

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

September 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 | 27.30% | 188,716,746 | 185,392,715 | 3,324,031 | 5,957,977 | 11,035,320 | 16,993,297 |
| Producer Milk - Class II | 6.27% | 43,377,718 | 39,619,682 | 3,758,036 | 1,276,341 | 2,355,844 | 3,632,185 |
| Producer Milk - Class III | 41.44% | 286,451,552 | 275,426,845 | 11,024,707 | 9,186,868 | 16,448,203 | 25,635,071 |
| Producer Milk - Class IV | 24.99% | 172,780,045 | 165,401,354 | 7,378,691 | 5,354,789 | 9,805,778 | 15,160,567 |
| Total Producer Receipts | 100.00% | 691,326,061 | 665,840,596 | 25,485,465 | 21,775,975 | 39,645,145 | 61,421,120 |

| | <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 | 185,392,715 | | \$14.16 /cwt | \$26,251,608.47 |
| Butterfat | | 3,324,031 | \$2.3175 /lb | 7,703,441.85 |
| Class I Differential at Location | | | | 3,583,140.46 |
| Class II Butterfat | | 3,758,036 | \$2.2075 /lb | 8,295,864.48 |
| Nonfat Solids | 3,632,185 | | \$1.4767 /lb | 5,363,647.63 |
| Class III Butterfat | | 11,024,707 | \$2.2005 /lb | 24,259,867.78 |
| Protein | 9,186,868 | | \$3.0282 /lb | 27,819,673.67 |
| Other Solids | 16,448,203 | | \$ 0.4053 /lb | 6,666,456.69 |
| Class IV Butterfat | | 7,378,691 | \$2.2005 /lb | 16,236,809.54 |
| Nonfat Solids | 15,160,567 | | \$1.3623 /lb | 20,653,240.43 |
| Classified Value | | | | \$146,833,751.00 |
| Class II Overage Skim and Butterfat | 32,128 | 0 | | 4,269.81 |
| Class IV Overage Skim and Butterfat | 7,141 | 37,081 | | 82,472.23 |
| Total Overage | 39,269 | 37,081 | | \$86,742.04 |
| Class II Inventory Skim and Butterfat | 2,836,744 | 70,156 | | 15,175.05 |
| Class III Inventory Skim and Butterfat | 1,685,759 | 36,312 | | (16,201.77) |
| Total Inventory | 4,522,503 | 106,468 | | (\$1,026.72) |
| Class I Other Source Fluid | 3,579 | 0 | | 153.18 |
| Producer Milk Value | | | | \$146,919,619.50 |
| Butterfat in Prod Milk x Butterfat Price | 25,485,465 | | \$2.2005 /lb | 56,080,765.74 |
| Protein in Prod Milk x Protein Price | 21,775,975 | | \$3.0282 /lb | 65,942,007.50 |
| Other Solids in Prod Milk x Other Solids Price | 39,645,145 | | \$ 0.4053 /lb | 16,068,177.26 |
| Producer Milk Credits | | | | \$138,090,950.50 |
| PM Value - PM Credits | | | | \$8,828,669.00 |
| Location Adjustments | | | | 370,975.93 |
| 1/2 Balance in Producer Settlement Fund | | | | 318,612.18 |
| Total Producer Milk and Differential Value | 691,329,640 | 25,485,465 | \$ 1.37680443 | \$9,518,257.11 |
| Producer Settlement Fund Reserve | | | \$0.04680443 | 323,572.90 |

| | | |
|---|----------------|-------------|
| Producer Price Differential at King County, WA | \$ 1.33 | /cwt |
| Statistical Uniform Price at King County, WA | \$20.40 | /cwt |

Estimated Market Wide Skim Utilization Class I 28%
Estimated Market Wide Butterfat Utilization Class I 14%