 5 M.R.S.A., Section 8054 and 7 M.R.S.A., Section 2954 the Maine Milk Commission conducted an emergency rulemaking hearing to determine whether or not the minimum price payable to producers for milk should be immediately changed due to developments in milk pricing in southern New England.

Federal Order One Northeast Market Administrator announced a Class III price of **\$18.77/cwt.** and a Class IV price of **\$16.87/cwt.** for **December 2011**

The Class II price for **December 2011** is **\$18.08/cwt.** as announced by the Federal Order One Northeast Market Administrator.

The Commission, in setting their minimum prices, recognized the Federal Order Class I price of **\$20.28/cwt. plus \$1.35/cwt. for cost of production and an over-order premium of \$1.53/cwt. as being prevailing in southern New England based on the evidence presented at the Commission hearing on January 20, 2012 and therefore should be passed on in minimum prices effective January 29, 2012. These prices also include a handling fee of \$0.93/cwt.**

The schedule of prices listed herein reflects the latest Class I, Class II, Class III and Class IV prices plus the minimum dealer, producer and retail margins adopted by the Commission's Orders (DM) Dealer Margins, (PM) Producer Margins, and (RM) Retail Margins. The Class I prices reflect a Processor Assessment of **\$.20/cwt.** as authorized by Commission Order #93-MPF. Any change in prices at any level from last month reflects the action taken today by the Commission for Class I, Class II, Class III and Class IV and Butterfat prices.

STATUTORY AUTHORITY: 5:M.R.S.A., Section 8054 and 7:M.R.S.A., Section 2954

EFFECTIVE DATE: Section 1 = **January 29, 2012** and Section 2 = **January 29, 2012**

MAINE MILK COMMISSION

BY: _____

DATED: _____