

**NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS  
WESTERN NEW YORK MILK MARKETING AREA  
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Phone 716-847-3424 Fax 716-847-3155**

**ANNOUNCEMENT OF CLASS I PRICE - AUGUST 2008**

(per hundredweight of milk at 3.5 % butterfat test)

|                                |                   |
|--------------------------------|-------------------|
| <b>Class I</b>                 | <b>\$ 20.94 *</b> |
| <b>Processor Assessment **</b> | <b>0.20</b>       |
| <b>Total</b>                   | <b>\$ 21.14</b>   |

\*\* The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR 1160.101 et seq.). The Order requires that all persons who process and market more than 3,000,000 pounds of fluid milk products in consumer-type packages in the contiguous 48 States of the continental United States and the District of Columbia be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

**ANNOUNCEMENT OF ADVANCE COMPONENT PRICES - AUGUST 2008**

|                                |                         |                              |                             |                                 |
|--------------------------------|-------------------------|------------------------------|-----------------------------|---------------------------------|
|                                | <b><u>Butterfat</u></b> | <b><u>Class III Skim</u></b> | <b><u>Class IV Skim</u></b> | <b><u>Class I Skim Base</u></b> |
| <b>Advance Pricing Factors</b> | <b>\$ 1.7152</b>        | <b>\$ 13.10</b>              | <b>\$ 11.11</b>             | <b>\$ 13.10</b>                 |

|                                   |           |          |          |                    |
|-----------------------------------|-----------|----------|----------|--------------------|
| <b>Class I Butterfat</b>          | \$ 1.7152 |          | + .023   | <b>\$ 1.7382 *</b> |
| <b>Class I Skim (per cwt.)</b>    |           |          | \$ 13.10 | <b>15.40 *</b>     |
| Class III protein                 | 3.9648    |          |          |                    |
| Class III other solids multiplier | 3.10      | 0.1364   |          |                    |
|                                   | 12.2909   | 5.90     |          |                    |
|                                   | 0.8048    | \$ 13.10 |          |                    |
| Class IV nonfat solids multiplier | 1.2340    |          |          |                    |
|                                   | 9.0       |          |          |                    |
|                                   | 11.1060   |          | \$ 11.11 |                    |

\* Monroe County, New York

|                                 |          |       |                 |
|---------------------------------|----------|-------|-----------------|
| <b>Class II Skim (per cwt.)</b> | \$ 11.11 | + .70 | <b>\$ 11.81</b> |
| <b>Class II Nonfat Solids</b>   |          |       | <b>1.3122</b>   |

|                                                    |                            |                       |                         |                       |
|----------------------------------------------------|----------------------------|-----------------------|-------------------------|-----------------------|
|                                                    |                            | <b><u>Class I</u></b> |                         |                       |
| <b><u>Class I Prices at Selected locations</u></b> | <b><u>Differential</u></b> | <b><u>Skim</u></b>    | <b><u>Butterfat</u></b> | <b><u>3.5% BF</u></b> |
|                                                    |                            | (per cwt)             | (per pound)             | (per cwt)             |
| <b>Erie and Niagara County, NY</b>                 | 2.20                       | 15.30                 | 1.7372                  | 20.84                 |
| <b>Livingston and Steuben County, NY</b>           | 2.30                       | 15.40                 | 1.7382                  | 20.94                 |

Class I Prices shown do not include required processor assessment of .20/cwt or .002/lb.

**NASS SURVEY PRICES PER POUND - LATEST TWO WEEKS OF JULY 2008**

|                                                                          |           |
|--------------------------------------------------------------------------|-----------|
| Cheddar Cheese (weighted average 40# block and 500# barrel-39% moisture) | \$ 1.9662 |
| Grade AA Butter                                                          | 1.5205    |
| Nonfat Dry Milk                                                          | 1.3957    |
| Dry Whey                                                                 | 0.2690    |

July 18, 2008