

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

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

**Federal Order No. 124**

**September 2012**

	<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	40.66%	172,655,387	169,519,888	3,135,499	5,536,509	10,084,288	15,620,797
Producer Milk - Class II	11.40%	48,387,194	44,508,054	3,879,140	1,454,322	2,648,123	4,102,445
Producer Milk - Class III	11.00%	46,689,460	44,784,583	1,904,877	1,467,634	2,660,773	4,128,407
Producer Milk - Class IV	36.94%	156,866,299	149,826,765	7,039,534	4,869,087	8,899,053	13,768,140
<b>Total Producer Receipts</b>	<b>100.00%</b>	<b>424,598,340</b>	<b>408,639,290</b>	<b>15,959,050</b>	<b>13,327,552</b>	<b>24,292,237</b>	<b>37,619,789</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	169,519,888		\$11.57 /cwt	\$19,613,451.04
Butterfat		3,135,499	\$1.8361 /lb	5,757,089.72
Class I Differential at Location				3,278,108.03
Class II Butterfat		3,879,140	\$2.0117 /lb	7,803,665.95
Nonfat Solids	4,102,445		\$1.1511 /lb	4,722,324.43
Class III Butterfat		1,904,877	\$2.0047 /lb	3,818,706.93
Protein	1,467,634		\$3.2521 /lb	4,772,892.53
Other Solids	2,660,773		\$ 0.3971 /lb	1,056,592.97
Class IV Butterfat		7,039,534	\$2.0047 /lb	14,112,153.81
Nonfat Solids	13,768,140		\$1.1969 /lb	16,479,086.79
<b>Classified Value</b>				<b>\$81,414,072.20</b>
Class I Overage Skim and Butterfat	0	256		474.90
Class IV Overage Skim and Butterfat	0	2,491		4,993.71
<b>Total Overage</b>	<b>0</b>	<b>2,747</b>		<b>\$5,468.61</b>
Class II Inventory Skim and Butterfat	386,741	12,113		4,783.53
<b>Total Inventory</b>	<b>386,741</b>	<b>12,113</b>		<b>\$4,783.53</b>
Class I Other Source Fluid	5,503	0		57.78
<b>Producer Milk Value</b>				<b>\$81,424,382.12</b>
Butterfat in Prod Milk x Butterfat Price	15,959,050		\$2.0047 /lb	31,993,107.53
Protein in Prod Milk x Protein Price	13,327,552		\$3.2521 /lb	43,342,531.85
Other Solids in Prod Milk x Other Solids Price	24,292,237		\$ 0.3971 /lb	9,646,447.32
<b>Producer Milk Credits</b>				<b>\$84,982,086.70</b>
<b>PM Value - PM Credits</b>				<b>(\$3,557,704.58)</b>
Location Adjustments				74,352.44
1/2 Balance in Producer Settlement Fund				130,000.00
<b>Total Producer Milk and Differential Value</b>	<b>424,603,843</b>	<b>15,959,050</b>	<b>\$(0.78976020)</b>	<b>(\$3,353,352.14)</b>
Producer Settlement Fund Reserve			\$0.04023980	170,859.74

<b>Producer Price Differential at King County, WA</b>	<b>\$(0.83)</b>	<b>/cwt</b>
<b>Statistical Uniform Price at King County, WA</b>	<b>\$18.17</b>	<b>/cwt</b>

Estimated Market Wide Skim Utilization Class I 44%  
 Estimated Market Wide Butterfat Utilization Class I 21%

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William A. Wise, Market Administrator