

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

Federal Order No. 124

September 2014

|                                | <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        | 23.88 %                                  | 171,216,947                     | 167,922,974                  | 3,293,973                         | 5,532,701                       | 9,993,253                     | 15,525,954                     |
| Producer Milk - Class II       | 6.18 %                                   | 44,327,080                      | 40,158,406                   | 4,168,674                         | 1,332,517                       | 2,386,680                     | 3,719,197                      |
| Producer Milk - Class III      | 41.71 %                                  | 299,076,935                     | 287,192,575                  | 11,884,360                        | 9,837,459                       | 17,104,675                    | 26,942,134                     |
| Producer Milk - Class IV       | 28.23 %                                  | 202,359,092                     | 193,761,506                  | 8,597,586                         | 6,415,973                       | 11,507,174                    | 17,923,147                     |
| <b>Total Producer Receipts</b> | <b>100.00 %</b>                          | <b>716,980,054</b>              | <b>689,035,461</b>           | <b>27,944,593</b>                 | <b>23,118,650</b>               | <b>40,991,782</b>             | <b>64,110,432</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                                 | 167,922,974        |                              | \$14.56 /cwt                  | \$24,449,585.00                |
| Butterfat   |                    | 3,293,973                    | \$2.7373 /lb                  | 9,016,592.29                   |
| Class I Differential at Location                  |                    |                              |                               | 3,250,706.35                   |
| Class II Butterfat                                |                    | 4,168,674                    | \$3.2537 /lb                  | 13,563,614.60                  |
| Nonfat Solids                                     | 3,719,197          |                              | \$1.6956 /lb                  | 6,306,270.45                   |
| Class III Butterfat                               |                    | 11,884,360                   | \$3.2467 /lb                  | 38,584,951.60                  |
| Protein   | 9,837,459          |                              | \$3.4991 /lb                  | 34,422,252.80                  |
| Other Solids                                      | 17,104,675         |                              | \$ 0.4876 /lb                 | 8,340,239.53                   |
| Class IV Butterfat                                |                    | 8,597,586                    | \$3.2467 /lb                  | 27,913,782.47                  |
| Nonfat Solids                                     | 17,923,147         |                              | \$1.2910 /lb                  | 23,138,782.77                  |
| <b>Classified Value</b>                           |                    |                              |                               | <b>\$188,986,777.86</b>        |
| Class II Overage Skim and Butterfat               | 64,743             | 263                          |                               | 10,735.50                      |
| <b>Total Overage</b>                              | <b>64,743</b>      | <b>263</b>                   |                               | <b>\$10,735.50</b>             |
| Class II Inventory Skim and Butterfat             | 2,013,993          | 49,436                       |                               | 36,729.13                      |
| Class III Inventory Skim and Butterfat            | 125                | 18,960                       |                               | 7,619.12                       |
| <b>Total Inventory</b>                            | <b>2,014,118</b>   | <b>68,396</b>                |                               | <b>\$44,348.25</b>             |
| Class I Other Source Fluid                        | 34,272             | 0                            |                               | 939.06                         |
| <b>Producer Milk Value</b>                        |                    |                              |                               | <b>\$189,042,800.67</b>        |
| Butterfat in Prod Milk x Butterfat Price          | 27,944,593         |                              | \$3.2467 /lb                  | 90,727,710.09                  |
| Protein in Prod Milk x Protein Price              | 23,118,650         |                              | \$3.4991 /lb                  | 80,894,468.23                  |
| Other Solids in Prod Milk x Other Solids Price    | 40,991,782         |                              | \$ 0.4876 /lb                 | 19,987,592.90                  |
| <b>Producer Milk Credits</b>                      |                    |                              |                               | <b>\$191,609,771.22</b>        |
| <b>PM Value - PM Credits</b>                      |                    |                              |                               | <b>(\$2,566,970.55)</b>        |
| Location Adjustments                              |                    |                              |                               | 405,327.11                     |
| 1/2 Balance in Producer Settlement Fund           |                    |                              |                               | 307,793.87                     |
| <b>Total Producer Milk and Differential Value</b> | <b>717,014,326</b> | <b>27,944,593</b>            | <b>\$(0.25855126)</b>         | <b>(\$1,853,849.57)</b>        |
| Producer Settlement Fund Reserve                  |                    |                              | \$0.04144874                  | 297,193.40                     |

|   |                 |             |
|---|-----------------|-------------|
| <b>Producer Price Differential at King County, WA</b> | <b>\$(0.30)</b> | <b>/cwt</b> |
| <b>Statistical Uniform Price at King County, WA</b>   | <b>\$24.30</b>  | <b>/cwt</b> |

Estimated Market Wide Skim Utilization Class I 22 %  
Estimated Market Wide Butterfat Utilization Class I 11 %

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William A. Wise, Market Administrator