

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

**Federal Order No. 124**

**October 2018**

|                                | <u>% UTILIZATION<br/>PER CLASS</u> | <u>PRODUCT<br/>POUNDS</u> | <u>SKIM<br/>POUNDS</u> | <u>BUTTERFAT<br/>POUNDS</u> | <u>PROTEIN<br/>POUNDS</u> | <u>OTHER<br/>SOLIDS</u> | <u>NONFAT<br/>SOLIDS</u> |
|--------------------------------|------------------------------------|---------------------------|------------------------|-----------------------------|---------------------------|-------------------------|--------------------------|
| Producer Milk - Class I        | 21.91 %                            | 177,493,038               | 173,373,235            | 4,119,803                   | 5,961,121                 | 10,386,662              | 16,347,783               |
| Producer Milk - Class II       | 5.87 %                             | 47,576,349                | 42,711,652             | 4,864,697                   | 1,466,180                 | 2,556,598               | 4,022,778                |
| Producer Milk - Class III      | 37.83 %                            | 306,468,149               | 293,443,979            | 13,024,170                  | 10,598,197                | 17,569,359              | 28,167,556               |
| Producer Milk - Class IV       | 34.39 %                            | 278,626,703               | 266,693,654            | 11,933,049                  | 9,305,948                 | 15,913,404              | 25,219,352               |
| <b>Total Producer Receipts</b> | <b>100.00 %</b>                    | <b>810,164,239</b>        | <b>776,222,520</b>     | <b>33,941,719</b>           | <b>27,331,446</b>         | <b>46,426,023</b>       | <b>73,757,469</b>        |

|   | <u>POUNDS</u>      | <u>BFAT<br/>POUNDS</u> | <u>LB/CWT<br/>PRICE</u> | <u>TOTAL<br/>DOLLARS</u> |
|---|--------------------|------------------------|-------------------------|--------------------------|
| Class I Skim Milk                                 | 173,373,235        |                        | \$7.71 /cwt             | \$13,367,076.42          |
| Butterfat   |                    | 4,119,803              | \$2.5393 /lb            | 10,461,415.77            |
| Class I Differential at Location                  |                    |                        |                         | 3,310,828.41             |
| Class II Butterfat                                |                    | 4,864,697              | \$2.5621 /lb            | 12,463,840.18            |
| Nonfat Solids                                     | 4,022,778          |                        | \$0.7567 /lb            | 3,044,036.11             |
| Class III Butterfat                               |                    | 13,024,170             | \$2.5551 /lb            | 33,278,056.77            |
| Protein   | 10,598,197         |                        | \$1.7185 /lb            | 18,213,001.53            |
| Other Solids                                      | 17,569,359         |                        | \$ 0.2553 /lb           | 4,485,457.35             |
| Class IV Butterfat                                |                    | 11,933,049             | \$2.5551 /lb            | 30,490,133.51            |
| Nonfat Solids                                     | 25,219,352         |                        | \$0.6990 /lb            | 17,628,327.05            |
| <b>Classified Value</b>                           |                    |                        |                         | <b>\$146,742,173.10</b>  |
| Class IV Overage Skim and Butterfat               | 17,690             | 36,068                 |                         | 93,270.05                |
| <b>Total Overage</b>                              | <b>17,690</b>      | <b>36,068</b>          |                         | <b>\$93,270.05</b>       |
| Class II Inventory Skim and Butterfat             | 5,852,087          | 233,065                |                         | 44,551.26                |
| Class III Inventory Skim and Butterfat            | 207,650            | 5,560                  |                         | 1,534.92                 |
| <b>Total Inventory</b>                            | <b>6,059,737</b>   | <b>238,625</b>         |                         | <b>\$46,086.18</b>       |
| Class I Other Source Fluid                        | 25,158             | 0                      |                         | 699.39                   |
| <b>Producer Milk Value</b>                        |                    |                        |                         | <b>\$146,882,228.72</b>  |
| Butterfat in Prod Milk x Butterfat Price          | 33,941,719         |                        | \$2.5551 /lb            | 86,724,486.24            |
| Protein in Prod Milk x Protein Price              | 27,331,446         |                        | \$1.7185 /lb            | 46,969,089.97            |
| Other Solids in Prod Milk x Other Solids Price    | 46,426,023         |                        | \$ 0.2553 /lb           | 11,852,563.68            |
| <b>Producer Milk Credits</b>                      |                    |                        |                         | <b>\$145,546,139.89</b>  |
| <b>PM Value - PM Credits</b>                      |                    |                        |                         | <b>\$1,336,088.83</b>    |
| Location Adjustments                              |                    |                        |                         | 706,056.33               |
| 1/2 Balance in Producer Settlement Fund           |                    |                        |                         | 298,742.21               |
| <b>Total Producer Milk and Differential Value</b> | <b>810,189,397</b> | <b>33,941,719</b>      | <b>\$ 0.28893088</b>    | <b>\$2,340,887.37</b>    |
| Producer Settlement Fund Reserve                  |                    |                        | \$0.04893088            | 396,432.80               |

|   |                     |
|---|---------------------|
| <b>Producer Price Differential at King County, WA</b> | <b>\$ 0.24 /cwt</b> |
| <b>Statistical Uniform Price at King County, WA</b>   | <b>\$15.77 /cwt</b> |

Estimated Market Wide Skim Utilization Class I 25 %  
 Estimated Market Wide Butterfat Utilization Class I 13 %