

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

Federal Order No. 124

December 2013

| | <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 | 25.61 % | 178,731,902 | 175,327,622 | 3,404,280 | 6,013,194 | 10,432,960 | 16,446,154 |
| Producer Milk - Class II | 5.99 % | 41,776,826 | 37,692,548 | 4,084,278 | 1,294,894 | 2,241,558 | 3,536,452 |
| Producer Milk - Class III | 41.96 % | 292,879,672 | 280,773,495 | 12,106,177 | 10,075,256 | 16,684,068 | 26,759,324 |
| Producer Milk - Class IV | 26.44 % | 184,617,497 | 175,745,561 | 8,871,936 | 6,002,209 | 10,432,445 | 16,434,654 |
| Total Producer Receipts | 100.00 % | 698,005,897 | 669,539,226 | 28,466,671 | 23,385,553 | 39,791,031 | 63,176,584 |

| | <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 | 175,327,622 | | \$15.31 /cwt | \$26,842,658.93 |
| Butterfat | | 3,404,280 | \$1.5986 /lb | 5,442,082.01 |
| Class I Differential at Location | | | | 3,393,317.99 |
| Class II Butterfat | | 4,084,278 | \$1.7742 /lb | 7,246,326.04 |
| Nonfat Solids | 3,536,452 | | \$1.7789 /lb | 6,290,994.46 |
| Class III Butterfat | | 12,106,177 | \$1.7672 /lb | 21,394,035.99 |
| Protein | 10,075,256 | | \$3.5390 /lb | 35,656,330.98 |
| Other Solids | 16,684,068 | | \$ 0.3826 /lb | 6,383,324.41 |
| Class IV Butterfat | | 8,871,936 | \$1.7672 /lb | 15,678,485.29 |
| Nonfat Solids | 16,434,654 | | \$1.7680 /lb | 29,056,468.27 |
| Classified Value | | | | \$157,384,024.37 |
| Class II Overage Skim and Butterfat | 5,728 | 0 | | 917.05 |
| Class IV Overage Skim and Butterfat | 0 | 3,913 | | 6,915.05 |
| Total Overage | 5,728 | 3,913 | | \$7,832.10 |
| Class II Inventory Skim and Butterfat | 1,677,253 | 104,050 | | 25,867.02 |
| Class III Inventory Skim and Butterfat | 442,297 | 20,302 | | (6,620.12) |
| Total Inventory | 2,119,550 | 124,352 | | \$19,246.90 |
| Class I Other Source Fluid | 15,610 | 0 | | 621.28 |
| Producer Milk Value | | | | \$157,411,724.65 |
| Butterfat in Prod Milk x Butterfat Price | 28,466,671 | | \$1.7672 /lb | 50,306,300.99 |
| Protein in Prod Milk x Protein Price | 23,385,553 | | \$3.5390 /lb | 82,761,472.06 |
| Other Solids in Prod Milk x Other Solids Price | 39,791,031 | | \$ 0.3826 /lb | 15,224,048.46 |
| Producer Milk Credits | | | | \$148,291,821.51 |
| PM Value - PM Credits | | | | \$9,119,903.14 |
| Location Adjustments | | | | 394,065.68 |
| 1/2 Balance in Producer Settlement Fund | | | | 303,046.69 |
| Total Producer Milk and Differential Value | 698,021,507 | 28,466,671 | \$ 1.40640588 | \$9,817,015.51 |
| Producer Settlement Fund Reserve | | | \$0.04640588 | 323,923.02 |

| | | |
|---|----------------|-------------|
| Producer Price Differential at King County, WA | \$ 1.36 | /cwt |
| Statistical Uniform Price at King County, WA | \$20.31 | /cwt |

Estimated Market Wide Skim Utilization Class I 27 %
 Estimated Market Wide Butterfat Utilization Class I 13 %