

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**December 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	43.04%	190,432,216	186,690,756	3,741,460	6,016,503	11,009,654	17,026,157
Producer Milk - Class II	7.59%	33,597,257	29,987,150	3,610,107	968,470	1,767,694	2,736,164
Producer Milk - Class III	7.96%	35,226,574	33,566,924	1,659,650	1,096,633	1,967,902	3,064,535
Producer Milk - Class IV	41.41%	183,220,794	175,815,075	7,405,719	5,608,805	10,334,667	15,943,472
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>442,476,841</b>	<b>426,059,905</b>	<b>16,416,936</b>	<b>13,690,411</b>	<b>25,079,917</b>	<b>38,770,328</b>

	<u>POUNDS</u>	<u>BFAT POUNDS</u>	<u>LB/CWT PRICE</u>	<u>TOTAL DOLLARS</u>
Class I Skim Milk	186,690,756		\$8.12 /cwt	\$15,159,289.40
Butterfat		3,741,460	\$1.8834 /lb	7,046,665.79
Class I Differential at Location				3,602,626.72
Class II Butterfat		3,610,107	\$2.0436 /lb	7,377,614.67
Nonfat Solids	2,736,164		\$0.7856 /lb	2,149,530.43
Class III Butterfat		1,659,650	\$2.0366 /lb	3,380,043.19
Protein	1,096,633		\$2.8486 /lb	3,123,868.75
Other Solids	1,967,902		\$0.0858 /lb	168,845.98
Class IV Butterfat		7,405,719	\$2.0366 /lb	15,082,487.32
Nonfat Solids	15,943,472		\$0.7240 /lb	11,543,073.72
<b>Classified Value</b>				<b>\$68,634,045.97</b>
Class II Overage Skim and Butterfat	1,093	0		77.28
Class IV Overage Skim and Butterfat	299,200	4,778		29,238.72
<b>Total Overage</b>	<b>300,293</b>	<b>4,778</b>		<b>\$29,316.00</b>
Class I Inventory Skim and Butterfat	93,110	0		3,379.89
Class II Inventory Skim and Butterfat	3,417,872	70,524		22,867.76
Class III Inventory Skim and Butterfat	199,435	0		5,883.33
<b>Total Inventory</b>	<b>3,710,417</b>	<b>70,524</b>		<b>\$32,130.98</b>
Class I Other Source Fluid	32,825	0		223.20
<b>Producer Milk Value</b>				<b>\$68,695,716.15</b>
Butterfat in Prod Milk x Butterfat Price	16,416,936		\$2.0366 /lb	33,434,731.89
Protein in Prod Milk x Protein Price	13,690,411		\$2.8486 /lb	38,998,504.76
Other Solids in Prod Milk x Other Solids Price	25,079,917		\$0.0858 /lb	2,151,856.87
<b>Producer Milk Credits</b>				<b>\$74,585,093.52</b>
<b>PM Value - PM Credits</b>				<b>(\$5,889,377.37)</b>
Location Adjustments				93,442.75
1/2 Balance in Producer Settlement Fund				217,348.20
<b>Total Producer Milk and Differential Value</b>	<b>442,509,666</b>	<b>16,416,936</b>	<b>(\$1.26066996)</b>	<b>(\$5,578,586.42)</b>
Producer Settlement Fund Reserve			\$0.04933004	218,290.20

<b>Producer Price Differential at King County, WA</b>	<b>(\$1.31) /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$14.83 /cwt</b>

Estimated Market Wide Skim Utilization Class I 42%  
 Estimated Market Wide Butterfat Utilization Class I 22%