

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/DP/W/15

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Special Distribution

Multilateral Trade Negotiations

Original: English

Group "Agriculture"

Sub-Group on Dairy Products

## CALCULATION OF COMMODITY CREDIT CORPORATION PURCHASE PRICES FOR DAIRY PRODUCTS

Data Submitted by the Delegation of  
the United States

Calculation of Commodity Credit Corporation Purchase Prices  
for Dairy Products with Support at \$7.24 per Hundredweight

Item	Effective 1 April 1975
Average milkfat test	3.67
Yields per 100 pounds of milk (pounds)	
Butter	4.48
Nonfat dry milk	8.13
Cheese	10.1
Butter purchase price at Chicago <sup>1/</sup>	0.6919
<u>Butter-nonfat dry milk price calculation</u>	
Support price	7.24
Margin between price of manufacturing milk and the market value of butter and nonfat dry milk made from 100 pounds of milk	0.77 <sup>2/</sup>
Market value of butter (Chicago) and nonfat dry milk (U.S. average) made from 100 pounds of milk	8.01
Value of butter per 100 pounds of milk (Chicago)	3.10

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Item	Effective 1 April 1975
Value of nonfat dry milk: Per 100 pounds Per pound (adjusted)	4.91 0.6039 0.606
<u>Cheese price calculation</u>	
Support price	7.24
Margin between price of manufacturing milk and the market value of cheese and whey fat per 100 pounds of milk	0.92 <sup>2/</sup>
Market value of cheese and whey fat per 100 pounds of milk	8.16
Value of .25 pound of whey fat <sup>3/</sup>	0.17
Value of cheese:	
Per 100 pounds of milk	7.99
Per pound: calculated	0.7911
rounded	0.7925

<sup>1/</sup> The Chicago butter price approximates the United States average price.

<sup>2/</sup> Includes estimated increase in the last two years in processing costs which more than offset increased efficiencies of manufacturing plants.

<sup>3/</sup> Butter purchase price at Chicago times .25.