

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

February 2006

	<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	26.87%	162,748,594	159,880,191	2,868,403	5,098,238	9,511,230	14,609,468
Producer Milk - Class II	5.48%	33,190,373	29,963,131	3,227,242	962,123	1,784,159	2,746,282
Producer Milk - Class III	32.37%	196,068,019	188,381,076	7,686,943	6,085,046	11,200,611	17,285,657
Producer Milk - Class IV	35.28%	213,722,403	204,671,078	9,051,325	6,542,703	12,172,970	18,715,673
Total Producer Receipts	100.00%	605,729,389	582,895,476	22,833,913	18,688,110	34,668,970	53,357,080

	<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	159,880,191		\$8.51 /cwt	\$13,605,804.25
Butterfat		2,868,403	\$1.4771 /lb	4,236,918.07
Class I Differential at Location				3,087,975.00
Class II Butterfat		3,227,242	\$1.3539 /lb	4,369,362.93
Nonfat Solids	2,746,282		\$0.9078 /lb	2,493,074.80
Class III Butterfat		7,686,943	\$1.3469 /lb	10,353,543.50
Protein	6,085,046		\$2.1220 /lb	12,912,467.61
Other Solids	11,200,611		\$0.1999 /lb	2,239,002.13
Class IV Butterfat		9,051,325	\$1.3469 /lb	12,191,229.65
Nonfat Solids	18,715,673		\$0.7359 /lb	13,772,863.76
Classified Value				\$79,262,241.70
Class II Overage Skim and Butterfat	0	8,427		11,409.32
Class III Overage Skim and Butterfat	0	55,830		75,197.43
Class IV Overage Skim and Butterfat	0	3,261		4,392.24
Total Overage	0	67,518		\$90,998.99
Class I Inventory Skim and Butterfat	95,258	0		2,943.47
Class II Inventory Skim and Butterfat	1,462,643	37,607		8,126.46
Class III Inventory Skim and Butterfat	765,892	34,014		(762.78)
Total Inventory	2,323,793	71,621		\$10,307.15
Class I Other Source Fluid	23,736	0		629.00
Class I Other Source Fluid and Nonfluid	1,058,242	0		40,107.37
Producer Milk Value				\$79,404,284.21
Butterfat in Prod Milk x Butterfat Price	22,833,913		\$1.3469 /lb	30,754,997.39
Protein in Prod Milk x Protein Price	18,688,110		\$2.1220 /lb	39,656,169.39
Other Solids in Prod Milk x Other Solids Price	34,668,970		\$0.1999 /lb	6,930,327.11
Producer Milk Credits				\$77,341,493.89
PM Value - PM Credits				\$2,062,790.32
Location Adjustments				408,452.34
1/2 Balance in Producer Settlement Fund				228,097.00
Total Producer Milk and Differential Value	605,753,125	22,833,913	\$0.44561712	\$2,699,339.66
Producer Settlement Fund Reserve			\$0.04561712	276,327.13

Producer Price Differential at King County, WA

Statistical Uniform Price at King County, WA

\$0.40 /cwt

\$12.60 /cwt

Estimated Market Wide Skim Utilization Class I 30%

Estimated Market Wide Butterfat Utilization Class I 14%