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Official General
Order No. A-954

Posted: September 3, 2008
Effective: October 1, 2008

**ORDER ESTABLISHING MINIMUM PRICES FOR MILK
AND MILK PRODUCTS IN THE WESTERN MILK
MARKETING AREA, AREA NO. 5, AND OTHERWISE
REGULATING THE MARKETING AND DISTRIBUTION OF
MILK AND MILK PRODUCTS IN AREA NO. 5**

The Commonwealth of Pennsylvania, Milk Marketing Board, under the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 – 700j-1204, hereby orders that all parts of Milk Marketing Board official general orders inconsistent with this Official General Order No. A-954 are superseded with respect to the Western Milk Marketing Area, known as Milk Marketing Area No. 5. This order will become effective at 12:01 a.m. on October 1, 2008.

**SECTION A
SCOPE; INCORPORATION**

(a) This official general order governs the sale and distribution of milk in Area No. 5, as defined in section B.

(b) The attached Findings of Fact, Conclusions of Law, Schedules I and II, and Attachments are incorporated herein by this reference as though fully set forth in this order.

**SECTION B
DEFINITIONS**

The following words and terms have the meanings set forth in this section unless the context clearly indicates otherwise:

Area No. 5 – The counties of Allegheny, Armstrong, Beaver, Butler, Crawford, Erie, Fayette, Greene, Lawrence, Mercer, Venango, and Washington; in Clarion County the townships of Ashland, Beaver, Licking, Madison, Perry, Piney, Richland, Salem, and Toby; Westmoreland County with the exception of the boroughs of Bolivar, Donegal,

Ligonier, New Florence, and Seward, and the townships of Cook, Donegal, Fairfield, Ligonier, and St. Clair.

Board – The Pennsylvania Milk Marketing Board.

Bulk Milk – Milk and cream sold in large containers to other milk dealers or manufacturers not subject to resale price control.

Bulk Packaged Milk – Milk and cream sold in dispenser type containers ultimately sold and dispensed to consumers exclusively for on-premise consumption and subject to resale price control under the terms of this Order as listed on Schedule I and Schedule II, which is sometimes referred to as dispenser milk.

Consumer – As defined in Section 103 of the Law (31 P. S. §700j-103).

Dealer – As defined in Section 103 of the Law (definition of “‘milk dealer’ or ‘handler’”).

Fluid Cream Product – As defined by applicable federal market orders.

Fluid Milk Product – As defined by applicable federal market orders.

Full Service Delivery – Delivery of Class I or II price-controlled packaged products to an individual stop, in connection with which the seller provides one or more of the following services: stocking cases with the delivered products, pricing the delivered products, rotating stock, and removing leakers and defective products.

Law – The Pennsylvania Milk Marketing Law (31 P. S. §§700j-101 – 700j-1204).

Limited Service Delivery – Delivery of Class I or II price-controlled packaged products to one specified point, including the cooler, used normally for the receiving of food products, with the purchaser being responsible for any further handling of the products and the seller providing none of the services associated with full service delivery.

Multi-Store Group - Three or more stores that satisfy the requirements in Section F, Provision 9.

Person – As defined in Section 103 of the Law.

Price-Controlled Packaged Products – All packaged Class I and Class II milk products listed on Pennsylvania Milk Marketing Area price sheets (Schedules I & II) issued by the Board, when these products are sold in Pennsylvania.

Primary Supplier – A milk dealer making a wholesale sale of Class I or II price-controlled packaged products to a multi-store group for a price that may be discounted under Section F, Provisions 9 and 11, based on the volume of sales by that milk dealer to the multi-store group.

Producer – As defined in Section 103 of the Law.

Retail Sale – The sale of Class I or II price-controlled packaged products to a consumer.

Rounding – A uniform method for expressing a price to the fourth decimal place. If the fifth decimal place is five or more, the fourth decimal place is increased by one. If the fifth decimal place is less than five, the fourth decimal place is unchanged. Example: \$1.05655 becomes \$1.0566 and \$1.0565499 becomes \$1.0565.

School – A public or private educational institution serving any grade levels between kindergarten and grade 12.

Secondary Supplier – A milk dealer making a wholesale sale of Class I or II price-controlled packaged products to one or more stores within a multi-store group for a price that may be discounted under Section F, Provisions 9 and 11, based on the volume of sales by the primary supplier to the multi-store group.

Subdealer – As defined in Section 103 of the Law.

