

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

October 2008

	<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	45.55%	207,458,306	203,704,998	3,753,308	6,680,837	12,016,917	18,697,754
Producer Milk - Class II	8.43%	38,406,929	34,514,816	3,892,113	1,135,536	2,037,751	3,173,287
Producer Milk - Class III	6.32%	28,787,229	27,305,575	1,481,654	896,332	1,603,840	2,500,172
Producer Milk - Class IV	39.70%	180,794,356	173,089,017	7,705,339	5,677,328	10,181,496	15,858,824
Total Producer Receipts	100.00%	455,446,820	438,614,406	16,832,414	14,390,033	25,840,004	40,230,037

	<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	203,704,998		\$9.76 /cwt	\$19,881,607.80
Butterfat		3,753,308	\$1.7451 /lb	6,549,897.80
Class I Differential at Location				3,934,824.72
Class II Butterfat		3,892,113	\$1.8577 /lb	7,230,378.30
Nonfat Solids	3,173,287		\$1.1622 /lb	3,687,994.14
Class III Butterfat		1,481,654	\$1.8507 /lb	2,742,097.08
Protein	896,332		\$3.5490 /lb	3,181,082.27
Other Solids	1,603,840		(\$0.0047)/lb	(7,538.05)
Class IV Butterfat		7,705,339	\$1.8507 /lb	14,260,270.86
Nonfat Solids	15,858,824		\$0.8226 /lb	13,045,468.63
Classified Value				\$74,506,083.55
Class II Overage Skim and Butterfat	809,335	5,989		95,782.21
Class IV Overage Skim and Butterfat	0	5,770		10,678.54
Total Overage	809,335	11,759		\$106,460.75
Class I Inventory Skim and Butterfat	50,912	0		1,145.52
Class II Inventory Skim and Butterfat	2,473,863	20,069		26,740.19
Total Inventory	2,524,775	20,069		\$27,885.71
Class I Other Source Fluid	345,950	5,913		1,874.98
Producer Milk Value				\$74,642,304.99
Butterfat in Prod Milk x Butterfat Price	16,832,414		\$1.8507 /lb	31,151,748.59
Protein in Prod Milk x Protein Price	14,390,033		\$3.5490 /lb	51,070,227.12
Other Solids in Prod Milk x Other Solids Price	25,840,004		(\$0.0047)/lb	(121,448.01)
Producer Milk Credits				\$82,100,527.70
PM Value - PM Credits				(\$7,458,222.71)
Location Adjustments				229,935.19
1/2 Balance in Producer Settlement Fund				274,157.53
Total Producer Milk and Differential Value	455,798,683	16,838,327	(\$1.52570208)	(\$6,954,129.99)
Producer Settlement Fund Reserve			\$0.04429792	201,909.34

Producer Price Differential at King County, WA	(\$1.57) /cwt
Statistical Uniform Price at King County, WA	\$15.49 /cwt

Estimated Market Wide Skim Utilization Class I 31%
Estimated Market Wide Butterfat Utilization Class I 14%