

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**June 2005**

	<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	27.08%	164,894,204	161,879,666	3,014,538	5,019,274	9,627,966	14,647,240
Producer Milk - Class II	7.36%	44,827,079	40,838,003	3,989,076	1,270,153	2,429,029	3,699,182
Producer Milk - Class III	29.31%	178,479,533	171,574,103	6,905,430	5,360,165	10,214,819	15,574,984
Producer Milk - Class IV	36.25%	220,785,009	212,919,020	7,865,989	6,583,533	12,626,940	19,210,473
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>608,985,825</b>	<b>587,210,792</b>	<b>21,775,033</b>	<b>18,233,125</b>	<b>34,898,754</b>	<b>53,131,879</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	161,879,666		\$8.58 /cwt	\$13,889,275.33
Butterfat		3,014,538	\$1.5266 /lb	4,601,993.71
Class I Differential at Location				3,126,163.46
Class II Butterfat		3,989,076	\$1.6002 /lb	6,383,319.42
Nonfat Solids	3,699,182		\$0.8589 /lb	3,177,227.43
Class III Butterfat		6,905,430	\$1.5932 /lb	11,001,731.07
Protein	5,360,165		\$2.5741 /lb	13,797,600.73
Other Solids	10,214,819		\$0.1139 /lb	1,163,467.88
Class IV Butterfat		7,865,989	\$1.5932 /lb	12,532,093.69
Nonfat Solids	19,210,473		\$0.7780 /lb	14,945,747.99
<b>Classified Value</b>				<b>\$84,618,620.71</b>
Class II Overage Skim and Butterfat	270,984	2,324		24,665.92
Class IV Overage Skim and Butterfat	83,958	12,939		26,491.47
<b>Total Overage</b>	<b>354,942</b>	<b>15,263</b>		<b>\$51,157.39</b>
Class II Inventory Skim and Butterfat	466,684	25,970		4,635.42
Class III Inventory Skim and Butterfat	986,756	28,489		17,287.39
<b>Total Inventory</b>	<b>1,453,440</b>	<b>54,459</b>		<b>\$21,922.81</b>
Class I Other Source Fluid	7,225	0		132.22
<b>Producer Milk Value</b>				<b>\$84,691,833.13</b>
Butterfat in Prod Milk x Butterfat Price	21,775,033		\$1.5932 /lb	34,691,982.60
Protein in Prod Milk x Protein Price	18,233,125		\$2.5741 /lb	46,933,887.06
Other Solids in Prod Milk x Other Solids Price	34,898,754		\$0.1139 /lb	3,974,968.08
<b>Producer Milk Credits</b>				<b>\$85,600,837.74</b>
<b>PM Value - PM Credits</b>				<b>(\$909,004.61)</b>
Location Adjustments				269,752.73
1/2 Balance in Producer Settlement Fund				267,873.95
<b>Total Producer Milk and Differential Value</b>	<b>608,993,050</b>	<b>21,775,033</b>	<b>(\$0.06098229)</b>	<b>(\$371,377.93)</b>
Producer Settlement Fund Reserve			\$0.04901771	298,514.45

<b>Producer Price Differential at King County, WA</b>	<b>(\$0.11) /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$13.81 /cwt</b>

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