

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

April 2003

| | <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 | 28.05 % | 175,527,527 | 172,351,475 | 3,176,052 | 5,374,474 | 10,200,293 | 15,574,767 |
| Producer Milk - Class II | 6.21 % | 38,867,981 | 35,060,974 | 3,807,007 | 1,093,320 | 2,072,948 | 3,166,268 |
| Producer Milk - Class III | 33.95 % | 212,437,520 | 204,568,932 | 7,868,588 | 6,423,274 | 12,116,034 | 18,539,308 |
| Producer Milk - Class IV | 31.79 % | 198,893,481 | 190,896,584 | 7,996,897 | 5,948,737 | 11,256,344 | 17,205,081 |
| Total Producer Receipts | 100.00 % | 625,726,509 | 602,877,965 | 22,848,544 | 18,839,805 | 35,645,619 | 54,485,424 |

| | <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 | 172,351,475 | | \$ 5.92 /cwt | \$10,203,207.32 |
| Butterfat | | 3,176,052 | \$ 1.1227/lb | 3,565,753.60 |
| Class I Differential at Location | | | | 3,324,735.79 |
| Class II Butterfat | | 3,807,007 | \$ 1.1573/lb | 4,405,849.21 |
| Nonfat Solids | 3,166,268 | | \$ 0.7356/lb | 2,329,106.75 |
| Class III Butterfat | | 7,868,588 | \$ 1.1503/lb | 9,051,236.79 |
| Protein | 6,423,274 | | \$ 1.8006/lb | 11,565,747.18 |
| Other Solids | 12,116,034 | | (\$0.0008)/lb | (9,692.84) |
| Class IV Butterfat | | 7,996,897 | \$ 1.1503/lb | 9,198,830.61 |
| Nonfat Solids | 17,205,081 | | \$ 0.6564/lb | 11,293,415.16 |
| Classified Value | | | | \$64,928,189.57 |
| Class III Overage Skim and Butterfat | 0 | 21,112 | | 24,285.13 |
| Class IV Overage Skim and Butterfat | 17,391 | 0 | | 1,027.81 |
| Total Overage | 17,391 | 21,112 | | \$25,312.94 |
| Class II Inventory Skim and Butterfat | 137,169 | 76,423 | | 1,735.39 |
| Class III Inventory Skim and Butterfat | 775,843 | 28,178 | | (3,056.97) |
| Total Inventory | 913,012 | 104,601 | | (\$1,321.58) |
| Class I Other Source Fluid and Nonfluid | 65,102 | 0 | | 1,458.27 |
| Producer Milk Value | | | | \$64,953,639.20 |
| Butterfat in Prod Milk x Butterfat Price | 22,848,544 | | \$ 1.1503/lb | 26,282,680.15 |
| Protein in Prod Milk x Protein Price | 18,839,805 | | \$ 1.8006/lb | 33,922,952.90 |
| Other Solids in Prod Milk x Other Solids Price | 35,645,619 | | (\$0.0008)/lb | (28,516.49) |
| Producer Milk Credits | | | | \$60,177,116.56 |
| PM Value - PM Credits | | | | \$4,776,522.64 |
| Location Adjustments | | | | 268,927.39 |
| 1/2 Balance in Producer Settlement Fund | | | | 269,898.40 |
| Total Producer Milk and Differential Value | 625,791,611 | 22,848,544 | \$ 0.84937994 | \$5,315,348.43 |
| Producer Settlement Fund Reserve | | | \$ 0.04937994 | 309,015.52 |

| | |
|---|----------------------|
| Producer Price Differential at King County, WA | \$ 0.80 /cwt |
| Statistical Uniform Price at King County, WA | \$ 10.21 /cwt |

Estimated Market Wide Skim Utilization Class I 28 %
 Estimated Market Wide Butterfat Utilization Class I 13 %