

**Before the Board of Milk Control of the State of Montana**  
**Announcement of Class I, II & III Producer Prices Effective August 01, 2020**

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By Order of the Montana Milk Control Bureau

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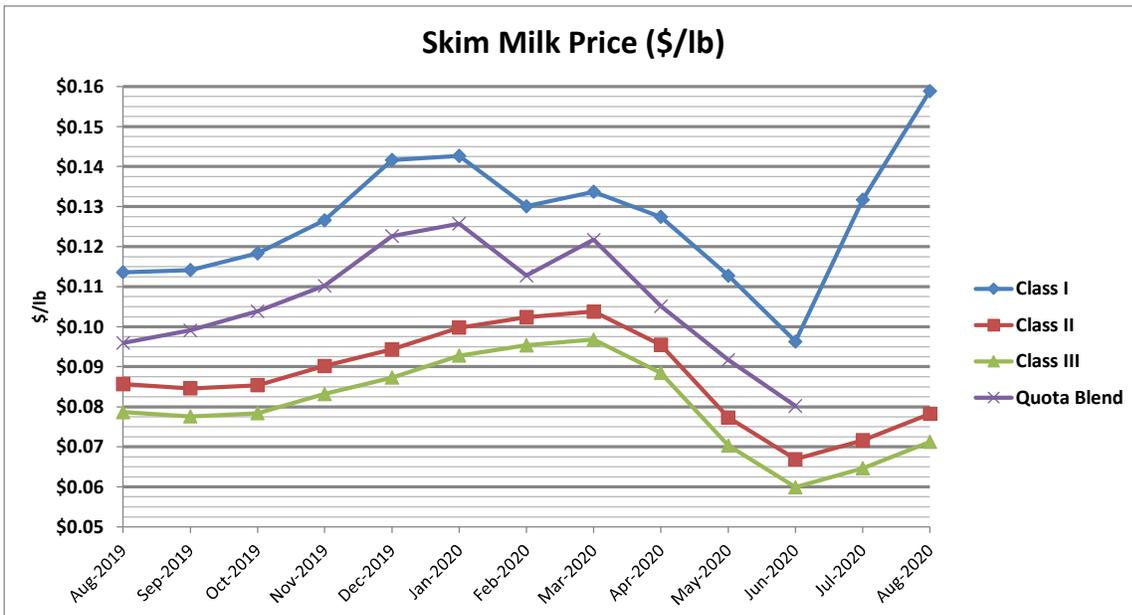
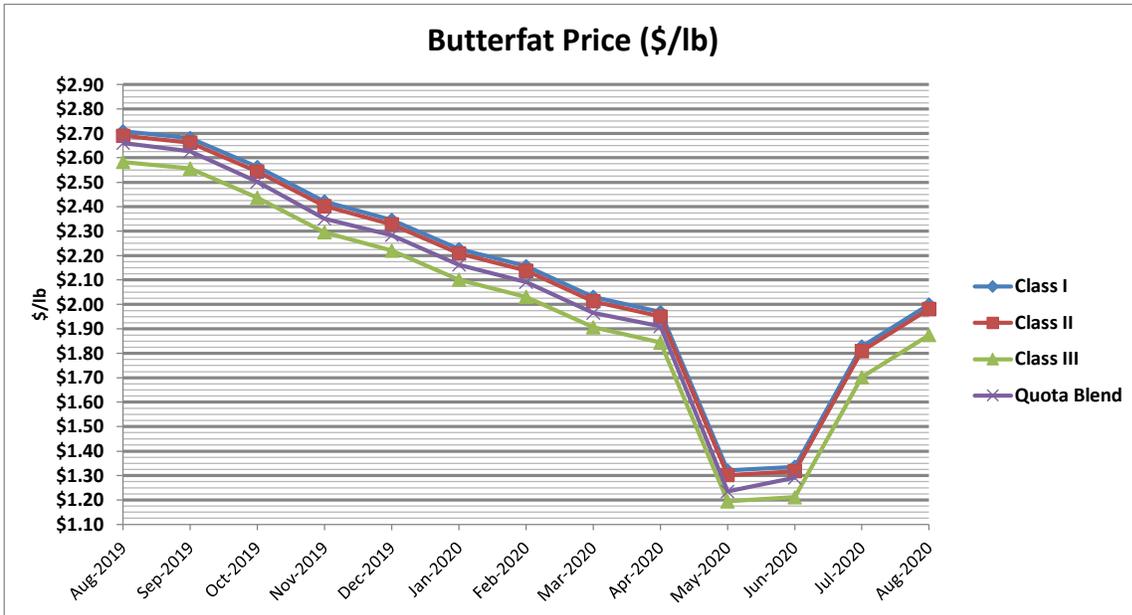
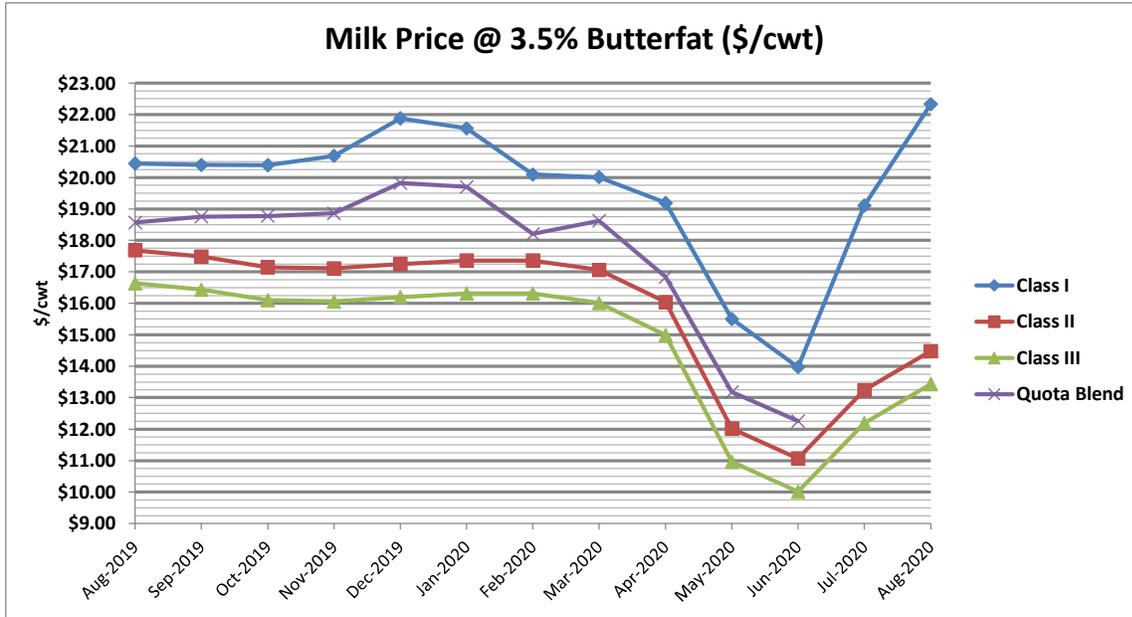
<b>August 2020 Montana Price Announcement Summary</b>			
	<b>Price for Milk Testing 3.5% Butterfat (\$/cwt)</b>	<b>Butterfat Price (\$/lb)</b>	<b>Skim Milk Price (\$/lb) to seven decimal places</b>
<b>Class I</b>	<b>\$22.33000</b>	<b>\$1.9998</b>	<b>\$0.1588674</b>
<b>Class II</b>	<b>\$14.48085</b>	<b>\$1.9813</b>	<b>\$0.0782000</b>
<b>Class III</b>	<b>\$13.43085</b>	<b>\$1.8743</b>	<b>\$0.0712000</b>

