

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

December 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	27.45 %	179,519,558	176,061,469	3,458,089	5,624,481	10,416,405	16,040,886
Producer Milk - Class II	5.16 %	33,729,235	29,882,205	3,847,030	953,538	1,766,706	2,720,244
Producer Milk - Class III	36.25 %	237,048,935	228,063,161	8,985,774	7,379,141	13,523,453	20,902,594
Producer Milk - Class IV	31.14 %	203,666,456	195,470,943	8,195,513	6,195,624	11,507,936	17,703,560
Total Producer Receipts	100.00 %	653,964,184	629,477,778	24,486,406	20,152,784	37,214,500	57,367,284

	<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	176,061,469		\$ 6.99 /cwt	\$12,306,696.68
Butterfat		3,458,089	\$ 1.0782/lb	3,728,511.56
Class I Differential at Location				3,398,879.40
Class II Butterfat		3,847,030	\$ 1.1992/lb	4,613,358.38
Nonfat Solids	2,720,244		\$ 0.8544/lb	2,324,176.48
Class III Butterfat		8,985,774	\$ 1.1922/lb	10,712,839.77
Protein	7,379,141		\$ 1.7506/lb	12,917,924.25
Other Solids	13,523,453		\$ 0.0584/lb	789,769.65
Class IV Butterfat		8,195,513	\$ 1.1922/lb	9,770,690.62
Nonfat Solids	17,703,560		\$ 0.7282/lb	12,891,732.39
Classified Value				\$73,454,579.18
Class III Overage Skim and Butterfat	0	2,409		2,872.01
Class IV Overage Skim and Butterfat	0	18,864		22,489.67
Total Overage	0	21,273		\$25,361.68
Class I Inventory Skim and Butterfat	153,579	0		2,902.64
Class II Inventory Skim and Butterfat	1,750,967	43,349		16,715.68
Class III Inventory Skim and Butterfat	589,777	39,230		(3,335.17)
Total Inventory	2,494,323	82,579		\$16,283.15
Class I Other Source Fluid and Nonfluid	388,547	0		9,460.93
Producer Milk Value				\$73,505,684.94
Butterfat in Prod Milk x Butterfat Price	24,486,406		\$ 1.1922/lb	29,192,693.24
Protein in Prod Milk x Protein Price	20,152,784		\$ 1.7506/lb	35,279,463.68
Other Solids in Prod Milk x Other Solids Price	37,214,500		\$ 0.0584/lb	2,173,326.80
Producer Milk Credits				\$66,645,483.72
PM Value - PM Credits				\$6,860,201.22
Location Adjustments				252,069.97
1/2 Balance in Producer Settlement Fund				150,600.65
Total Producer Milk and Differential Value	654,011,482	24,486,406	\$ 1.11051137	\$7,262,871.84
Producer Settlement Fund Reserve			\$ 0.04051137	264,949.01

Producer Price Differential at King County, WA	\$ 1.07 /cwt
Statistical Uniform Price at King County, WA	\$ 10.81 /cwt

Estimated Market Wide Skim Utilization Class I 31 %
Estimated Market Wide Butterfat Utilization Class I 15 %