



State of New Jersey

DEPARTMENT OF AGRICULTURE
HEALTH / AGRICULTURE BUILDING
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PRESUMPTIVE WHOLESALE PRICING FOR THE MONTH OF MAY 2021

The New Jersey milk market continues to be affected by varying pricing levels of conventional fluid milk. The Division has decided after review and survey of the current marketing conditions that presumptive pricing now must include Skim, 1%, and 2% as part of the general announcement. Over the past few months these milks have been included as general presumptive pricing but have been utilized with in the pricing wars that persist. The Division will continue to survey the wholesale market at the point where the milk enters retail sales to determine the current market average and presumed price for each type of conventional packaged milk. Starting with May 2019 the Department is averaging in the variable cost of milk dealers that have been audited, this audited cost will give a more accurate accounting of the presumptive pricing being distributed.

According to **N.J.A.C. 2:48-1.1** New Jersey is divided into two milk marketing areas and the Department announces in its monthly Class 1 Advanced Milk Price Announcement, two prices of raw milk cost converted to container size to determine variable cost. There for their will be two presumptive retail milk prices established each month which will follow the areas out lined in the regulation. For simplicity, the area north of I-195 shall utilize the North Jersey Presumptive Price and the area south of I-195 shall utilize the South Jersey Presumptive Pricing

Each and every dealer who is involved in the presumptive prices situation will have the ability to justify their variable cost as outlined in N.J.A.C 2:52-7. The presumptive variable wholesale price established must be maintained until said dealer presents information with back up documentation showing in detail their variable cost of each type of milk product being sold below the presumptive price. If the variable cost is justified upon review by the Department, then and only then will the dealer or store be allowed to sell at or above their established variable cost. All areas of New Jersey are under variable cost regulations.

Due to the unprecedented situation that exists, and it effects on the entire industry as they continue to be discovered, monthly surveyed costs have shown significant increase in processing and distribution. Each month's presumptive announcement will reflect the changes in this discovery of variable costs associated throughout the industry. These changes are above and beyond the changes in the raw milk price movement.

PRESUMPTIVE WHOLSALE PRICING FOR THE MONTH MAY 2021

	<u>North Jersey</u>		<u>South Jersey</u>	
	<u>Gallons</u>	<u>1/2 Gallons</u>	<u>Gallons</u>	<u>1/2 Gallons</u>
Whole Milk (3.25 BF)	\$3.3809	\$2.1103	\$3.3723	\$2.1096
2%	\$3.1774	\$2.0106	\$3.1688	\$2.0063
1%	\$3.0178	\$1.9075	\$3.0138	\$1.9031
Skim	\$2.8944	\$1.8550	\$2.8858	\$1.8506

Other unit sizes will have presumptive prices established if dealers attempt to use those units in any method to create a volatile street price of milk.