Weekly Average Delivery – The total number of quarts of Class I or II price-controlled packaged products, net of returns of defective products, delivered to or picked up by the purchaser at an individual stop for resale in the original package, divided by the number of actual deliveries of price-controlled packaged products made from 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.

Wholesale Sale – The sale of Class I or II price-controlled packaged products by a person other than a producer to a person other than a consumer.

SECTION C CLASSIFICATION OF MILK

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

SECTION D MINIMUM CLASS PRICES

PROVISION 1 – CLASS PRICES

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

PROVISION 2 – FLUID MILK SALES OUTSIDE PENNSYLVANIA

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

PROVISION 3 – BUTTERFAT DIFFERENTIAL; DIRECT DELIVERY DIFFERENTIAL

Repealed and Reserved. Obsolete.

PROVISION 4 – USE OF EQUIVALENT PRICE

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

PROVISION 5 – SALES IN OTHER PENNSYLVANIA MILK MARKETING AREAS

The minimum wholesale price of the price-controlled packaged milk will be determined according to the Official General Order governing the milk marketing area in which the milk is located when it leaves the selling dealer's control. Absent other evidence regarding control, the Board will presume that the milk has left the selling dealer's control upon:

(a) Arrival at the destination point designated by the purchaser if the seller incurs the costs associated with delivery;

(b) Placement on the seller's dock if the purchaser takes possession using:

- (1) Equipment owned or leased and personnel employed by the purchaser; or
- (2) A trucking company that is independent from the seller.

In determining whether a trucking company is independent from the seller, the Board will consider the totality of the relationship between the seller and the trucking company, including whether the seller:

- (A) Owns any interest in the trucking company and, if so, the extent of such interest;
- (B) Shares common directors, officers, management personnel or employees with the trucking company;
- (C) Uses equipment or facilities in common with the trucking company;
- (D) Shares common accounting, purchasing, accounts receivable, or billing operations with the trucking company;
- (E) Has common financing or credit arrangements with the trucking company.

**SECTION E
PAYMENTS TO PRODUCERS**

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

**SECTION F
RESALE PRICES**

PROVISION 1 – MINIMUM RESALE PRICES

(a) The minimum wholesale prices described in Schedule I of this Order are the prices applicable to a wholesale sale of packaged, including bulk packaged, Class I or Class II fluid milk products and fluid cream products, or both. The selling dealer may reduce the minimum prices set forth in Schedule I by an applicable discount set forth in the succeeding provisions of this section, provided that, all such reductions shall be rounded in accordance with the definition of “rounding” in Section B. Return for credit or replacement of non-defective, including out of code or in code, Class I or II price-controlled packaged products is prohibited under any circumstances or pricing scheme.

(b) The minimum retail out-of-store prices prescribed in Schedule II of this Order are the minimum prices to be charged by and paid to a store by a consumer who purchases a Class I or Class II price-controlled packaged product, or both, for off-premises consumption or use. These prices are applicable irrespective of the off-premise use by the consumer.

(c) The minimum retail home-delivered prices prescribed in Schedule II, footnote 4 of this Order are the minimum prices to be charged and paid when the product purchased is delivered by a milk dealer or subdealer to a consumer. These prices are applicable irrespective of the ultimate use by the consumer.

(d) Generally the Board shall build up the wholesale and retail prices by performing the following operations:

1. Undiscounted Wholesale Price Buildup

A. Add together the announced skim and butterfat values, ingredient costs, and the bulk costs, such as shrink, and gain or loss on bulk milk or cream, for each of the products priced by the Board to arrive at a total price per pound;

B. The Board will recognize any special fees, assessments, or other charges imposed on milk dealers by Pennsylvania or the federal government in the computation of resale prices for Area 5, PROVIDED that these fees, assessments, or other charges are based on the amount of Class I milk sold or handled in Pennsylvania by the milk dealers;

C. Multiply the total price per pound for each of the price-controlled products by the appropriate factor for each of the container sizes priced to arrive at a raw product cost per container;

D. Add together the raw product cost per container calculated in (d)1.C., the cost center costs (processing, packaging, and delivery costs), the container cost (including adjustments to container costs), the updated energy adjustments (the diesel fuel adjustment and the heating fuel adjustment), the quarter-to-quarter cost update adjustment, and the container efficiency adjustment to arrive at the average delivered cost;

E. Add together the average delivered cost and the Board defined profit to arrive at a price with profit;

F. Subtract from the price with profit the average cost of delivery before adding the small stop-high cost delivery cost to arrive at the undiscounted minimum wholesale price.

