

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

September 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	39.05%	190,533,143	187,140,206	3,392,937	6,002,464	11,049,675	17,052,139
Producer Milk - Class II	8.51%	41,521,413	37,568,885	3,952,528	1,208,912	2,217,792	3,426,704
Producer Milk - Class III	6.39%	31,183,586	29,782,076	1,401,510	959,602	1,754,644	2,714,246
Producer Milk - Class IV	46.05%	224,698,745	215,542,761	9,155,984	6,954,227	12,692,482	19,646,709
Total Producer Receipts	100.00%	487,936,887	470,033,928	17,902,959	15,125,205	27,714,593	42,839,798

	<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	187,140,206		\$6.64 /cwt	\$12,426,109.66
Butterfat		3,392,937	\$1.2703 /lb	4,310,047.89
Class I Differential at Location				3,611,317.09
Class II Butterfat		3,952,528	\$1.4261 /lb	5,636,700.20
Nonfat Solids	3,426,704		\$0.7767 /lb	2,661,521.01
Class III Butterfat		1,401,510	\$1.4191 /lb	1,988,882.85
Protein	959,602		\$2.1346 /lb	2,048,366.43
Other Solids	1,754,644		\$0.1649 /lb	289,340.80
Class IV Butterfat		9,155,984	\$1.4191 /lb	12,993,256.88
Nonfat Solids	19,646,709		\$0.7066 /lb	13,882,364.57
Classified Value				\$59,847,907.38
Class II Overage Skim and Butterfat	10,162	15,264		22,478.31
Class IV Overage Skim and Butterfat	23,806	7,540		12,214.07
Total Overage	33,968	22,804		\$34,692.38
Class II Inventory Skim and Butterfat	523,131	0		3,557.29
Total Inventory	523,131	0		\$3,557.29
Class I Other Source Fluid	165,310	0		1,570.46
Producer Milk Value				\$59,887,727.51
Butterfat in Prod Milk x Butterfat Price	17,902,959		\$1.4191 /lb	25,406,089.12
Protein in Prod Milk x Protein Price	15,125,205		\$2.1346 /lb	32,286,262.58
Other Solids in Prod Milk x Other Solids Price	27,714,593		\$0.1649 /lb	4,570,136.39
Producer Milk Credits				\$62,262,488.09
PM Value - PM Credits				(\$2,374,760.58)
Location Adjustments				320,107.93
1/2 Balance in Producer Settlement Fund				309,190.34
Total Producer Milk and Differential Value	488,102,197	17,902,959	(\$0.35760181)	(\$1,745,462.31)
Producer Settlement Fund Reserve			\$0.04239819	206,946.50

Producer Price Differential at King County, WA	(\$0.40) /cwt
Statistical Uniform Price at King County, WA	\$11.89 /cwt

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

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James R. Daugherty, Market Administrator