

Washington, D.C.

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# Prices Received Minnesota-Wisconsin Manufacturing Grade Milk 1996 Summary

USDA



United States Department of Agriculture

**Minnesota-Wisconsin Manufacturing Grade Milk Price Series,  
Base Month and Final Two-State Estimates for 1994-96**

**Minnesota and Wisconsin** produce over one-third of the manufacturing grade milk marketed in the United States. The estimates relate only to manufacturing grade milk purchased from farmers and do not include Grade A milk diverted to manufacturing uses. Data needed for the preparation of the two-State series are collected by the Minnesota and Wisconsin Agricultural Statistics Offices. These data come from regularly scheduled monthly reports submitted by plants receiving manufacturing grade milk. After data are summarized and analyzed by the Federal-State Statisticians, estimates are forwarded to Washington, D.C. for final review and consolidated into the two-State average price and test.

**The Base-Month Price and test** are determined using reports from about 100 plants in Wisconsin and 63 in Minnesota. These plants purchase approximately 80 percent of all manufacturing-grade milk sold in the two States. Plants report total pounds of manufacturing-grade milk received from producers, total pounds of milkfat in the milk, and total dollars paid to producers. The price is f.o.b. plant or receiving station, before hauling costs and producer assessments under various dairy collection programs are deducted. It includes quantity, quality, protein, and other premiums paid to producers.

**The estimated monthly two-State** prices and fat tests are weighted by the total quantity of manufacturing-grade milk purchased from farmers in each State. During the first four months of the year, these weights are based on milk purchases for the same month two years earlier. During the remaining eight months of the year, weights are based on purchases for the corresponding month in the preceding year. These weights are shown in the table on page 4.

**Plants in Minnesota and Wisconsin** are classified into three major product groups according to the proportion of manufacturing-grade milk purchased for cheese, for butter and its by-products, and for varied products. In both Minnesota and Wisconsin, the varied-products group consists mostly of plants which make butter, cheese, or other products in such proportions that they cannot be clearly classified in any one specific group. In Minnesota during 1996, the cheese group accounted for 75 percent of all manufacturing-grade milk in the State, butter and by-products 15 percent, and the varied-products group 10 percent. The proportion of manufacturing-grade milk in Wisconsin purchased in 1996 by each product group was: cheese, 85 percent; butter and by-products, 1 percent; and varied products, 14 percent. These product group percentages are used as weights for combining reported price and milkfat test data by groups for the monthly manufacturing-grade average price and milkfat estimates in each State.

**Basic Formula Price:** The Basic Formula Price is calculated by adjusting the preceding month's Base Month Price with changes in product prices. Information on the formula can be obtained by contacting the Dairy Division, AMS, at (202) 720-2352. Comparisons between the Basic Formula Price, Base Month Price and the final two-State estimate are shown in the table on page 3.

**Publication:** The monthly Base Month Minnesota-Wisconsin price and Basic Formula Price are issued on or about the 5th of the following month by the Wisconsin Agricultural Statistics Service, P.O. Box 8934, Madison, Wisconsin 53708. The report is available on a subscription basis from that office. The price series is also published in the Dairy Market News reports issued by the Dairy Division, Agricultural Marketing Service, USDA.

Base Month Milk Price, Milkfat Test, Protein Test and Solids-Not-Fat Test,  
and the Two-State Average of Final Estimates, By Months, 1994-96