2. Retail Price Buildup

A. Subtract from the undiscounted wholesale price the discount as determined by the Board before adding the in-store handling cost to arrive at a retail price before profit;

B. Add the retail price before profit and the Board defined profit to arrive at the minimum retail price.

PROVISION 2 – RESALE PRICE ADJUSTMENTS

(a) The minimum resale prices for all products prescribed in Schedules I and II of this Order will be adjusted upward or downward with movements in the Class I and Class II skim and butterfat price along with other monthly adjustments as called for by Orders of the Board.

(b) In-store handling costs shall be adjusted monthly with changes in the Consumer Price Index.

PROVISION 3 – PREVAILING MILK COST

Reserved. See Official General Order A-903 Amended and subsequent orders.

PROVISION 4 – BUTTERFAT DIFFERENTIAL ADJUSTMENT

Repealed and Reserved. Obsolete.

PROVISION 5 – PRICING MULTIPLE UNIT PACKAGES

Repealed and Reserved. Obsolete.

PROVISION 6 – EXEMPTIONS FROM BULK RESALE PRICING PROVISIONS

The following sales of bulk milk or bulk cream or both are exempt from the resale prices set forth in Schedule I of this Order:

(a) Any sale of bulk cream in excess of 320 quarts per sale;

(b) Any sale of bulk milk or bulk cream (sweet or sour) to a manufacturer of food products, provided the milk or cream is used exclusively for the manufacture of food products at the plant or plants of the manufacturer and no fluid milk or cream is moved from the manufacturing location;

(c) Any sale to a bakery, hotel, restaurant, hospital, or institution that operates a commissary separate and apart from its other accommodations. "Separate and apart" as used herein means separately housed and completely detached from other accommodations.

(d) This Provision is not applicable to any sales in which the buyer takes physical possession of bulk packaged milk containers, gallon, half gallon, quart, pint, one-third quart, half pint, or other similar containers for which a resale price is established by this Order.

(e) Any sale made under this Provision shall not be used in computing the average daily delivery under the bulk pricing in Schedule I of this Order.

(f) A dealer making sales under this Provision, whether cash or credit, shall have readily available for inspection by personnel of the Board, for a period of two (2) years, the following:

- (1) Exact location of the manufacturing plant(s) where products were utilized;
- (2) The selling price and quantity of any product sold under this Provision together with the price and quantity of any other products sold; and
- (3) A record from which the Board can readily ascertain the method by which the sales price was determined.

PROVISION 7 – WHOLESALE DISCOUNT

Repealed and Reserved. See Provision 8 – Limited Service Discount

PROVISION 8 – LIMITED SERVICE DISCOUNT

(a) A milk dealer making a wholesale sale of Class I or II price-controlled packaged products by means of limited service delivery as defined in Section B may reduce the prices on Schedule I of this Order by:

- (1) 4% if the weekly average delivery to an individual stop is at least 400 quarts;
- (2) 7% if the weekly average delivery to an individual stop is at least 700 quarts;
- (3) 10% if the weekly average delivery to an individual stop is at least 1,400 quarts;

(b) Empty cases or containers shall be assembled by the purchaser for convenient pickup by the seller.

(c) This provision shall also apply to schools.

PROVISION 9 – MULTI-STORE DISCOUNT: QUALIFICATION

(a) Three or more stores may form a multi-store group provided all of the following are satisfied:

- (1) The stores are owned by the same person or persons, are operated under franchises granted by the same franchiser, or purchase Class I or II price-controlled packaged products pursuant to a contract with the same contracting entity;
- (2) All invoices for Class I or II price-controlled packaged products purchased by the stores are received and processed by the common owner, franchiser, or contracting entity and payment for all Class I or II price-controlled packaged products purchased under a multi-store discount is guaranteed by the common owner, franchiser, or contracting entity;
- (3) Each store receives a minimum of 200 quarts of Class I or II price-controlled packaged products per delivery and the weekly average aggregate delivery for all stores within the group is at least 400 quarts per delivery, and;
- (4) The primary dealer files with the Board a sworn statement listing the name and address of each store in the multi-store group and the weekly average aggregate volume of purchases of Class I or II price-controlled packaged products for all stores in the multi-store group. The multi-store group may file the information required by this paragraph if the primary dealer fails to do so.

