

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

March 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	27.38%	185,730,288	182,471,220	3,259,068	5,769,372	10,885,411	16,654,783
Producer Milk - Class II	5.21%	35,374,444	31,537,822	3,836,622	1,004,013	1,884,443	2,888,456
Producer Milk - Class III	31.96%	216,788,998	208,401,388	8,387,610	6,645,368	12,418,265	19,063,633
Producer Milk - Class IV	35.45%	240,517,189	230,565,189	9,952,000	7,296,891	13,745,041	21,041,932
Total Producer Receipts	100.00%	678,410,919	652,975,619	25,435,300	20,715,644	38,933,160	59,648,804

	<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	182,471,220		\$7.95 /cwt	\$14,506,461.99
Class I Butterfat		3,259,068	\$1.3768 /lb	4,487,084.84
Class I Differential at Location				3,526,209.01
Class II Butterfat		3,836,622	\$1.2666 /lb	4,859,465.42
Class II Nonfat Solids	2,888,456		\$0.8356 /lb	2,413,593.83
Class III Butterfat		8,387,610	\$1.2596 /lb	10,565,033.57
Class III Protein	6,645,368		\$1.8836 /lb	12,517,215.16
Class III Other Solids	12,418,265		\$0.1874 /lb	2,327,182.87
Class IV Butterfat		9,952,000	\$1.2596 /lb	12,535,539.21
Class IV Nonfat Solids	21,041,932		\$0.7224 /lb	15,200,691.67
Classified Value				\$82,938,477.57
Class II Overage Skim and Butterfat	224,614	10,267		29,895.15
Class IV Overage Skim and Butterfat	201,315	2,141		15,782.27
Total Overage	425,929	12,408		\$45,677.42
Class I Inventory Skim and Butterfat	205,570	0		6,639.92
Class II Inventory Skim and Butterfat	2,500,360	80,477		16,040.93
Class III Inventory Skim and Butterfat	717,040	41,149		(1,297.78)
Total Inventory	3,422,970	121,626		\$21,383.07
Class I Other Source Fluid	27,732	0		807.00
Class I Other Source Fluid and Nonfluid	200,484	0		6,716.22
Producer Milk Value				\$83,013,061.28
Butterfat in Prod Milk x Butterfat Price	25,435,300		\$1.2596 /lb	32,038,303.88
Protein in Prod Milk x Protein Price	20,715,644		\$1.8836 /lb	39,019,987.05
Other Solids in Prod Milk x Other Solids Price	38,933,160		\$0.1874 /lb	7,296,074.21
Producer Milk Credits				\$78,354,365.14
PM Value - PM Credits				\$4,658,696.14
Location Adjustments				458,408.82
1/2 Balance in Producer Settlement Fund				277,306.21
Total Producer Milk and Differential Value	678,438,651	25,435,300	\$0.79512144	\$5,394,411.17
Producer Settlement Fund Reserve			\$0.04512144	306,121.29

Producer Price Differential at King County, WA	\$0.75 /cwt
Statistical Uniform Price at King County, WA	\$11.86 /cwt

Estimated Market Wide Skim Utilization Class I 27%
Estimated Market Wide Butterfat Utilization Class I 13%