

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**June 2009**

|                                | <u>% UTILIZATION</u><br><u>PER CLASS</u> | <u>PRODUCT</u><br><u>POUNDS</u> | <u>SKIM</u><br><u>POUNDS</u> | <u>BUTTERFAT</u><br><u>POUNDS</u> | <u>PROTEIN</u><br><u>POUNDS</u> | <u>OTHER</u><br><u>SOLIDS</u> | <u>NONFAT</u><br><u>SOLIDS</u> |
|--------------------------------|--|---------------------------------|------------------------------|-----------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Producer Milk - Class I        | 26.86%                                   | 180,114,694                     | 176,927,842                  | 3,186,852                         | 5,502,703                       | 10,460,262                    | 15,962,965                     |
| Producer Milk - Class II       | 6.41%                                    | 42,983,484                      | 39,217,169                   | 3,766,315                         | 1,220,778                       | 2,319,844                     | 3,540,622                      |
| Producer Milk - Class III      | 43.10%                                   | 289,022,090                     | 278,291,004                  | 10,731,086                        | 8,843,471                       | 16,484,577                    | 25,328,048                     |
| Producer Milk - Class IV       | 23.63%                                   | 158,448,089                     | 152,074,644                  | 6,373,445                         | 4,736,744                       | 8,986,592                     | 13,723,336                     |
| <b>Total Producer Receipts</b> | <b>100.00%</b>                           | <b>670,568,357</b>              | <b>646,510,659</b>           | <b>24,057,698</b>                 | <b>20,303,696</b>               | <b>38,251,275</b>             | <b>58,554,971</b>              |

|   | <u>POUNDS</u>      | <u>BFAT</u><br><u>POUNDS</u> | <u>LB/CWT</u><br><u>PRICE</u> | <u>TOTAL</u><br><u>DOLLARS</u> |
|---|--------------------|------------------------------|-------------------------------|--------------------------------|
| Class I Skim Milk                                 | 176,927,842        |                              | \$5.91 /cwt                   | \$10,456,435.45                |
| Butterfat   |                    | 3,186,852                    | \$1.2517 /lb                  | 3,988,982.65                   |
| Class I Differential at Location                  |                    |                              |                               | 3,419,854.42                   |
| Class II Butterfat                                |                    | 3,766,315                    | \$1.2614 /lb                  | 4,750,829.75                   |
| Nonfat Solids                                     | 3,540,622          |                              | \$0.7344 /lb                  | 2,600,232.81                   |
| Class III Butterfat                               |                    | 10,731,086                   | \$1.2544 /lb                  | 13,461,074.28                  |
| Protein   | 8,843,471          |                              | \$1.7283 /lb                  | 15,284,170.93                  |
| Other Solids                                      | 16,484,577         |                              | \$ 0.0723 /lb                 | 1,191,834.92                   |
| Class IV Butterfat                                |                    | 6,373,445                    | \$1.2544 /lb                  | 7,994,849.41                   |
| Nonfat Solids                                     | 13,723,336         |                              | \$0.6715 /lb                  | 9,215,220.11                   |
| <b>Classified Value</b>                           |                    |                              |                               | <b>\$72,363,484.73</b>         |
| Class I Overage Skim and Butterfat                | 0                  | 5                            |                               | 6.36                           |
| Class II Overage Skim and Butterfat               | 172,873            | 2,539                        |                               | 14,629.60                      |
| Class III Overage Skim and Butterfat              | 1,839              | 0                            |                               | 106.29                         |
| Class IV Overage Skim and Butterfat               | 238,054            | 1,922                        |                               | 16,789.42                      |
| <b>Total Overage</b>                              | <b>412,766</b>     | <b>4,466</b>                 |                               | <b>\$31,531.67</b>             |
| Class I Inventory Skim and Butterfat              | 499,790            | 0                            |                               | 9,446.04                       |
| Class II Inventory Skim and Butterfat             | 3,382,893          | 149,488                      |                               | 22,833.69                      |
| Class III Inventory Skim and Butterfat            | 2,462,965          | 23,164                       |                               | (3,689.07)                     |
| <b>Total Inventory</b>                            | <b>6,345,648</b>   | <b>172,652</b>               |                               | <b>\$28,590.66</b>             |
| Class I Other Source Fluid                        | 342,742            | 6,046                        |                               | 7,056.22                       |
| <b>Producer Milk Value</b>                        |                    |                              |                               | <b>\$72,430,663.28</b>         |
| Butterfat in Prod Milk x Butterfat Price          | 24,057,698         |                              | \$1.2544 /lb                  | 30,177,976.36                  |
| Protein in Prod Milk x Protein Price              | 20,303,696         |                              | \$1.7283 /lb                  | 35,090,877.79                  |
| Other Solids in Prod Milk x Other Solids Price    | 38,251,275         |                              | \$ 0.0723 /lb                 | 2,765,567.17                   |
| <b>Producer Milk Credits</b>                      |                    |                              |                               | <b>\$68,034,421.32</b>         |
| <b>PM Value - PM Credits</b>                      |                    |                              |                               | <b>\$4,396,241.96</b>          |
| Location Adjustments                              |                    |                              |                               | 492,874.80                     |
| 1/2 Balance in Producer Settlement Fund           |                    |                              |                               | 302,708.77                     |
| <b>Total Producer Milk and Differential Value</b> | <b>670,917,145</b> | <b>24,063,744</b>            | <b>\$ 0.77384004</b>          | <b>\$5,191,825.53</b>          |
| Producer Settlement Fund Reserve                  |                    |                              | \$0.04384004                  | 294,130.34                     |

**Producer Price Differential at King County, WA**

**Statistical Uniform Price at King County, WA**

**\$ 0.73 /cwt**

**\$10.70 /cwt**

Estimated Market Wide Skim Utilization Class I 27%

Estimated Market Wide Butterfat Utilization Class I 12%