(b) A milk dealer making a limited service wholesale sale of Class I or II price-controlled packaged products to a multi-store group whose totally weekly volume exceeds 30,000 quarts may reduce the prices set forth in Schedule I by:

- (1) 4% if the weekly average delivery to an individual stop is at least 400 quarts;
- (2) 7% if the weekly average delivery to an individual stop is at least 700 quarts;

(c) A milk dealer making a limited service wholesale sale of Class I or II price-controlled packaged products to a multi-store group whose total weekly volume exceeds 100,000 quarts may reduce the prices set forth in Schedule I by:

10% if the weekly average delivery to an individual stop is at least 1,400 quarts.

(d) The weekly average aggregate delivery shall be determined by dividing the total number of quarts of Class I or II price-controlled packaged products (net of returns of defective products) delivered to all stores in the multi-store group by the primary supplier, by the number of actual deliveries of Class I or II price-controlled packaged products to all stores in the multi-store group by the primary supplier between 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.

(e) The total weekly volume for the multi-store group as a whole shall be the total number of quarts of Class I and Class II price-controlled packaged products (net of returns of defective product) delivered to all qualified stores within the group between 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.

(e) Volumes by any other dealer qualifying as a secondary supplier shall not be used to compute either the total volume for the multi-store group or the individual volume for each store within the group.

PROVISION 10 – MULTI-STORE GROUP: SECONDARY SUPPLIER

(a) A secondary supplier making a wholesale sale of Class I or II price-controlled packaged products to a store that is a member of a multi-store group may reduce the prices set forth in Schedule I of this Order by the same percentage that the primary supplier is permitted to reduce its prices.

(b) A secondary supplier selling Class I or II price-controlled packaged products to a member of a multi-store group must comply with all the requirements set forth in this Order that apply to the primary supplier except for the volume of purchases.

(c) A secondary supplier may be the exclusive supplier for an individual store within a multi-store group as long as all other requirements specified in Provision 9 of this Section are satisfied.

(d) A secondary supplier must obtain and keep available for inspection and copying by Board personnel a copy of the certification letter provided by the multi-store group's primary dealer as required in Provision 7, Subsection (a), Paragraph (4), to one or more members of the group that the secondary supplier is servicing.

PROVISION 11 – MULTI-STORE DISCOUNT: ADDITIONAL DISCOUNT

(a) A primary supplier or a secondary supplier making a wholesale sale of Class I or II price-controlled packaged products to a multi-store group on a limited service basis may reduce the prices set forth in Schedule I of this Order by an additional two percent (2%) of the total amount due after application of the discount set forth in Provision 9 of this Section. The additional discount in this provision may only be granted on volumes of milk where a primary discount was earned pursuant to Provision 9(b) of this Section.

(b) The weekly total deliveries of Class I or II price-controlled packaged products to the multi-store group shall be determined by adding the total number of quarts of Class I or II price-controlled packaged products delivered to each member of the multi-store group, net of returns of defective products, between 12:01 a.m. Monday and 12:00 midnight on the following Sunday.

(c) The additional discount permitted by this Provision may be given to the common owner, franchiser, or contracting entity only and not to the individual store members of the multi-store group. A common owner, franchiser, or contracting entity that accepts the additional discount permitted under this Provision guarantees payment to the primary supplier or the secondary supplier or both.

PROVISION 12 – SCHOOL DISCOUNT

(a) A person making a wholesale sale of Class I or II price-controlled packaged products to a school may, when the products are delivered on a limited service basis, reduce the prices set forth in Schedule I of this Order by four percent (4%) if the weekly average delivery to individual schools is at least 275 quarts. Schools may also receive the limited service discounts set forth in Provision 8.

(b) Each seller making a wholesale sale may consider only that seller's own sales and not sales by other sellers in determining whether the purchasing school qualifies for a price reduction under this Provision.

(c) The price reductions provided for in this Provision are subject to the same restrictions and limitations outlined in Provision 8.

(d) This Provision is applicable to any sales of dispenser milk as priced in the dispenser section of Schedule I.

PROVISION 13 – LICENSEE TO LICENSEE DISCOUNTS

(a) A licensed milk dealer selling Class I or II price-controlled packaged products to a licensed milk dealer or licensed milk subdealer may reduce the prices set forth in Schedule I of this Order by:

(1) 15% if the buyer takes possession of the price-controlled packaged products at a single location per dealer as designated by the purchaser. For sales to subdealers servicing schools, the selling dealer may apply the discount if delivery is made only on a one delivery per day basis at each school district, intermediate unit, college, or university being serviced. All redistribution of delivered milk must be carried out by the subdealer.

(2) 19% if the buyer takes possession of the Class I or II price-controlled packaged products at the plant where processed and packaged.

