

AMS NEWS RELEASE

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USDA ISSUES INTERIM FINAL RULE AMENDING ALL FEDERAL MILK MARKETING ORDERS

Washington, D.C., July 30, 2008 - The U.S. Department of Agriculture today issued an interim final rule amending the Class III and Class IV product price formulas in all Federal milk marketing orders.

The decision was based on testimony at USDA public hearings held in Strongsville, Ohio, (Feb. 26-March 2, 2007); Indianapolis, Ind., (April 9-13, 2007); and Pittsburgh, Pa., (July 9-11, 2007). These amendments were announced on June 20, 2008. The interim order was approved by dairy farmers in all 10 Federal milk marketing orders.

The decision amends the manufacturing allowances for cheese, butter, nonfat dry milk (NFD) and dry whey. Specifically, this decision adopts the following manufacturing allowances: cheese - \$0.2003 per pound; butter - \$0.1715 per pound; NFD - \$0.1678 per pound; and dry whey - \$0.1991 per pound. This decision also increases the butterfat yield factor of the butterfat price from 1.20 to 1.211.

These amendments will be effective Sept. 1, 2008.

The interim order will be published in the July 31 Federal Register. As announced on June 20, 2008, public comments and exceptions to the tentative final decision are due on or before August 19, 2008. USDA will consider the comments and exceptions and issue a final decision.

For additional information about the decision contact: David Z. Walker, USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212, Tel. (330) 225-4758; email: dwalker@fmmaclev.com.