

**UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE, DAIRY PROGRAMS**

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**May 2002**

	<u>% UTILIZATION</u> <u>PER CLASS</u>	<u>PRODUCT</u> <u>POUNDS</u>	<u>SKIM</u> <u>POUNDS</u>	<u>BUTTERFAT</u> <u>POUNDS</u>	<u>PROTEIN</u> <u>POUNDS</u>	<u>OTHER</u> <u>SOLIDS</u>	<u>NONFAT</u> <u>SOLIDS</u>
Producer Milk - Class I	26.91 %	185,778,490	182,522,366	3,256,124	5,682,985	10,878,650	16,561,635
Producer Milk - Class II	5.42 %	37,451,729	34,158,041	3,293,688	1,062,336	2,037,972	3,100,308
Producer Milk - Class III	35.67 %	246,235,087	236,882,168	9,352,919	7,541,443	14,117,471	21,658,914
Producer Milk - Class IV	32.00 %	220,894,824	211,844,480	9,050,344	6,501,683	12,617,738	19,119,421
<b>Total Producer Receipts</b>	<b>100.00 %</b>	<b>690,360,130</b>	<b>665,407,055</b>	<b>24,953,075</b>	<b>20,788,447</b>	<b>39,651,831</b>	<b>60,440,278</b>

	<u>POUNDS</u>	<u>BFAT</u> <u>POUNDS</u>	<u>LB/CWT</u> <u>PRICE</u>	<u>TOTAL</u> <u>DOLLARS</u>
Class I Skim Milk	182,522,366		\$ 6.83 /cwt	\$12,466,277.59
Butterfat		3,256,124	\$ 1.3339/lb	4,343,343.81
Class I Differential at Location				3,518,124.78
Class II Butterfat		3,293,688	\$ 1.1503/lb	3,788,729.31
Nonfat Solids	3,100,308		\$ 0.8367/lb	2,594,027.71
Class III Butterfat		9,352,919	\$ 1.1433/lb	10,693,192.29
Protein	7,541,443		\$ 2.2097/lb	16,664,326.61
Other Solids	14,117,471		\$ 0.0371/lb	523,758.16
Class IV Butterfat		9,050,344	\$ 1.1433/lb	10,347,258.30
Nonfat Solids	19,119,421		\$ 0.7572/lb	14,477,225.58
<b>Classified Value</b>				<b>\$79,416,264.14</b>
Class II Overage Skim and Butterfat	25,372	4,355		6,920.07
Class III Overage Skim and Butterfat	0	6,266		7,163.92
Class IV Overage Skim and Butterfat	78,429	20,059		28,274.47
<b>Total Overage</b>	<b>103,801</b>	<b>30,680</b>		<b>\$42,358.46</b>
Class I Inventory Skim and Butterfat	115,284	0		2,201.93
Class II Inventory Skim and Butterfat	1,689,098	58,083		3,936.47
Class III Inventory Skim and Butterfat	299,596	21,106		(2,326.15)
<b>Total Inventory</b>	<b>2,103,978</b>	<b>79,189</b>		<b>\$3,812.25</b>
Class I Other Source Fluid and Nonfluid	213,949	0		3,551.56
<b>Producer Milk Value</b>				<b>\$79,465,986.41</b>
Butterfat in Prod Milk x Butterfat Price	24,953,075		\$ 1.1433/lb	28,528,850.66
Protein in Prod Milk x Protein Price	20,788,447		\$ 2.2097/lb	45,936,231.32
Other Solids in Prod Milk x Other Solids Price	39,651,831		\$ 0.0371/lb	1,471,082.93
<b>Producer Milk Credits</b>				<b>\$75,936,164.91</b>
<b>PM Value - PM Credits</b>				<b>\$3,529,821.50</b>
Location Adjustments				241,220.67
1/2 Balance in Producer Settlement Fund				214,930.06
<b>Total Producer Milk and Differential Value</b>	<b>690,574,079</b>	<b>24,953,075</b>	<b>\$ 0.57719691</b>	<b>\$3,985,972.23</b>
Producer Settlement Fund Reserve			\$ 0.04719691	325,929.63

<b>Producer Price Differential at King County, WA</b>	<b>\$ 0.53 /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$ 11.35 /cwt</b>

Estimated Market Wide Skim Utilization Class I 27 %  
Estimated Market Wide Butterfat Utilization Class I 13 %