

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

May 2004

| | <u>% UTILIZATION PER CLASS</u> | <u>PRODUCT POUNDS</u> | <u>SKIM POUNDS</u> | <u>BUTTERFAT POUNDS</u> | <u>PROTEIN POUNDS</u> | <u>OTHER SOLIDS</u> | <u>NONFAT SOLIDS</u> |
|--------------------------------|------------------------------------|---------------------------|------------------------|-----------------------------|---------------------------|-------------------------|--------------------------|
| Producer Milk - Class I | 38.40% | 168,811,252 | 165,807,652 | 3,003,600 | 5,185,723 | 9,827,687 | 15,013,410 |
| Producer Milk - Class II | 8.78% | 38,582,661 | 34,833,558 | 3,749,103 | 1,094,129 | 2,062,390 | 3,156,519 |
| Producer Milk - Class III | 2.78% | 12,204,173 | 10,852,434 | 1,351,739 | 338,674 | 641,024 | 979,698 |
| Producer Milk - Class IV | 50.04% | 219,933,025 | 212,336,861 | 7,596,164 | 6,598,482 | 12,521,473 | 19,119,955 |
| Total Producer Receipts | 100.00% | 439,531,111 | 423,830,505 | 15,700,606 | 13,217,008 | 25,052,574 | 38,269,582 |

| | <u>POUNDS</u> | <u>BFAT POUNDS</u> | <u>LB/CWT PRICE</u> | <u>TOTAL DOLLARS</u> |
|---|--------------------|------------------------|-------------------------|--------------------------|
| Class I Skim Milk | 165,807,652 | | \$11.50 /cwt | \$19,067,880.02 |
| Butterfat | | 3,003,600 | \$2.4437 /lb | 7,339,897.31 |
| Class I Differential at Location | | | | 3,198,747.05 |
| Class II Butterfat | | 3,749,103 | \$2.4352 /lb | 9,129,815.62 |
| Nonfat Solids | 3,156,519 | | \$0.7489 /lb | 2,363,917.08 |
| Class III Butterfat | | 1,351,739 | \$2.4282 /lb | 3,282,292.63 |
| Protein | 338,674 | | \$3.7639 /lb | 1,274,735.06 |
| Other Solids | 641,024 | | \$0.1444 /lb | 92,563.87 |
| Class IV Butterfat | | 7,596,164 | \$2.4282 /lb | 18,445,005.42 |
| Nonfat Solids | 19,119,955 | | \$0.6913 /lb | 13,217,624.89 |
| Classified Value | | | | \$77,412,478.95 |
| Class II Overage Skim and Butterfat | 0 | 7,775 | | 18,933.68 |
| Class IV Overage Skim and Butterfat | 6 | 4,926 | | 11,961.68 |
| Total Overage | 6 | 12,701 | | \$30,895.36 |
| Class II Inventory Skim and Butterfat | 1,376,457 | 77,831 | | 4,628.22 |
| Total Inventory | 1,376,457 | 77,831 | | \$4,628.22 |
| Class I Other Source Fluid | 11,607 | 0 | | 102.14 |
| Producer Milk Value | | | | \$77,448,104.67 |
| Butterfat in Prod Milk x Butterfat Price | 15,700,606 | | \$2.4282 /lb | 38,124,211.51 |
| Protein in Prod Milk x Protein Price | 13,217,008 | | \$3.7639 /lb | 49,747,496.42 |
| Other Solids in Prod Milk x Other Solids Price | 25,052,574 | | \$0.1444 /lb | 3,617,591.68 |
| Producer Milk Credits | | | | \$91,489,299.61 |
| PM Value - PM Credits | | | | (\$14,041,194.94) |
| Location Adjustments | | | | 62,039.32 |
| 1/2 Balance in Producer Settlement Fund | | | | 187,863.46 |
| Total Producer Milk and Differential Value | 439,542,718 | 15,700,606 | (\$3.13764547) | (\$13,791,292.16) |
| Producer Settlement Fund Reserve | | | \$0.04235453 | 186,166.25 |

| | | |
|---|-----------------|-------------|
| Producer Price Differential at King County, WA | (\$3.18) | /cwt |
| Statistical Uniform Price at King County, WA | \$17.40 | /cwt |

Estimated Market Wide Skim Utilization Class I 44%
 Estimated Market Wide Butterfat Utilization Class I 21%

Released: June 11, 2004

James R. Daugherty, Market Administrator