

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**January 2004**

	<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	30.15 %	185,087,040	181,721,113	3,365,927	5,854,817	10,729,551	16,584,368
Producer Milk - Class II	5.98 %	36,758,185	33,111,836	3,646,349	1,068,261	1,953,727	3,021,988
Producer Milk - Class III	34.33 %	210,874,442	202,613,761	8,260,681	6,656,457	11,972,035	18,628,492
Producer Milk - Class IV	29.54 %	181,456,406	173,257,197	8,199,209	5,590,042	10,211,477	15,801,519
<b>Total Producer Receipts</b>	<b>100.00 %</b>	<b>614,176,073</b>	<b>590,703,907</b>	<b>23,472,166</b>	<b>19,169,577</b>	<b>34,866,790</b>	<b>54,036,367</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	181,721,113		\$ 7.46 /cwt	\$13,556,395.02
Butterfat		3,365,927	\$ 1.3283/lb	4,470,960.83
Class I Differential at Location				3,513,915.59
Class II Butterfat		3,646,349	\$ 1.5048/lb	5,487,025.98
Nonfat Solids	3,021,988		\$ 0.7378/lb	2,229,622.75
Class III Butterfat		8,260,681	\$ 1.4978/lb	12,372,848.00
Protein	6,656,457		\$ 2.0875/lb	13,895,353.99
Other Solids	11,972,035		\$ 0.0217/lb	259,793.16
Class IV Butterfat		8,199,209	\$ 1.4978/lb	12,280,775.24
Nonfat Solids	15,801,519		\$ 0.6595/lb	10,421,101.79
<b>Classified Value</b>				<b>\$78,487,792.35</b>
Class III Overage Skim and Butterfat	232,425	0		15,340.05
Class IV Overage Skim and Butterfat	91,915	1,755		8,088.39
<b>Total Overage</b>	<b>324,340</b>	<b>1,755</b>		<b>\$23,428.44</b>
Class II Inventory Skim and Butterfat	341,253	11,653		3,973.57
Class III Inventory Skim and Butterfat	265,514	0		1,752.39
<b>Total Inventory</b>	<b>606,767</b>	<b>11,653</b>		<b>\$5,725.96</b>
Class I Other Source Fluid	68,557	0		1,892.17
<b>Producer Milk Value</b>				<b>\$78,518,838.92</b>
Butterfat in Prod Milk x Butterfat Price	23,472,166		\$ 1.4978/lb	35,156,610.24
Protein in Prod Milk x Protein Price	19,169,577		\$ 2.0875/lb	40,016,492.02
Other Solids in Prod Milk x Other Solids Price	34,866,790		\$ 0.0217/lb	756,609.34
<b>Producer Milk Credits</b>				<b>\$75,929,711.60</b>
<b>PM Value - PM Credits</b>				<b>\$2,589,127.32</b>
Location Adjustments				270,704.69
1/2 Balance in Producer Settlement Fund				221,042.75
<b>Total Producer Milk and Differential Value</b>	<b>614,244,630</b>	<b>23,472,166</b>	<b>\$ 0.50157130</b>	<b>\$3,080,874.76</b>
Producer Settlement Fund Reserve			\$ 0.04157130	255,349.48
<b>Producer Price Differential at King County, WA</b>			<b>\$ 0.46 /cwt</b>	
<b>Statistical Uniform Price at King County, WA</b>			<b>\$ 12.07 /cwt</b>	

Estimated Market Wide Skim Utilization Class I 30 %  
Estimated Market Wide Butterfat Utilization Class I 15%