

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 135**

**February 2004**

	<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	19.40 %	88,198,228	86,495,146	1,703,082	2,775,547	5,123,180	7,898,727
Producer Milk - Class II	5.92 %	26,916,287	25,285,784	1,630,503	814,297	1,501,988	2,316,285
Producer Milk - Class III	66.43 %	302,000,397	291,856,663	10,143,734	9,441,608	17,249,078	26,690,686
Producer Milk - Class IV	8.25 %	37,506,457	34,169,802	3,336,655	1,105,518	2,015,479	3,120,997
<b>Total Producer Receipts</b>	<b>100.00 %</b>	<b>454,621,369</b>	<b>437,807,395</b>	<b>16,813,974</b>	<b>14,136,970</b>	<b>25,889,725</b>	<b>40,026,695</b>

	<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	86,495,146		\$ 6.55 /cwt	\$5,665,432.05
Class I Butterfat		1,703,082	\$ 1.5044/lb	2,562,116.55
Class I Differential at Location				1,608,502.36
Class II Butterfat		1,630,503	\$ 1.8588/lb	3,030,778.97
Class II Nonfat Solids	2,316,285		\$ 0.7367/lb	1,706,407.17
Class III Butterfat		10,143,734	\$ 1.8518/lb	18,784,166.63
Class III Protein	9,441,608		\$ 1.7911/lb	16,910,864.06
Class III Other Solids	17,249,078		\$ 0.0090/lb	155,241.70
Class IV Butterfat		3,336,655	\$ 1.8518/lb	6,178,817.73
Class IV Nonfat Solids	3,120,997		\$ 0.6597/lb	2,058,921.73
<b>Classified Value</b>				<b>\$58,661,248.95</b>
Class I Overage Skim and Butterfat	977,301	0		79,650.04
Class II Overage Skim and Butterfat	0	5,834		10,844.24
<b>Total Overage</b>	<b>977,301</b>	<b>5,834</b>		<b>\$90,494.28</b>
Class I Inventory Skim and Butterfat	263,792	0		5,829.80
Class II Inventory Skim and Butterfat	1,081,025	44,554		23,543.07
Class III Inventory Skim and Butterfat	38,255	864		179.62
<b>Total Inventory</b>	<b>1,383,072</b>	<b>45,418</b>		<b>\$29,552.49</b>
Class I Other Source Fluid	1,566,096	35,139		28,210.29
Class I Other Source Fluid and Nonfluid	1,684,550	0		37,228.56
<b>Producer Milk Value</b>				<b>\$58,846,734.57</b>
Butterfat in Prod Milk x Butterfat Price	16,813,974		\$ 1.8518/lb	31,136,117.05
Protein in Prod Milk x Protein Price	14,136,970		\$ 1.7911/lb	25,320,726.95
Other Solids in Prod Milk x Other Solids Price	25,889,725		\$ 0.0090/lb	233,007.52
<b>Producer Milk Credits</b>				<b>\$56,689,851.52</b>
<b>PM Value - PM Credits</b>				<b>\$2,156,883.05</b>
Location Adjustments				660,646.10
1/2 Balance in Producer Settlement Fund				330,000.00
<b>Total Producer Milk and Differential Value</b>	<b>456,222,604</b>	<b>16,849,113</b>	<b>\$ 0.68991083</b>	<b>\$3,147,529.15</b>
Producer Settlement Fund Reserve			\$ 0.04991083	227,704.49

<b>Producer Price Differential at Salt Lake County, UT</b>	<b>\$ 0.64 /cwt</b>
<b>Statistical Uniform Price at Salt Lake County, UT</b>	<b>\$ 12.53 /cwt</b>

Estimated Market Wide Skim Utilization Class I 21 %  
Estimated Market Wide Butterfat Utilization Class I 11%