

**UNITED STATES DEPARTMENT OF AGRICULTURE
 AGRICULTURAL MARKETING SERVICE, DAIRY PROGRAMS
 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

Federal Order No. 124

August 2016

| | <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 | 27.55 % | 162,074,933 | 158,853,564 | 3,221,369 | 5,136,878 | 9,468,452 | 14,605,330 |
| Producer Milk - Class II | 8.19 % | 48,161,128 | 43,458,690 | 4,702,438 | 1,415,830 | 2,584,193 | 4,000,023 |
| Producer Milk - Class III | 28.43 % | 167,253,325 | 161,105,373 | 6,147,952 | 5,191,170 | 9,610,690 | 14,801,860 |
| Producer Milk - Class IV | 35.83 % | 210,872,839 | 202,491,370 | 8,381,469 | 6,640,953 | 12,035,200 | 18,676,153 |
| Total Producer Receipts | 100.00 % | 588,362,225 | 565,908,997 | 22,453,228 | 18,384,831 | 33,698,535 | 52,083,366 |

| | <u>POUNDS</u> | <u>BFAT POUNDS</u> | <u>LB/CWT PRICE</u> | <u>TOTAL DOLLARS</u> |
|---|--------------------|------------------------|-------------------------|--------------------------|
| Class I Skim Milk | 158,853,564 | | \$6.16 /cwt | \$9,785,379.54 |
| Butterfat | | 3,221,369 | \$2.6073 /lb | 8,399,075.40 |
| Class I Differential at Location | | | | 3,077,115.71 |
| Class II Butterfat | | 4,702,438 | \$2.4943 /lb | 11,729,291.07 |
| Nonfat Solids | 4,000,023 | | \$0.7456 /lb | 2,982,417.15 |
| Class III Butterfat | | 6,147,952 | \$2.4873 /lb | 15,291,801.00 |
| Protein | 5,191,170 | | \$2.5738 /lb | 13,361,033.35 |
| Other Solids | 9,610,690 | | \$ 0.0881 /lb | 846,701.79 |
| Class IV Butterfat | | 8,381,469 | \$2.4873 /lb | 20,847,227.84 |
| Nonfat Solids | 18,676,153 | | \$0.6841 /lb | 12,776,356.25 |
| Classified Value | | | | \$99,096,399.10 |
| Class IV Overage Skim and Butterfat | 172,423 | 3,452 | | 19,207.42 |
| Total Overage | 172,423 | 3,452 | | \$19,207.42 |
| Class II Inventory Skim and Butterfat | 2,866,473 | 91,734 | | 12,132.50 |
| Total Inventory | 2,866,473 | 91,734 | | \$12,132.50 |
| Class I Other Source Fluid | 7,882 | 0 | | (34.68) |
| Producer Milk Value | | | | \$99,127,704.34 |
| Butterfat in Prod Milk x Butterfat Price | 22,453,228 | | \$2.4873 /lb | 55,847,914.02 |
| Protein in Prod Milk x Protein Price | 18,384,831 | | \$2.5738 /lb | 47,318,878.03 |
| Other Solids in Prod Milk x Other Solids Price | 33,698,535 | | \$ 0.0881 /lb | 2,968,840.93 |
| Producer Milk Credits | | | | \$106,135,632.98 |
| PM Value - PM Credits | | | | (\$7,007,928.64) |
| Location Adjustments | | | | 336,816.15 |
| 1/2 Balance in Producer Settlement Fund | | | | 321,447.36 |
| Total Producer Milk and Differential Value | 588,370,107 | 22,453,228 | \$(1.07919574) | (\$6,349,665.13) |
| Producer Settlement Fund Reserve | | | \$0.04080426 | 240,080.07 |

| | |
|---|----------------------|
| Producer Price Differential at King County, WA | \$(1.12) /cwt |
| Statistical Uniform Price at King County, WA | \$15.79 /cwt |

Estimated Market Wide Skim Utilization Class I 20 %
 Estimated Market Wide Butterfat Utilization Class I 10 %

Released: September 13, 2016

William A. Wise, Market Administrator