

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

January 2011

| | <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 | 28.35% | 189,346,569 | 186,122,196 | 3,224,373 | 6,090,254 | 11,089,830 | 17,180,084 |
| Producer Milk - Class II | 6.17% | 41,210,326 | 37,917,349 | 3,292,977 | 1,244,913 | 2,258,880 | 3,503,793 |
| Producer Milk - Class III | 39.63% | 264,647,507 | 254,179,098 | 10,468,409 | 8,659,567 | 15,124,014 | 23,783,581 |
| Producer Milk - Class IV | 25.85% | 172,582,993 | 163,531,678 | 9,051,315 | 5,354,673 | 9,725,230 | 15,079,903 |
| Total Producer Receipts | 100.00% | 667,787,395 | 641,750,321 | 26,037,074 | 21,349,407 | 38,197,954 | 59,547,361 |

| | <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 | 186,122,196 | | \$9.33 /cwt | \$17,365,200.89 |
| Butterfat | | 3,224,373 | \$1.7696 /lb | 5,705,850.45 |
| Class I Differential at Location | | | | 3,594,462.94 |
| Class II Butterfat | | 3,292,977 | \$2.0309 /lb | 6,687,707.00 |
| Nonfat Solids | 3,503,793 | | \$1.1144 /lb | 3,904,626.89 |
| Class III Butterfat | | 10,468,409 | \$2.0239 /lb | 21,187,013.00 |
| Protein | 8,659,567 | | \$1.7590 /lb | 15,232,178.36 |
| Other Solids | 15,124,014 | | \$ 0.2002 /lb | 3,027,827.61 |
| Class IV Butterfat | | 9,051,315 | \$2.0239 /lb | 18,318,956.45 |
| Nonfat Solids | 15,079,903 | | \$1.0743 /lb | 16,200,339.79 |
| Classified Value | | | | \$111,224,163.38 |
| Class II Overage Skim and Butterfat | 0 | 13,273 | | 26,956.14 |
| Class III Overage Skim and Butterfat | 80,830 | 36,244 | | 78,713.26 |
| Class IV Overage Skim and Butterfat | 344,917 | 61,528 | | 157,880.00 |
| Total Overage | 425,747 | 111,045 | | \$263,549.40 |
| Class II Inventory Skim and Butterfat | 1,110,954 | 80,242 | | 29,689.29 |
| Class III Inventory Skim and Butterfat | 1,507,563 | 23,208 | | (31,326.11) |
| Total Inventory | 2,618,517 | 103,450 | | (\$1,636.82) |
| Producer Milk Value | | | | \$111,486,075.96 |
| Butterfat in Prod Milk x Butterfat Price | 26,037,074 | | \$2.0239 /lb | 52,696,434.08 |
| Protein in Prod Milk x Protein Price | 21,349,407 | | \$1.7590 /lb | 37,553,606.93 |
| Other Solids in Prod Milk x Other Solids Price | 38,197,954 | | \$ 0.2002 /lb | 7,647,230.41 |
| Producer Milk Credits | | | | \$97,897,271.42 |
| PM Value - PM Credits | | | | \$13,588,804.54 |
| Location Adjustments | | | | 331,616.30 |
| 1/2 Balance in Producer Settlement Fund | | | | 320,788.17 |
| Total Producer Milk and Differential Value | 667,787,395 | 26,037,074 | \$ 2.13259626 | \$14,241,209.01 |
| Producer Settlement Fund Reserve | | | \$0.04259626 | 284,452.46 |

| | | |
|---|----------------|-------------|
| Producer Price Differential at King County, WA | \$ 2.09 | /cwt |
| Statistical Uniform Price at King County, WA | \$15.57 | /cwt |

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