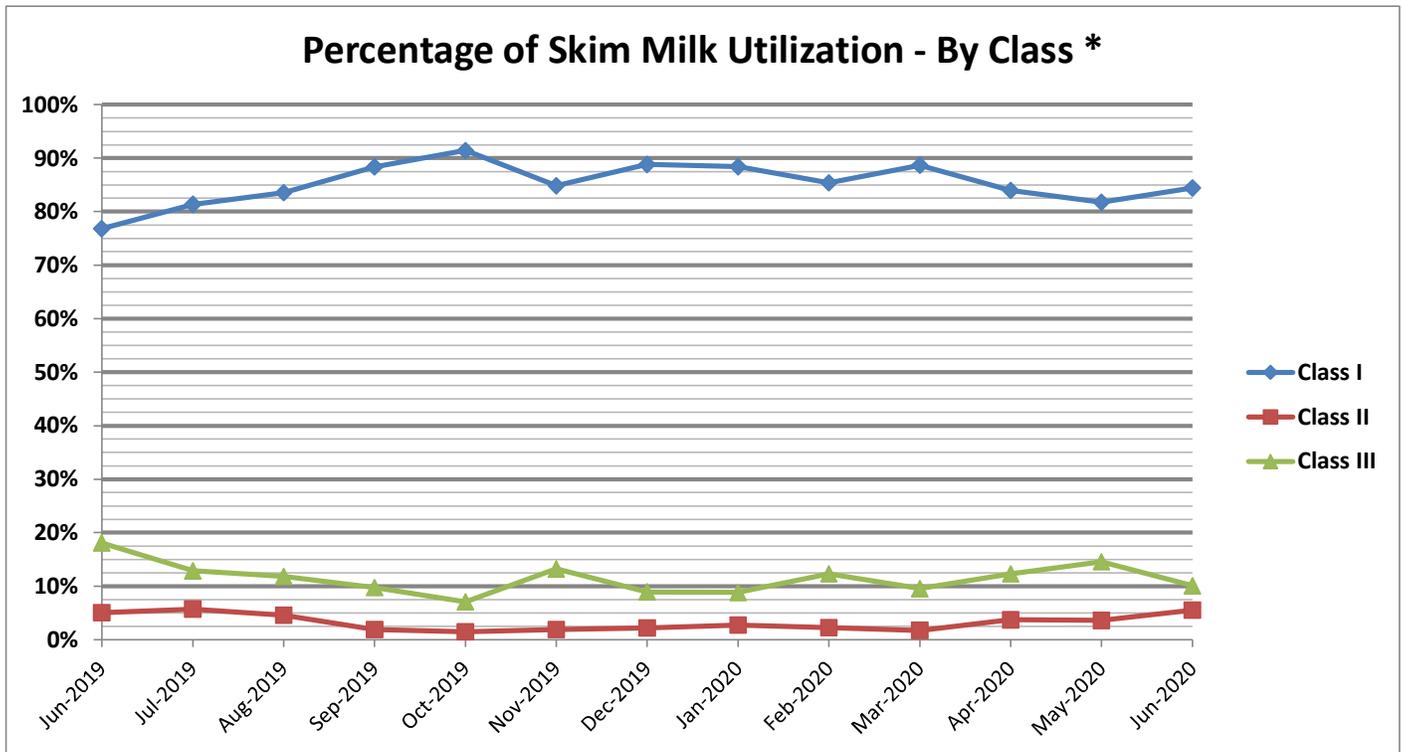
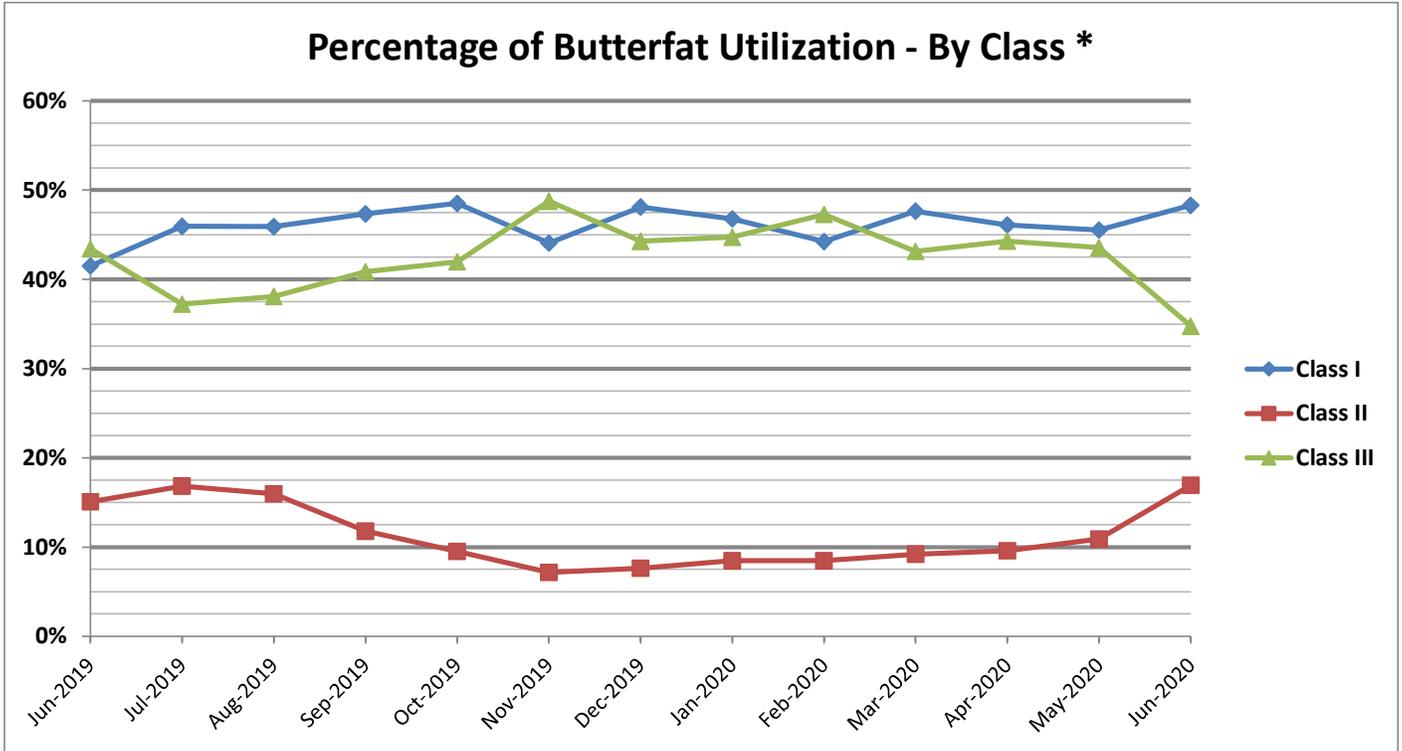
<b>Montana Class I Price Computations per ARM 32.24.480(2)</b>			
	Federal Order Base Class I Price for Milk Testing 3.5% Butterfat (\$/cwt):	\$	19.78
	Plus: Montana Differential (\$/cwt)	\$	2.55
	Montana Class I Milk Price for Milk Testing 3.5% Butterfat (\$/cwt)	\$	22.33
	Federal Order Advanced Butterfat Pricing Factor (\$/lb)	\$	1.9743
	Plus: Montana Differential (\$/lb)	\$	0.0255
	Montana Class I Butterfat Price (\$/lb)	\$	1.9998
	Value of Montana Class I Butterfat at 3.5 lbs	\$	6.99930
	Value of Montana Class I Skim Milk at 96.5 lbs	\$	15.33070
	Montana Class I Milk Price for Milk Testing 3.5% Butterfat (\$/cwt)	\$	22.33000

