



STATE OF NEW YORK
DEPARTMENT OF AGRICULTURE AND MARKETS
10B AIRLINE DRIVE
ALBANY, NEW YORK 12235

Division of Milk Control & Dairy Services
518-457-5731

TO: Retailers of Milk

DATE: April 21, 2006

SUBJECT: Announcement of threshold price relative to milk price gouging law,
effective MAY 2006.

Effective **MAY 2006**, threshold prices for milk, lowfat milk, or skim milk offered for retail sale in the state are:

	<u>Gallon</u>	<u>Half Gallon</u>	<u>Quart</u>
Metro Region: (NYC and Counties of Nassau, Suffolk, Rockland, Westchester, Orange, Putnam and Dutchess)	\$2.69	\$1.39	\$0.73
Upstate Region: (Remaining Counties)	\$2.47	\$1.29	\$0.68

A retailer who sells above the threshold price may be in violation of the law unless such selling price is justified as not being unconscionably excessive. Such justification includes net invoice price paid for the milk item plus actual costs incurred in handling and selling that milk item.

Compared to the previous threshold, prices decreased \$0.04 a gallon, \$0.02 a half gallon and \$0.01 a quart in both Metro NY and Upstate NY. The decrease reflects the underlying change in the Federal Order Class I price (3.5% butterfat) which decreased \$0.25 per hundredweight (\$0.021/gallon) from last month. The threshold price is calculated by multiplying by two the total of two components, the minimum federal order price and the premium paid for Class I milk.