

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

August 2006

	<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	26.12 %	189,438,076	185,962,189	3,475,887	5,809,973	10,952,628	16,762,601
Producer Milk - Class II	7.02 %	50,959,413	46,007,835	4,951,578	1,449,047	2,714,075	4,163,122
Producer Milk - Class III	32.88 %	238,556,831	229,042,083	9,514,748	7,246,589	13,524,208	20,770,797
Producer Milk - Class IV	33.98 %	246,556,774	238,354,250	8,202,524	7,532,484	14,011,953	21,544,437
Total Producer Receipts	100.00 %	725,511,094	699,366,357	26,144,737	22,038,093	41,202,864	63,240,957

	<u>POUNDS</u>	<u>BFAT POUNDS</u>	<u>LB/CWT PRICE</u>	<u>TOTAL DOLLARS</u>
Class I Skim Milk	185,962,189		\$ 6.96 /cwt	\$12,942,968.37
Butterfat		3,475,887	\$ 1.2154/lb	4,224,593.05
Class I Differential at Location				3,595,527.88
Class II Butterfat		4,951,578	\$ 1.3078/lb	6,475,673.71
Nonfat Solids	4,163,122		\$ 0.7578/lb	3,154,813.87
Class III Butterfat		9,514,748	\$ 1.3008/lb	12,376,784.21
Protein	7,246,589		\$ 1.9050/lb	13,804,752.07
Other Solids	13,524,208		\$ 0.1416/lb	1,915,027.86
Class IV Butterfat		8,202,524	\$ 1.3008/lb	10,669,843.24
Nonfat Solids	21,544,437		\$ 0.7013/lb	15,109,113.67
Classified Value				\$84,269,097.93
Class I Overage Skim and Butterfat	0	19		23.45
Class II Overage Skim and Butterfat	0	308		402.80
Class IV Overage Skim and Butterfat	0	27		35.12
Total Overage	0	354		\$461.37
Class II Inventory Skim and Butterfat	742,096	61		4,977.21
Class III Inventory Skim and Butterfat	1,026,359	95,175		13,479.17
Total Inventory	1,768,455	95,236		\$18,456.38
Class I Other Source Fluid	187,751	0		3,980.32
Producer Milk Value				\$84,291,996.00
Butterfat in Prod Milk x Butterfat Price	26,144,737		\$ 1.3008/lb	34,009,073.90
Protein in Prod Milk x Protein Price	22,038,093		\$ 1.9050/lb	41,982,567.22
Other Solids in Prod Milk x Other Solids Price	41,202,864		\$ 0.1416/lb	5,834,325.54
Producer Milk Credits				\$81,825,966.66
PM Value - PM Credits				\$2,466,029.34
Location Adjustments				578,357.58
1/2 Balance in Producer Settlement Fund				306,762.32
Total Producer Milk and Differential Value	725,698,845	26,144,737	\$ 0.46178236	\$3,351,149.24
Producer Settlement Fund Reserve			\$ 0.04178236	303,214.10

Producer Price Differential at King County, WA	\$ 0.42 /cwt
Statistical Uniform Price at King County, WA	\$ 11.48 /cwt

Estimated Market Wide Skim Utilization Class I 25 %
 Estimated Market Wide Butterfat Utilization Class I 12 %