(b) The price reductions set forth in Subsection (a) may be made only if:

(1) The selling dealer does not pay consideration of any type to the purchaser for services rendered; and

(2) The selling dealer does not provide to the purchaser, directly or indirectly, any labor or other personal service in connection with the transportation for resale of the products purchased. In implementing this paragraph, the Board will use the criteria in Section D, Provision 5, Subsection (b) to determine whether a trucking company is independent from the seller.

PROVISION 14 – NEW TYPES OF MILK OR MILK CONTAINERS

No product or type of milk or cream or size of container for which a price is not specifically prescribed and listed on Schedules I and II shall be used or sold within the Commonwealth until authority is granted by the Board for its use or sale.

PROVISION 15 – RETURNABLE REUSABLE CONTAINER DEPOSIT

A deposit shall be charged and collected on each returnable, reusable container as follows:

	<u>Gallon</u>	<u>Half Gallon</u>
Dealer to Wholesale Customer	\$0.50	\$0.40
Store to Consumer	\$0.50	\$0.40
Dealer to Consumer	\$0.50	\$0.40

PROVISION 16 – APPLICATION OF DISCOUNTS

A milk dealer shall apply wholesale discounts on price-controlled packaged products to each line item on an invoice or bid to find the discounted unit price. The dealer shall then round the discounted unit price in accordance with the rounding procedure set forth in Section B before multiplying by the number of units sold or bid. For bulk-packaged milk priced on a per-quart basis, the milk dealer shall apply the discount to the per-quart price before multiplying by the number of quarts in the container. Dealers bidding or billing Commonwealth institutions using SAP accounting programs, consult Bulletin 1430 or its successor. 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.

**SECTION G
COST REPLACEMENT**

Annually, after submission of the Milk Dealer's Financial Statement, the Board will schedule a cost replacement hearing to receive evidence of appropriate costs including but not limited to annualized and current costs for then deemed relevant cost components for processing, packaging, and delivery costs for Class I and II price-controlled packaged products, as well as in-store handling costs. The foregoing evidence shall be based on the audited costs of a cross-section of milk dealers doing business in Area No. 5. In addition, the Board will receive evidence bearing on a reasonable rate of return for milk dealers and retailers.

**SECTION H
SEVERABILITY**

If any section, provision, subsection, paragraph, or clause of this order is determined to be unconstitutional or otherwise contrary to law, the remainder of the order shall be given effect as though that section, provision, subsection, paragraph, or clause has not been included.

PENNSYLVANIA MILK MARKETING BOARD

Richard Kriebel, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Date: September 3, 2008

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FINDINGS OF FACT AND CONCLUSIONS OF LAW
GENERAL PRICE HEARING FOR MILK MARKETING AREA NO. 5
AUGUST 6, 2008

I. FINDINGS OF FACT

A. Procedural History

1. On August 6, 2008, the Pennsylvania Milk Marketing Board ("Board") held a general price hearing for Milk Marketing Area No. 5.

2. Notice of the hearing was published at 38 Pennsylvania Bulletin 3567 dated June 28, 2008. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1432, dated June 18, 2008. The hearing notice enumerated the scope of evidence that the Board would receive.

B. Validity of Dealer Cross-Section

3. The dealer cross-section used by both Board Staff and the Area 5 Milk Dealers (Dealers), the only parties to present dealer cost information, consisted of Dean Foods Company – Sharpsville, Dean Foods Company – Erie, Schneider Dairy, Inc., Turner Dairy Farms, United Dairy, Inc., and United/Fike Dairy.

4. Clifford Ackman, appearing on behalf of Board Staff as an expert in milk statistics, testified that the dealer cross section was representative of the dealers doing business in Area 5. Mr. Ackman based his opinion on the amounts and types of milk sold by the cross section dealers, the types of customers served by the cross section dealers, and the delivery techniques employed by the cross section dealers. Carl Herbein, appearing on behalf of the Area 5 milk dealers as an expert in cost accounting and milk cost accounting, testified that the dealer cross section processed, packaged, and delivered a majority of the fluid milk products in Area 5 and delivered to a range of customers in Area 5 which included supermarkets, convenience stores, schools and institutions, and small retail outlets. Mr. Herbein opined that the cross-section was representative of the dealers selling in Area 5. Based on the factors outlined by Mr. Ackman and Mr. Herbein, the Board finds that the dealer cross section used by both Board Staff and Dealers is representative of dealers doing business in Area 5.

