

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**September 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	37.89%	182,378,520	179,069,313	3,309,207	5,714,219	10,588,181	16,302,400
Producer Milk - Class II	7.63%	36,700,704	32,717,994	3,982,710	1,046,944	1,931,605	2,978,549
Producer Milk - Class III	17.59%	84,635,442	80,587,639	4,047,803	2,627,264	4,796,161	7,423,425
Producer Milk - Class IV	36.89%	177,517,694	171,124,074	6,393,620	5,451,639	10,078,443	15,530,082
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>481,232,360</b>	<b>463,499,020</b>	<b>17,733,340</b>	<b>14,840,066</b>	<b>27,394,390</b>	<b>42,234,456</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	179,069,313		\$7.96 /cwt	\$14,253,917.32
Butterfat		3,309,207	\$1.7890 /lb	5,920,171.34
Class I Differential at Location				3,455,873.96
Class II Butterfat		3,982,710	\$1.9424 /lb	7,736,015.91
Nonfat Solids	2,978,549		\$0.7900 /lb	2,353,053.71
Class III Butterfat		4,047,803	\$1.9354 /lb	7,834,117.92
Protein	2,627,264		\$2.5431 /lb	6,681,395.08
Other Solids	4,796,161		\$0.0589 /lb	282,493.86
Class IV Butterfat		6,393,620	\$1.9354 /lb	12,374,212.14
Nonfat Solids	15,530,082		\$0.7167 /lb	11,130,409.77
<b>Classified Value</b>				<b>\$72,021,661.01</b>
Class III Overage Skim and Butterfat	0	18,887		36,553.90
Class IV Overage Skim and Butterfat	147,683	10,110		29,092.45
<b>Total Overage</b>	<b>147,683</b>	<b>28,997</b>		<b>\$65,646.35</b>
Class I Inventory Skim and Butterfat	36,434	0		1,260.62
Class II Inventory Skim and Butterfat	1,447,715	8,414		11,526.57
Class III Inventory Skim and Butterfat	2,493,929	89,242		58,248.80
<b>Total Inventory</b>	<b>3,978,078</b>	<b>97,656</b>		<b>\$71,035.99</b>
Class I Other Source Fluid	59,848	0		975.53
<b>Producer Milk Value</b>				<b>\$72,159,318.88</b>
Butterfat in Prod Milk x Butterfat Price	17,733,340		\$1.9354 /lb	34,321,106.26
Protein in Prod Milk x Protein Price	14,840,066		\$2.5431 /lb	37,739,771.85
Other Solids in Prod Milk x Other Solids Price	27,394,390		\$0.0589 /lb	1,613,529.57
<b>Producer Milk Credits</b>				<b>\$73,674,407.68</b>
<b>PM Value - PM Credits</b>				<b>(\$1,515,088.80)</b>
Location Adjustments				105,231.89
1/2 Balance in Producer Settlement Fund				297,388.84
<b>Total Producer Milk and Differential Value</b>	<b>481,292,208</b>	<b>17,733,340</b>	<b>(\$0.23114192)</b>	<b>(\$1,112,468.07)</b>
Producer Settlement Fund Reserve			\$0.04885808	235,150.13

<b>Producer Price Differential at King County, WA</b>	<b>(\$0.28) /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$14.44 /cwt</b>

Estimated Market Wide Skim Utilization Class I 29%  
Estimated Market Wide Butterfat Utilization Class I 14%