



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: June 23, 2006
SUBJECT: Announcement of threshold price relative to milk price gouging law,
effective JULY 2006.

For **JULY 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)	\$2.75	\$1.42	\$0.75
Upstate Region: (Remaining Counties)	\$2.53	\$1.32	\$0.69

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 price, which was the same in May and June, prices increased \$0.06 a gallon, \$0.03 a half gallon and \$0.02 a quart in Metro NY and \$0.06 a gallon, \$0.03 a half gallon and \$0.01 a quart in Upstate NY. These changes are calculated from May 2006, the base month of the previous threshold, and reflect an increase of \$0.37 per hundredweight (\$0.032 per gallon) in the underlying federal order Class I (fluid) milk price (3.5% butterfat). Compared to June 2006, the federal order Class I price (3.5% butterfat) increased \$0.59 per hundredweight (\$0.051 per gallon). 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.