C. Dealer Costs and Rate of Return

5. Gary Gojsovich testified on behalf of Board Staff as an expert in milk cost accounting and milk marketing. Mr. Gojsovich testified that the cross-section dealers incurred a cost of \$0.2491 per point for processing, packaging, and delivering milk in 2007. Mr. Herbein testified that the cost was \$0.2500 per point. The difference was attributable to differing methods of interest expense allocation.

Mr. Herbein testified that Dealers based the interest expense allocations on intercompany balances, while the Staff based the interest expense allocation on asset book value. Mr. Herbein testified that the method he used had been consistently applied in Area 5 for the past few years and that it was the same method applied in all of the other milk marketing areas. Mr. Herbein further testified that it was important to consistently apply the same method over time because the concept of cost replacement is to remove an old set of costs and replace it with a new one and that if accounting methods are changed, the Board would be removing a set of costs determined one way and replacing it with a set of costs determined in a different way.

David DeSantis, testifying on behalf of Board Staff as an expert in milk cost accounting and milk marketing, explained that the interest expense was not on the books of the dealer in question, but rather was generated by the staff of Mr. Herbein's firm. Therefore, Mr. DeSantis calculated an interest expense by comparing the total assets at the plant in question to the parent company's total assets and applying that percentage of assets to the entire company's interest expense.

The Board finds that the processing, packaging, and delivery cost presented by Mr. Herbein should be adopted for this Order. Based on Mr. Herbein's persuasive testimony, we find that it is preferable to maintain consistent methods to determine dealer costs in Area 5. Therefore, we find that the processing, packaging, and delivery cost is \$0.2500 per point.

6. Mr. Gojsovich and Mr. Herbein testified to the following ingredient costs as of April 2008, based on year 2007 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0001/lb; Low Fat Milk - \$0.0002/lb; Non-Fat Milk - \$0.0020/lb; Flavored Milk - \$0.0274/lb; Flavored Reduced Fat Milk - \$0.0289/lb; Buttermilk - \$0.0186/lb; Egg Nog - \$0.1340/lb. The Board finds that these ingredient costs should be used in this order.

7. Mr. Gojsovich and Mr. Herbein presented concurring evidence regarding the cost update for labor, insurance, and utility costs of \$0.0064 per point between the first quarters of 2007 and 2008. The Board finds that \$0.0064 per point should be used in this order.

8. Official General Order A-939 established area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in diesel fuel costs. Mr. Gojsovich recommended that the adjustment continue, based on a somewhat simplified calculation that yielded the same results. Mr. Herbein agreed that the adjustment should continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 6 and attached to this order as Attachment 1.

9. Official General Order A-937 established area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in heating fuel costs. Mr. Gojsovich recommended that the adjustment continue, based on a simplified calculation similar to the one recommended for diesel fuel costs. The new methodology

recommended by Mr. Gojsovich would use only the most current announced price for heating fuels to update the 2007 average heating cost. Mr. Herbein agreed that the adjustment should continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 7 and attached to this order as Attachment 2.

10. Mr. DeSantis testified regarding a container efficiency adjustment. Mr. Herbein also testified regarding a container efficiency adjustment. The purpose of the adjustment is to account for different levels of efficiency filling and handling the various sizes of containers. Larger containers are more efficient to fill and handle in the plant, while smaller containers are less efficient.

Mr. DeSantis and Mr. Herbein arrived at different container efficiency adjustments, due to the different interest expense allocation methods used by Board Staff and Dealers, which resulted in different costs for the cold room and delivery cost centers. Based on our finding above that the Dealer interest expense allocation method should be used in this order, we find that the container efficiency adjustments recommended by Mr. Herbein should be adopted. Those adjustments are as follows: Gallon - \$(0.1067); Half Gallon - \$(0.0419); Quart - \$0.0330; Pint - \$0.0755; Half Pint - \$0.0367; Four Ounce - \$0.0373; Bulk Per Quart - \$0.1058.

11. Mr. DeSantis and Mr. Herbein testified regarding dealer delivery costs and discounts. The Board has provided for discounts from minimum wholesale prices in recognition of the efficiencies of various delivery sizes and amounts of service provided by milk dealers to their wholesale accounts. Mr. DeSantis testified that the Board should adopt a cents per quart discount structure. Mr. Herbein testified that the Board should continue the Area 5 policy of percentage discounts at their current levels.

John Liptock, Jr., testified on behalf of the Pennsylvania Food Merchants Association as an expert in retail store accounting and dairy in-store handling costs. Mr. Liptock testified that the Board should continue using the percentage discount structure. He testified that a change from percentage discounts to cents-per-quart discounts would cause stores to question their relationships with their milk suppliers and might be disruptive.

