

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**July 2013**

|                                | <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        | 22.94 %                                  | 167,989,264                     | 164,904,139                  | 3,085,125                         | 5,203,328                       | 9,886,740                     | 15,090,068                     |
| Producer Milk - Class II       | 6.74 %                                   | 49,400,535                      | 45,438,513                   | 3,962,022                         | 1,440,669                       | 2,721,458                     | 4,162,127                      |
| Producer Milk - Class III      | 44.70 %                                  | 327,364,200                     | 315,087,089                  | 12,277,111                        | 10,262,008                      | 18,894,240                    | 29,156,248                     |
| Producer Milk - Class IV       | 25.62 %                                  | 187,660,685                     | 179,705,594                  | 7,955,091                         | 5,708,650                       | 10,736,234                    | 16,444,884                     |
| <b>Total Producer Receipts</b> | <b>100.00 %</b>                          | <b>732,414,684</b>              | <b>705,135,335</b>           | <b>27,279,349</b>                 | <b>22,614,655</b>               | <b>42,238,672</b>             | <b>64,853,327</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                                 | 164,904,139        |                              | \$13.50 /cwt                  | \$22,262,058.80                |
| Butterfat   |                    | 3,085,125                    | \$1.6803 /lb                  | 5,183,935.54                   |
| Class I Differential at Location                  |                    |                              |                               | 3,189,287.28                   |
| Class II Butterfat                                |                    | 3,962,022                    | \$1.5763 /lb                  | 6,245,335.28                   |
| Nonfat Solids                                     | 4,162,127          |                              | \$1.5778 /lb                  | 6,567,003.99                   |
| Class III Butterfat                               |                    | 12,277,111                   | \$1.5693 /lb                  | 19,266,470.28                  |
| Protein   | 10,262,008         |                              | \$3.2257 /lb                  | 33,102,159.20                  |
| Other Solids                                      | 18,894,240         |                              | \$ 0.3927 /lb                 | 7,419,768.04                   |
| Class IV Butterfat                                |                    | 7,955,091                    | \$1.5693 /lb                  | 12,483,924.30                  |
| Nonfat Solids                                     | 16,444,884         |                              | \$1.5438 /lb                  | 25,387,611.94                  |
| <b>Classified Value</b>                           |                    |                              |                               | <b>\$141,107,554.65</b>        |
| Class II Overage Skim and Butterfat               | 164,239            | 0                            |                               | 23,321.94                      |
| Class III Overage Skim and Butterfat              | 809                | 0                            |                               | 99.67                          |
| Class IV Overage Skim and Butterfat               | 0                  | 12,651                       |                               | 19,853.21                      |
| <b>Total Overage</b>                              | <b>165,048</b>     | <b>12,651</b>                |                               | <b>\$43,274.82</b>             |
| Class II Inventory Skim and Butterfat             | 2,380,600          | 145,096                      |                               | 3,581.92                       |
| Class III Inventory Skim and Butterfat            | 790,855            | 13,872                       |                               | (10,905.23)                    |
| <b>Total Inventory</b>                            | <b>3,171,455</b>   | <b>158,968</b>               |                               | <b>(\$7,323.31)</b>            |
| Class I Other Source Fluid                        | 11,499             | 0                            |                               | 354.17                         |
| <b>Producer Milk Value</b>                        |                    |                              |                               | <b>\$141,143,860.33</b>        |
| Butterfat in Prod Milk x Butterfat Price          | 27,279,349         |                              | \$1.5693 /lb                  | 42,809,482.37                  |
| Protein in Prod Milk x Protein Price              | 22,614,655         |                              | \$3.2257 /lb                  | 72,948,092.65                  |
| Other Solids in Prod Milk x Other Solids Price    | 42,238,672         |                              | \$ 0.3927 /lb                 | 16,587,126.51                  |
| <b>Producer Milk Credits</b>                      |                    |                              |                               | <b>\$132,344,701.53</b>        |
| <b>PM Value - PM Credits</b>                      |                    |                              |                               | <b>\$8,799,158.80</b>          |
| Location Adjustments                              |                    |                              |                               | 481,767.23                     |
| 1/2 Balance in Producer Settlement Fund           |                    |                              |                               | 315,405.48                     |
| <b>Total Producer Milk and Differential Value</b> | <b>732,426,183</b> | <b>27,279,349</b>            | <b>\$ 1.31021142</b>          | <b>\$9,596,331.51</b>          |
| Producer Settlement Fund Reserve                  |                    |                              | \$0.04021142                  | 294,518.97                     |

|   |                |             |
|---|----------------|-------------|
| <b>Producer Price Differential at King County, WA</b> | <b>\$ 1.27</b> | <b>/cwt</b> |
| <b>Statistical Uniform Price at King County, WA</b>   | <b>\$18.65</b> | <b>/cwt</b> |

Estimated Market Wide Skim Utilization Class I 23 %  
Estimated Market Wide Butterfat Utilization Class I 11 %