

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE, DAIRY PROGRAMS

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

Federal Order No. 124

October 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	31.86%	197,627,521	193,938,652	3,688,869	6,350,054	11,449,037	17,799,091
Producer Milk - Class II	7.28%	45,176,760	40,728,762	4,447,998	1,338,256	2,404,968	3,743,224
Producer Milk - Class III	30.20%	187,378,931	180,071,679	7,307,252	5,950,808	10,623,575	16,574,383
Producer Milk - Class IV	30.66%	190,220,235	182,334,570	7,885,665	6,022,944	10,755,916	16,778,860
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>620,403,447</b>	<b>597,073,663</b>	<b>23,329,784</b>	<b>19,662,062</b>	<b>35,233,496</b>	<b>54,895,558</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	193,938,652		\$7.72 /cwt	\$14,972,063.93
Butterfat		3,688,869	\$1.4207 /lb	5,240,776.18
Class I Differential at Location				3,745,260.85
Class II Butterfat		4,447,998	\$1.4219 /lb	6,324,608.35
Nonfat Solids	3,743,224		\$0.7844 /lb	2,936,184.90
Class III Butterfat		7,307,252	\$1.4149 /lb	10,339,030.86
Protein	5,950,808		\$2.0775 /lb	12,362,803.63
Other Solids	10,623,575		\$0.2026 /lb	2,152,336.29
Class IV Butterfat		7,885,665	\$1.4149 /lb	11,157,427.40
Nonfat Solids	16,778,860		\$0.7551 /lb	12,669,717.20
<b>Classified Value</b>				<b>\$81,900,209.59</b>
Class II Overage Skim and Butterfat	4	5,328		7,576.16
Class III Overage Skim and Butterfat	0	9,245		13,080.75
Class IV Overage Skim and Butterfat	52,631	89		3,704.84
<b>Total Overage</b>	<b>52,635</b>	<b>14,662</b>		<b>\$24,361.75</b>
Class II Inventory Skim and Butterfat	1,837,037	21,143		12,918.46
Class III Inventory Skim and Butterfat	0	134,735		(565.89)
<b>Total Inventory</b>	<b>1,837,037</b>	<b>155,878</b>		<b>\$12,352.57</b>
Class I Other Source Fluid	218,470	0		4,325.70
<b>Producer Milk Value</b>				<b>\$81,941,249.61</b>
Butterfat in Prod Milk x Butterfat Price	23,329,784		\$1.4149 /lb	33,009,311.38
Protein in Prod Milk x Protein Price	19,662,062		\$2.0775 /lb	40,847,933.84
Other Solids in Prod Milk x Other Solids Price	35,233,496		\$0.2026 /lb	7,138,306.27
<b>Producer Milk Credits</b>				<b>\$80,995,551.49</b>
PM Value - PM Credits				\$945,698.12
Location Adjustments				362,976.30
1/2 Balance in Producer Settlement Fund				218,783.13
<b>Total Producer Milk and Differential Value</b>	<b>620,621,917</b>	<b>23,329,784</b>	<b>\$0.24611724</b>	<b>\$1,527,457.55</b>
<b>Producer Settlement Fund Reserve</b>			<b>\$0.04611724</b>	<b>286,213.70</b>
<b>Producer Price Differential at King County, WA</b>			<b>\$0.20 /cwt</b>	
<b>Statistical Uniform Price at King County, WA</b>			<b>\$12.52 /cwt</b>	
Estimated Market Wide Skim Utilization Class I		40%		
Estimated Market Wide Butterfat Utilization Class I		19%		