

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**August 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        | 29.00%                                   | 181,702,998                     | 178,409,538                  | 3,293,460                         | 5,554,734                       | 10,527,709                    | 16,082,443                     |
| Producer Milk - Class II       | 6.81%                                    | 42,654,884                      | 39,225,863                   | 3,429,021                         | 1,222,194                       | 2,315,501                     | 3,537,695                      |
| Producer Milk - Class III      | 39.43%                                   | 247,019,974                     | 237,860,846                  | 9,159,128                         | 7,436,010                       | 14,046,450                    | 21,482,460                     |
| Producer Milk - Class IV       | 24.76%                                   | 155,119,546                     | 148,543,549                  | 6,575,997                         | 4,618,928                       | 8,756,985                     | 13,375,913                     |
| <b>Total Producer Receipts</b> | <b>100.00%</b>                           | <b>626,497,402</b>              | <b>604,039,796</b>           | <b>22,457,606</b>                 | <b>18,831,866</b>               | <b>35,646,645</b>             | <b>54,478,511</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                                 | 178,409,538        |                              | \$6.00 /cwt                   | \$10,704,572.28                |
| Butterfat   |                    | 3,293,460                    | \$1.2149 /lb                  | 4,001,224.56                   |
| Class I Differential at Location                  |                    |                              |                               | 3,450,001.37                   |
| Class II Butterfat                                |                    | 3,429,021                    | \$1.2561 /lb                  | 4,307,193.29                   |
| Nonfat Solids                                     | 3,537,695          |                              | \$0.7444 /lb                  | 2,633,460.15                   |
| Class III Butterfat                               |                    | 9,159,128                    | \$1.2491 /lb                  | 11,440,666.79                  |
| Protein   | 7,436,010          |                              | \$2.1009 /lb                  | 15,622,313.41                  |
| Other Solids                                      | 14,046,450         |                              | \$ 0.0962 /lb                 | 1,351,268.50                   |
| Class IV Butterfat                                |                    | 6,575,997                    | \$1.2491 /lb                  | 8,214,077.87                   |
| Nonfat Solids                                     | 13,375,913         |                              | \$0.6918 /lb                  | 9,253,456.62                   |
| <b>Classified Value</b>                           |                    |                              |                               | <b>\$70,978,234.84</b>         |
| Class I Overage Skim and Butterfat                | 0                  | 4                            |                               | 4.94                           |
| Class II Overage Skim and Butterfat               | 1,108              | 0                            |                               | 74.24                          |
| Class IV Overage Skim and Butterfat               | 138,504            | 6,755                        |                               | 17,066.47                      |
| <b>Total Overage</b>                              | <b>139,612</b>     | <b>6,759</b>                 |                               | <b>\$17,145.65</b>             |
| Class II Inventory Skim and Butterfat             | 721,470            | 87,591                       |                               | 6,055.51                       |
| <b>Total Inventory</b>                            | <b>721,470</b>     | <b>87,591</b>                |                               | <b>\$6,055.51</b>              |
| Class I Other Source Fluid                        | 1,215,111          | 7,876                        |                               | 9,844.19                       |
| <b>Producer Milk Value</b>                        |                    |                              |                               | <b>\$71,011,280.19</b>         |
| Butterfat in Prod Milk x Butterfat Price          | 22,457,606         |                              | \$1.2491 /lb                  | 28,051,795.67                  |
| Protein in Prod Milk x Protein Price              | 18,831,866         |                              | \$2.1009 /lb                  | 39,563,867.27                  |
| Other Solids in Prod Milk x Other Solids Price    | 35,646,645         |                              | \$ 0.0962 /lb                 | 3,429,207.25                   |
| <b>Producer Milk Credits</b>                      |                    |                              |                               | <b>\$71,044,870.19</b>         |
| <b>PM Value - PM Credits</b>                      |                    |                              |                               | <b>(\$33,590.00)</b>           |
| Location Adjustments                              |                    |                              |                               | 434,391.65                     |
| 1/2 Balance in Producer Settlement Fund           |                    |                              |                               | 222,174.67                     |
| <b>Total Producer Milk and Differential Value</b> | <b>627,720,389</b> | <b>22,465,482</b>            | <b>\$ 0.09924424</b>          | <b>\$622,976.32</b>            |
| Producer Settlement Fund Reserve                  |                    |                              | \$0.04924424                  | 309,116.13                     |

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

**\$ 0.05 /cwt**

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

**\$11.25 /cwt**

Estimated Market Wide Skim Utilization Class I 28%

Estimated Market Wide Butterfat Utilization Class I 14%

Released: September 14, 2009

James R. Daugherty, Market Administrator