Year and Month	Base Month Series				Final Two-State Estimates	
	Price per Cwt 1/	Milkfat Test	Protein Test	Solids not- Fat Test	Price per Cwt 1/	Milkfat Test
	Dollars	Percent	Percent	Percent	Dollars	Percent
1994						
Jan	12.62	3.92	3.22	8.63	12.59	3.91
Feb	12.62	3.86	3.19	8.57	12.58	3.86
Mar	12.92	3.83	3.17	8.54	12.83	3.82
Apr	13.05	3.79	3.13	8.50	12.95	3.79
May	11.77	3.71	3.15	8.52	11.65	3.71
Jun	11.30	3.60	3.13	8.56	11.18	3.59
Jul	11.46	3.59	3.08	8.48	11.36	3.59
Aug	11.81	3.64	3.13	8.49	11.75	3.64
Sep	12.23	3.75	3.23	8.52	12.17	3.75
Oct	12.55	3.88	3.33	8.62	12.53	3.89
Nov	12.23	3.93	3.33	8.64	12.21	3.93
Dec	11.66	3.92	3.28	8.62	11.63	3.92
1995						
Jan	11.62	3.85	3.23	8.63	11.62	3.85
Feb	11.91	3.81	3.19	8.60	11.92	3.81
Mar	11.95	3.81	3.17	8.60	11.98	3.80
Apr	11.29	3.79	3.15	8.59	11.36	3.79
May	11.17	3.74	3.16	8.62	11.22	3.74
Jun	11.30	3.62	3.13	8.58	11.32	3.61
Jul	11.10	3.57	3.05	8.48	11.16	3.57
Aug	11.45	3.58	3.08	8.48	11.50	3.57
Sep	12.38	3.74	3.24	8.56	12.44	3.74
Oct	13.18	3.94	3.33	8.71	13.24	3.94
Nov	13.59	4.01	3.31	8.63	13.63	4.00
Dec	13.40	3.97	3.27	8.61	13.47	3.96
1996						
Jan	12.92	3.91	3.23	8.64	12.98	3.91
Feb	12.82	3.89	3.21	8.62	12.91	3.89
Mar	12.87	3.90	3.21	8.65	12.96	3.89
Apr	13.30	3.86	3.18	8.62	13.37	3.86
May	13.91	3.81	3.16	8.62	13.96	3.81
Jun	14.04	3.69	3.17	8.60	14.06	3.70
Jul	14.45	3.62	3.10	8.48	14.46	3.62
Aug	15.02	3.64	3.13	8.49	15.07	3.63
Sep	15.70	3.75	3.21	8.56	15.72	3.75
Oct	14.81	3.92	3.29	8.64	14.82	3.91
Nov	12.52	4.01	3.29	8.69	12.57	4.00
Dec	11.92	3.97	3.28	8.64	11.97	3.97

1/ Average price for milk of average milkfat test.

Base Month Milk Price per cwt, Final Two-State Estimated Price, for Milk of 3.5 Percent Milkfat Content, and Basic Formula Price by Months, 1994-96 1/

Year and Month	Base Month Price	Final Two-State Estimate	Basic Formula Price 2/
Dollars			
1994			
Jan	12.40	12.38	
Feb	12.43	12.39	
Mar	12.74	12.66	
Apr	12.90	12.80	
May	11.65	11.53	
Jun	11.24	11.13	
Jul	11.41	11.31	
Aug	11.72	11.66	
Sep	12.07	12.01	
Oct	12.31	12.28	
Nov	11.95	11.93	
Dec	11.42	11.39	
1995			
Jan	11.43	11.43	
Feb	11.74	11.75	
Mar	11.77	11.81	
Apr	11.12	11.19	
May	11.03	11.08	11.12
Jun	11.22	11.25	11.42
Jul	11.05	11.11	11.23
Aug	11.39	11.45	11.55
Sep	12.19	12.25	12.08
Oct	12.76	12.82	12.61
Nov	13.05	13.10	12.87
Dec	13.11	13.19	12.91
1996			
Jan	12.65	12.71	12.73
Feb	12.61	12.70	12.59
Mar	12.65	12.75	12.70
Apr	13.09	13.16	13.09
May	13.65	13.70	13.77
Jun	13.77	13.78	13.92
Jul	14.26	14.27	14.49
Aug	14.80	14.86	14.94
Sep	15.31	15.33	15.37
Oct	14.26	14.28	14.13
Nov	12.19	12.24	11.61
Dec	11.60	11.65	11.34

- 1/ Prices have been converted from the average milkfat test to 3.5 percent using the milkfat differential specified in federal orders.  
 2/ Source: Dairy Division, Agricultural Marketing Service, USDA.

Released June 5, 1997, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, U.S. Department of Agriculture. For information on "Minnesota-Wisconsin Manufacturing Grade Milk Summary" call (202) 690-3236, office hours 7:30 a.m. to 4:00 p.m. ET.

The next "Minnesota-Wisconsin Manufacturing Grade Milk Summary" report will be released in 1998.

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