Chuck Turner testified on behalf of Turner Dairy Farms and the Dealers that percentage discounts should be continued. Mr. Turner testified that the existing discount system with the OGO A-948 margin adjuster is working very well and that the "real world business situation" is that his customers were not ready to make the switch from percentage discounts to cents-per-quart discounts.

Bob Mertz testified on behalf of Schneider Dairy and the Dealers that his customers were not ready to make the switch from percentage discounts to cents-per-quart discounts.

Based on the testimony of Mr. Herbein, Mr. Liptock, Mr. Turner, and Mr. Mertz, the Board finds that percentage discounts should be used in Area 5 at their current levels. The industry representatives who testified on behalf of milk dealers and retailers all recommended that the percentage discounts should continue. We also find persuasive Mr. Turner's testimony that the existing discount system with the margin adjuster is working very well. Further, we are not persuaded that we should ignore the "real world business situation" and impose a change on the industry that no one in the industry has requested. At this time we are also inclined to agree with the testimony of Mr. Turner and Mr. Mertz that further changes to the discount system should be addressed statewide at one time, rather than area-by-area.

12. Mr. DeSantis and Mr. Herbein also testified regarding the small delivery cost. Mr. Herbein testified that the small delivery cost was \$0.2134 per point, based on an average small delivery of 201 points. Mr. DeSantis testified that the small delivery cost was \$0.2012 per point, based on an average small delivery of 158 points..

Mr. Herbein determined the small delivery cost by averaging the cost of seven delivery routes of four dealers. Mr. Herbein testified that it was important to average the seven delivery routes individually, rather than combining them into four plant averages and then averaging the plant averages, because there is a high concentration of small deliveries by only some of the Area 5 cross section dealers. Mr. Herbein also testified that he actually studied eight delivery routes, but based on his professional judgment, removed one as a "statistical outlier," with a cost per point 28% below the average. Mr. DeSantis testified that it was appropriate to remove that route.

Mr. DeSantis testified that Board Staff averaged out the delivery studies at each dealer and then averaged the dealers' averages to arrive at a small delivery cost. He testified that it was improper to allow one dealer to have a disproportionate weight. Mr. DeSantis used various delivery costs for different size deliveries to extrapolate the small delivery cost at 158 points per delivery.

The Board finds that the small delivery cost for Area 5 is \$0.2134 per point. While we find the testimony of both Mr. Herbein and Mr. DeSantis to be credible, we find Mr. Herbein's testimony more persuasive. The small delivery cost calculated by Mr. Herbein is an actual average of the delivery routes, rather than an extrapolation. We also find more persuasive Mr. Herbein's testimony that it is appropriate to account for the high concentration of small deliveries done by only some of the Area 5 cross section dealers.

13. Mr. Herbein testified that the margin adjustment provided for in Official General Order A-948 should continue in Area 5. The margin adjustment is meant to address potential margin erosion experienced by milk dealers due to the interaction of percentage discounts with high milk prices. Mr. Herbein testified that it was an important economic calculation in today's high milk price environment and that the calculation properly adjusts in to- and out of store-prices to eliminate the increasing costs of discounts when applied to high milk prices. As noted above, Mr. Turner also

testified that the existing discount system with the margin adjuster was working very well.

Based on our finding that percentage discounts should continue at current levels, the Board finds that Official General Order A-948 shall remain in effect in Area 5 pursuant to its terms.

14. Mr. Herbein testified that the Dealers were facing severe economic pressure. There was no testimony to the contrary. Therefore, the Board finds that the milk dealer rate of return should remain at 3.5%.

15. Mr. Herbein requested a change in the definition of “Full Service Delivery” and a change to the requirements for “Limited Service Discounts.” He requested that “Full Service Delivery” no longer include “taking inventory and ordering products to be delivered” and that orders no longer need be placed at least a day before each delivery to qualify for a Limited Service Discount.

Mr. Herbein testified that in the 13 years since these provisions were adopted, the Dealers had determined that it was much more effective and efficient for their drivers to determine the correct order. He testified that the Dealers’ drivers are more capable than customers to determine the correct order and that many dealers had adopted technology, such as hand-held computers, that enable drivers to determine the correct order with precision. Mr. Herbein testified that having correct orders placed by drivers reduces special trips that increase distribution costs, reduces out-of-stocks at the retailer which promotes increased sales, and reduces the amount of products that go out-of-code and become a loss for the retailer.

