

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**May 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	27.04%	193,948,844	190,577,264	3,371,580	5,910,717	11,318,085	17,228,802
Producer Milk - Class II	5.77%	41,421,024	37,253,687	4,167,337	1,161,549	2,213,491	3,375,040
Producer Milk - Class III	31.29%	224,500,635	216,103,125	8,397,510	6,792,425	12,817,631	19,610,056
Producer Milk - Class IV	35.90%	257,514,526	247,508,181	10,006,345	7,695,645	14,673,670	22,369,315
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>717,385,029</b>	<b>691,442,257</b>	<b>25,942,772</b>	<b>21,560,336</b>	<b>41,022,877</b>	<b>62,583,213</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	190,577,264		\$6.90 /cwt	\$13,149,831.22
Butterfat		3,371,580	\$1.2331 /lb	4,157,495.31
Class I Differential at Location				3,682,377.86
Class II Butterfat		4,167,337	\$1.2652 /lb	5,272,514.79
Nonfat Solids	3,375,040		\$0.7711 /lb	2,602,493.36
Class III Butterfat		8,397,510	\$1.2582 /lb	10,565,747.09
Protein	6,792,425		\$1.9115 /lb	12,983,720.39
Other Solids	12,817,631		\$0.1251 /lb	1,603,485.64
Class IV Butterfat		10,006,345	\$1.2582 /lb	12,589,983.29
Nonfat Solids	22,369,315		\$0.6819 /lb	15,253,635.90
<b>Classified Value</b>				<b>\$81,861,284.85</b>
Class IV Overage Skim and Butterfat	30,851	5,081		8,287.15
<b>Total Overage</b>	<b>30,851</b>	<b>5,081</b>		<b>\$8,287.15</b>
Class I Inventory Skim and Butterfat	30,762	0		781.36
Class II Inventory Skim and Butterfat	2,717,037	54,276		20,152.98
Class III Inventory Skim and Butterfat	1,608,391	78,603		8,312.18
<b>Total Inventory</b>	<b>4,356,190</b>	<b>132,879</b>		<b>\$29,246.52</b>
Class I Other Source Fluid	125,764	0		2,691.34
<b>Producer Milk Value</b>				<b>\$81,901,509.86</b>
Butterfat in Prod Milk x Butterfat Price	25,942,772		\$1.2582 /lb	32,641,195.72
Protein in Prod Milk x Protein Price	21,560,336		\$1.9115 /lb	41,212,582.27
Other Solids in Prod Milk x Other Solids Price	41,022,877		\$0.1251 /lb	5,131,961.91
<b>Producer Milk Credits</b>				<b>\$78,985,739.90</b>
<b>PM Value - PM Credits</b>				<b>\$2,915,769.96</b>
Location Adjustments				492,178.96
1/2 Balance in Producer Settlement Fund				311,552.83
<b>Total Producer Milk and Differential Value</b>	<b>717,510,793</b>	<b>25,942,772</b>	<b>\$0.51838966</b>	<b>\$3,719,501.75</b>
Producer Settlement Fund Reserve			\$0.04838966	347,201.03

<b>Producer Price Differential at King County, WA</b>	<b>\$0.47 /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$11.30 /cwt</b>

Estimated Market Wide Skim Utilization Class I 26%  
Estimated Market Wide Butterfat Utilization Class I 12%