

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**August 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	40.64 %	168,746,417	165,599,495	3,146,922	5,120,636	9,785,485	14,906,121
Producer Milk - Class II	10.55 %	43,785,877	39,965,603	3,820,274	1,234,704	2,359,641	3,594,345
Producer Milk - Class III	6.14 %	25,499,161	24,507,047	992,114	733,953	1,437,952	2,171,905
Producer Milk - Class IV	42.67 %	177,151,096	170,483,802	6,667,294	5,272,488	10,045,763	15,318,251
<b>Total Producer Receipts</b>	<b>100.00 %</b>	<b>415,182,551</b>	<b>400,555,947</b>	<b>14,626,604</b>	<b>12,361,781</b>	<b>23,628,841</b>	<b>35,990,622</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	165,599,495		\$ 7.07 /cwt	\$11,707,884.30
Butterfat		3,146,922	\$ 1.1854/lb	3,730,361.35
Class I Differential at Location				3,203,346.92
Class II Butterfat		3,820,274	\$ 1.2584/lb	4,807,432.79
Nonfat Solids	3,594,345		\$ 0.7378/lb	2,651,907.75
Class III Butterfat		992,114	\$ 1.2514/lb	1,241,531.46
Protein	733,953		\$ 3.1438/lb	2,307,401.45
Other Solids	1,437,952		\$ 0.0026/lb	3,738.69
Class IV Butterfat		6,667,294	\$ 1.2514/lb	8,343,451.71
Nonfat Solids	15,318,251		\$ 0.6638/lb	10,168,255.01
<b>Classified Value</b>				<b>\$48,165,311.43</b>
Class II Overage Skim and Butterfat	79,955	96		5,429.82
Class IV Overage Skim and Butterfat	6,975	406		924.48
<b>Total Overage</b>	<b>86,930</b>	<b>502</b>		<b>\$6,354.30</b>
Class I Inventory Skim and Butterfat	254,737	0		7,718.53
Class II Inventory Skim and Butterfat	912,209	38,674		8,431.30
Class III Inventory Skim and Butterfat	1,437,947	53,326		57,377.24
<b>Total Inventory</b>	<b>2,604,893</b>	<b>92,000</b>		<b>\$73,527.07</b>
Class I Other Source Fluid	26,730	0		0.00
Class I Other Source Fluid and Nonfluid	231,412	0		2,545.53
<b>Producer Milk Value</b>				<b>\$48,247,738.33</b>
Butterfat in Prod Milk x Butterfat Price	14,626,604		\$ 1.2514/lb	18,303,732.25
Protein in Prod Milk x Protein Price	12,361,781		\$ 3.1438/lb	38,862,967.11
Other Solids in Prod Milk x Other Solids Price	23,628,841		\$ 0.0026/lb	61,434.99
<b>Producer Milk Credits</b>				<b>\$57,228,134.35</b>
<b>PM Value - PM Credits</b>				<b>(\$8,980,396.02)</b>
Location Adjustments				40,837.55
1/2 Balance in Producer Settlement Fund				243,597.43
<b>Total Producer Milk and Differential Value</b>	<b>415,209,281</b>	<b>14,626,604</b>	<b>(\$2.09435613)</b>	<b>(\$8,695,961.04)</b>
Producer Settlement Fund Reserve			\$ 0.04564387	189,517.58

<b>Producer Price Differential at King County, WA</b>	<b>(\$2.14) /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$ 11.66 /cwt</b>

Estimated Market Wide Skim Utilization Class I	43 %
Estimated Market Wide Butterfat Utilization Class I	21%