



Commonwealth of Pennsylvania
Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110-9408

717-787-4194
FAX: 717-783-6492

WEB SITE: <http://www.mmb.state.pa.us>

E-mail: RA-PMMB@state.pa.us

BULLETIN

No. 1440
September 26, 2008

**APPLICATION OF WHOLESALE DISCOUNTS WITH
RENTAL OR SALE OF REFRIGERATION EQUIPMENT**

Pursuant to §146.3 and §146.4 of the Regulations of the Milk Marketing Board, milk dealers should use the following procedure when selling price-controlled packaged products in conjunction with the sale or rental of refrigeration equipment to wholesale accounts.

1. Apply wholesale discounts on price-controlled packaged products to each line item on an invoice or bid to find the discounted unit price.
2. Next round the discounted unit price in accordance with the rounding procedure set forth in the applicable official general order.
3. Determine the appropriate add-on for the sale or rental of the refrigeration equipment rounded to four (4) decimal places. (\$0.0100 per quart equivalent for a sale, \$0.0025 per quart equivalent for rental)
4. Add the rounded price per unit in step 2 to the rounded rental charge from step 3 to arrive at the new minimum price.
5. Multiply by the number of units sold or bid.
6. For price-controlled packaged products sold in bulk or dispenser containers and priced on a per-quart basis, apply the discount to the per-quart price then add the per quart refrigeration charge before multiplying by the number of quarts in the container.

| | | | |
|-----------------|---------------------------------------|-------------------|-----------------|
| <i>Example:</i> | ½ pint chocolate price | \$0.2773 | |
| | Less Discount at 13% | <u>\$0.036049</u> | |
| | Discounted Price | \$0.241251 | |
| | Rounded Discounted Price | | \$0.2413 |
| | Refrigeration Rental Charge per Quart | \$0.0025 | |
| | Rental Charge per ½ pint | \$0.000625 | |
| | Rounded Rental Charge | | <u>\$0.0006</u> |
| | Total Minimum Price | | <u>\$0.2419</u> |

A milk dealer may not charge a customer a below-minimum price on a particular product even if the total price for all products is at or above minimum. Please consult the official general order governing your milk marketing area for information about available discounts. If you have any questions regarding calculation of minimum prices, please contact this office.

PENNSYLVANIA MILK MARKETING BOARD

Keith Bierly, Secretary

IF YOU REQUIRE THIS INFORMATION IN AN ALTERNATE FORMAT, CALL (717) 787-4194 OR 800-654-5984 (PA RELAY SERVICE FOR TDD USERS).