

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

July 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	26.74%	173,345,926	170,112,332	3,233,594	5,198,302	10,092,494	15,290,796
Producer Milk - Class II	7.06%	45,732,535	41,324,108	4,408,427	1,266,012	2,448,896	3,714,908
Producer Milk - Class III	33.01%	213,872,447	205,405,024	8,467,423	6,350,942	12,199,752	18,550,694
Producer Milk - Class IV	33.19%	215,046,713	207,923,186	7,123,527	6,352,829	12,276,078	18,628,907
Total Producer Receipts	100.00%	647,997,621	624,764,650	23,232,971	19,168,085	37,017,220	56,185,305

	<u>POUNDS</u>	<u>BFAT POUNDS</u>	<u>LB/CWT PRICE</u>	<u>TOTAL DOLLARS</u>
Class I Skim Milk	170,112,332		\$10.95 /cwt	\$18,627,300.36
Butterfat		3,233,594	\$2.1088 /lb	6,819,003.01
Class I Differential at Location				3,283,930.75
Class II Butterfat		4,408,427	\$2.0613 /lb	9,087,090.57
Nonfat Solids	3,714,908		\$0.7811 /lb	2,901,714.66
Class III Butterfat		8,467,423	\$2.0543 /lb	17,394,627.06
Protein	6,350,942		\$2.3625 /lb	15,004,100.50
Other Solids	12,199,752		\$0.1048 /lb	1,278,534.02
Class IV Butterfat		7,123,527	\$2.0543 /lb	14,633,861.52
Nonfat Solids	18,628,907		\$0.7042 /lb	13,118,476.32
Classified Value				\$102,148,638.77
Class II Overage Skim and Butterfat	169,980	16,703		46,379.49
Class III Overage Skim and Butterfat	99,344	45,083		100,501.92
Class IV Overage Skim and Butterfat	254,137	3,073		22,425.15
Total Overage	523,461	64,859		\$169,306.56
Class II Inventory Skim and Butterfat	2,215,979	30,455		12,215.90
Class III Inventory Skim and Butterfat	295,322	57,613		(2,273.38)
Total Inventory	2,511,301	88,068		\$9,942.52
Class I Other Source Fluid	7,238	0		355.38
Producer Milk Value				\$102,328,243.23
Butterfat in Prod Milk x Butterfat Price	23,232,971		\$2.0543 /lb	47,727,492.30
Protein in Prod Milk x Protein Price	19,168,085		\$2.3625 /lb	45,284,600.84
Other Solids in Prod Milk x Other Solids Price	37,017,220		\$0.1048 /lb	3,879,404.64
Producer Milk Credits				\$96,891,497.78
PM Value - PM Credits				\$5,436,745.45
Location Adjustments				312,975.79
1/2 Balance in Producer Settlement Fund				293,956.39
Total Producer Milk and Differential Value	648,004,859	23,232,971	\$0.93265931	\$6,043,677.63
Producer Settlement Fund Reserve			\$0.04265931	276,434.40

Producer Price Differential at King County, WA

\$0.89 /cwt

Statistical Uniform Price at King County, WA

\$15.74 /cwt

Estimated Market Wide Skim Utilization Class I 28%

Estimated Market Wide Butterfat Utilization Class I 14%