

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 135

February 2003

| | <u>% UTILIZATION PER CLASS</u> | <u>PRODUCT POUNDS</u> | <u>SKIM POUNDS</u> | <u>BUTTERFAT POUNDS</u> | <u>PROTEIN POUNDS</u> | <u>OTHER SOLIDS</u> | <u>NONFAT SOLIDS</u> |
|--------------------------------|------------------------------------|---------------------------|------------------------|-----------------------------|---------------------------|-------------------------|--------------------------|
| Producer Milk - Class I | 18.56 % | 86,360,771 | 84,732,226 | 1,628,545 | 2,671,677 | 5,010,816 | 7,682,493 |
| Producer Milk - Class II | 5.87 % | 27,330,862 | 25,511,807 | 1,819,055 | 809,084 | 1,511,303 | 2,320,387 |
| Producer Milk - Class III | 61.69 % | 287,079,045 | 277,419,685 | 9,659,360 | 8,808,675 | 16,332,477 | 25,141,152 |
| Producer Milk - Class IV | 13.88 % | 64,583,457 | 60,688,641 | 3,894,816 | 1,895,193 | 3,557,085 | 5,452,278 |
| Total Producer Receipts | 100.00 % | 465,354,135 | 448,352,359 | 17,001,776 | 14,184,629 | 26,411,681 | 40,596,310 |

| | <u>POUNDS</u> | <u>BFAT POUNDS</u> | <u>LB/CWT PRICE</u> | <u>TOTAL DOLLARS</u> |
|---|--------------------|------------------------|-------------------------|--------------------------|
| Class I Skim Milk | 84,732,226 | | \$ 6.20 /cwt | \$5,253,398.01 |
| Butterfat | | 1,628,545 | \$ 1.2133/lb | 1,975,913.65 |
| Class I Differential at Location | | | | 1,569,977.37 |
| Class II Butterfat | | 1,819,055 | \$ 1.1443/lb | 2,081,544.65 |
| Nonfat Solids | 2,320,387 | | \$ 0.7667/lb | 1,779,040.70 |
| Class III Butterfat | | 9,659,360 | \$ 1.1373/lb | 10,985,590.14 |
| Protein | 8,808,675 | | \$ 1.8538/lb | 16,329,521.72 |
| Other Solids | 16,332,477 | | \$ 0.0240/lb | 391,979.45 |
| Class IV Butterfat | | 3,894,816 | \$ 1.1373/lb | 4,429,574.23 |
| Nonfat Solids | 5,452,278 | | \$ 0.6711/lb | 3,659,023.77 |
| Classified Value | | | | \$48,455,563.69 |
| Class II Overage Skim and Butterfat | 0 | 9,313 | | 10,656.87 |
| Class III Overage Skim and Butterfat | 11,786 | 0 | | 694.20 |
| Class IV Overage Skim and Butterfat | 0 | 353 | | 401.47 |
| Total Overage | 11,786 | 9,666 | | \$11,752.54 |
| Class I Inventory Skim and Butterfat | 189,200 | 0 | | 3,159.64 |
| Class II Inventory Skim and Butterfat | 35,289 | 25,528 | | (782.58) |
| Class III Inventory Skim and Butterfat | 28,479 | 1,107 | | (121.81) |
| Total Inventory | 252,968 | 26,635 | | \$2,255.25 |
| Class I Other Source Fluid and Nonfluid | 361,087 | 8,042 | | 7,639.15 |
| Producer Milk Value | | | | \$48,477,210.63 |
| Butterfat in Prod Milk x Butterfat Price | 17,001,776 | | \$ 1.1373/lb | 19,336,119.83 |
| Protein in Prod Milk x Protein Price | 14,184,629 | | \$ 1.8538/lb | 26,295,465.25 |
| Other Solids in Prod Milk x Other Solids Price | 26,411,681 | | \$ 0.0240/lb | 633,880.34 |
| Producer Milk Credits | | | | \$46,265,465.42 |
| PM Value - PM Credits | | | | \$2,211,745.21 |
| Location Adjustments | | | | 777,611.22 |
| 1/2 Balance in Producer Settlement Fund | | | | 169,089.14 |
| Total Producer Milk and Differential Value | 465,723,264 | 17,009,818 | \$ 0.67818076 | \$3,158,445.57 |
| Producer Settlement Fund Reserve | | | \$ 0.04818076 | 224,389.01 |

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| Producer Price Differential at Salt Lake County, UT | \$ 0.63 /cwt |
| Statistical Uniform Price at Salt Lake County, UT | \$ 10.29 /cwt |

Estimated Market Wide Skim Utilization Class I 19 %
 Estimated Market Wide Butterfat Utilization Class I 10 %