**United States
Department of
Agriculture**

December 7 , 2000   D&DOD-85

Farm and
Foreign
Agricultural
Services

NOTICE TO THE CHEESE INDUSTRY

Farm Service
Agency

To: Bulk Cheddar Cheese and Barrel Cheese Suppliers

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

Subject: Moisture Adjustment Cheese Price Chart (Form FSA-150) Formula

The Moisture Adjustment Cheese Price Chart does not list all possible base prices; therefore, this notice is issued to provide the formula used to calculate moisture-adjusted prices.

The contract price per pound will be adjusted for moisture content, in accordance with the contract, using the following Moisture Adjustment Cheese Price Chart formula:

Formula: 100 % - % moisture 1/ x base price ÷ 61% 2/ 3/

Example: 100   -   37.7   x $1.1220   ÷ 61 = $1.1459

1/ Cheese which contains less than 37.8 percent moisture.
2/ 61% is a constant which represents the minimum total solids.
3/ Result is rounded to the nearest fourth digit to the right of decimal.
   Fifth digit of 5 or more is rounded up, 4 or less is rounded down.

Current contract references:
- Announcement DAIRY-5, Section 3, PRICES
- "NOTICE TO THE DAIRY INDUSTRY" (D&DOD-78, purchase prices for dairy products)
- Announcement BCD-1, Section 4, PRICE
- Announcement KC-DS-2, Section VI., SALES PRICE

For more information, contact Patty Wagner, 816-823-3200.

George Aldaya
Director