<b>Montana Class II Price Computations per ARM 32.24.480(3)</b>			
	Advanced Butterfat Pricing Factor (\$/lb)	\$	1.9743
	Plus: \$0.007/lb (\$/lb)	\$	0.0070
	Montana Class II Butterfat Price (\$/lb)	\$	1.9813
	Montana Class II Skim Milk Price (\$/lb): federal Class II Skim Milk Price converted to units of dollars per pound of skim milk	\$	0.0782
	Value of Montana Class II Butterfat at 3.5 lbs	\$	6.93455
	Value of Montana Class II Skim Milk at 96.5 lbs	\$	7.54630
	Montana Class II Milk Price for Milk Testing 3.5% Butterfat (\$/cwt)	\$	14.48085

<b>Montana Class III Price Computations per ARM 32.24.480(4)</b>			
	Advanced Butterfat Pricing Factor (\$/lb)	\$	1.9743
	Less: Montana Class III Butterfat Price Differential (\$/lb)	\$	(0.1000)
	Montana Class III Butterfat Price (\$/lb)	\$	1.8743
	Federal Class III Skim Milk Pricing Factor (\$/cwt)	\$	18.08
	Federal Class IV Skim Milk Pricing Factor (\$/cwt)	\$	7.12
	Montana Class III Skim Milk Price: lower of Class III or Class IV Skim Milk Pricing Factor converted to units of dollars per pound of skim milk (\$/lb)	\$	0.0712
	Value of Montana Class III Butterfat at 3.5 lbs	\$	6.56005
	Value of Montana Class III Skim Milk at 96.5 lbs	\$	6.87080
	Montana Class III Milk Price for Milk Testing 3.5% Butterfat (\$/cwt)	\$	13.43085

<b>Reference Prices for Montana Producer Price Calculations</b> USDA	
<i>Announcement of Advanced Prices and Pricing Factors - July 22, 2020</i>	
Federal Order Base Class I Price (\$/cwt)	\$19.78
Advanced Butterfat Pricing Factor (\$/lb)	\$1.9743
Class II Skim Milk Price (\$/cwt)	\$7.82
Class III Skim Milk Pricing Factor (\$/cwt)	\$18.08
Class IV Skim Milk Pricing Factor (\$/cwt)	\$7.12





\* Approximately 30% of skim milk utilization and 15% of butterfat utilization is for Class I milk that is sold as surplus milk. Surplus sales adjustments decrease the pool skim milk utilization value by \$2.55/cwt for sales to markets contiguous to Montana and by \$3.05/cwt for sales to markets non-contiguous to Montana.