

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**December 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	43.09%	203,708,667	199,938,952	3,769,715	6,593,793	11,826,419	18,420,212
Producer Milk - Class II	7.39%	34,945,279	31,504,493	3,440,786	1,041,005	1,863,677	2,904,682
Producer Milk - Class III	8.85%	41,823,070	39,901,325	1,921,745	1,328,211	2,352,824	3,681,035
Producer Milk - Class IV	40.67%	192,267,926	183,530,049	8,737,877	6,066,277	10,836,941	16,903,218
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>472,744,942</b>	<b>454,874,819</b>	<b>17,870,123</b>	<b>15,029,286</b>	<b>26,879,861</b>	<b>41,909,147</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	199,938,952		\$9.49 /cwt	\$18,974,206.54
Class I Butterfat		3,769,715	\$1.7925 /lb	6,757,214.17
Class I Differential at Location				3,862,916.17
Class II Butterfat		3,440,786	\$1.3068 /lb	4,496,419.14
Class II Nonfat Solids	2,904,682		\$0.7644 /lb	2,220,338.91
Class III Butterfat		1,921,745	\$1.2998 /lb	2,497,884.15
Class III Protein	1,328,211		\$3.6390 /lb	4,833,359.83
Class III Other Solids	2,352,824		(\$0.0269) /lb	(63,290.96)
Class IV Butterfat		8,737,877	\$1.2998 /lb	11,357,492.54
Class IV Nonfat Solids	16,903,218		\$0.6680 /lb	11,291,349.63
<b>Classified Value</b>				<b>\$66,227,890.12</b>
Class I Overage Skim and Butterfat	0	17		30.79
Class II Overage Skim and Butterfat	0	19,400		25,351.92
Class IV Overage Skim and Butterfat	14	15,920		20,693.65
<b>Total Overage</b>	<b>14</b>	<b>35,337</b>		<b>\$46,076.36</b>
Class I Inventory Skim and Butterfat	22,837	0		1,171.54
Class II Inventory Skim and Butterfat	3,692,672	69,975		(9,727.76)
Class III Inventory Skim and Butterfat	15,998	0		777.50
<b>Total Inventory</b>	<b>3,731,507</b>	<b>69,975</b>		<b>(\$7,778.72)</b>
Class I Other Source Fluid	5,607	0		15.14
<b>Producer Milk Value</b>				<b>\$66,266,202.90</b>
Butterfat in Prod Milk x Butterfat Price	17,870,123		\$1.2998 /lb	23,227,585.86
Protein in Prod Milk x Protein Price	15,029,286		\$3.6390 /lb	54,691,571.75
Other Solids in Prod Milk x Other Solids Price	26,879,861		(\$0.0269) /lb	(723,068.27)
<b>Producer Milk Credits</b>				<b>\$77,196,089.34</b>
<b>PM Value - PM Credits</b>				<b>(\$10,929,886.44)</b>
Location Adjustments				265,566.33
1/2 Balance in Producer Settlement Fund				100,243.99
<b>Total Producer Milk and Differential Value</b>	<b>472,750,549</b>	<b>17,870,123</b>	<b>(\$2.23459838)</b>	<b>(\$10,564,076.12)</b>
Producer Settlement Fund Reserve			\$0.04540162	214,636.41

<b>Producer Price Differential at King County, WA</b>	<b>(\$2.28) /cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$13.00 /cwt</b>

Estimated Market Wide Skim Utilization Class I 30%  
Estimated Market Wide Butterfat Utilization Class I 14%