The Board finds that the changes requested by Mr. Herbein should be adopted, based on the benefits for dealers, retailers, and consumers testified to by Mr. Herbein.

16. Neither Board Staff nor Mr. Herbein presented evidence regarding Class II products. Mr. Herbein recommended that the Board continue using the existing methodology to price Class II products. Since there was no proposal by any party to change Class II pricing, the Board finds that the current Class II pricing methodology shall continue until a Class II hearing is called and the results memorialized in an Official General Order.

D. Retailer Costs and Rate of Return

17. Mr. DeSantis and Mr. Liptock testified regarding retailers’ dairy in-store handling costs based on the cross-section of retailers outlined in Staff Exhibit 14 and Table 1 of Mr. Liptock’s exhibit. Mr. DeSantis and Mr. Liptock agreed that the cross section of stores was representative of the stores doing business in Area 5.

18. Mr. DeSantis testified that the weighted average in-store handling costs for all eight stores in the cross section was \$0.4320 per gallon, \$0.2443 per half gallon, and \$0.1505 per quart. Mr. DeSantis's in-store handling costs were based on an analysis of containers. Mr. Liptock testified that the average in-store handling cost for all containers was \$0.1269 per quart. Mr. Liptock's analysis was based on the methodology currently used in all areas of the state. Board Staff, in its brief, stated that it had no objection to using an in-store handling cost of \$0.1269 per quart.

The Board finds that the in-store handling cost in Area 5 is \$0.1269 per quart and the appropriate factor should be applied to scale the per quart in-store handling cost to other size containers (i.e., multiply by four to determine the in-store handling cost for a gallon container, divide by two to determine the in-store handling cost for a pint container, etc.). We appreciate the Board Staff's presentation of per container in-store handling costs and find Mr. DeSantis's testimony regarding those costs credible. However, we note that Board Staff had no objection to using an in-store handling cost of \$0.1269 per quart, and find persuasive Mr. Liptock's credible testimony that the in-store handling cost is \$0.1269 per quart.

At this point, the Board is inclined to believe that changes in the methodology of calculating in-store handling costs should be considered on a statewide basis, rather than area-by-area.

19. Mr. Liptock testified that the in-store handling cost should be adjusted monthly based on changes in the Consumer Price Index, as is Board practice in all other milk marketing areas. The Board agrees and finds that the in-store handling cost in Area 5 should be adjusted monthly based on changes in the Consumer Price Index, using a base of January 2008, and using the same methodology used in all other milk marketing areas. The Board finds that the adjustments to the in-store handling cost should use January 2008 as the base because Mr. Liptock's in-store handling cost of \$0.1269 was based on January 2008 information.

20. Mr. Liptock recommended that the retailer rate of return remain at 2.7%. Having no evidence to the contrary, the Board finds that the retailer rate of return shall be 2.7%.

II. CONCLUSIONS OF LAW

1. The August 6, 2008, general price hearing for Milk Marketing Area No. 5 was held pursuant to authority granted to the Board in section 801 of the Milk Marketing Law (Law), 31 P.S. § 700j-801.

2. The hearing was held following adequate notice, and all interested persons were given a reasonable opportunity to be heard.

3. The cross-section used to establish dealer costs met the requirement of representativeness of section 801 of the Law.

4. The cross-section used to establish retailer costs met the requirement of representativeness of section 801 of the Law.

5. In establishing the attached order, the Board has considered the entire record and has concluded that the adoption of this order is supported by a preponderance of the evidence and is reasonable and appropriate under section 801 of the Law, subject to any revisions or amendments the Board may make in the manner set forth in the Law.

PENNSYLVANIA MILK MARKETING BOARD

Richard Kriebel, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Date: September 3, 2008

IF YOU REQUIRE THIS INFORMATION IN AN ALTERNATE FORMAT, PLEASE CALL (717) 787-4194 OR 1-800-654-5984 (PA RELAY SERVICE FOR TDD USERS).

**COMPUTATION OF RAW PRODUCT COST
AREA 5 RESALE PRICE BUILD-UP
August 2008**

	CLASS I	CLASS II
SKIM RATE	\$ 18.97	\$ 11.74
BUTTERFAT RATE	\$ 1.7396	\$ 1.7645

	TOTAL POUNDS	BUTTERFAT POUNDS	SKIM POUNDS	BUTTERFAT COST	SKIM COST	TOTAL COST	COST PER POUND	BULK MILK ADJUSTMENT	INGREDIENT COST	COST PER POUND
STANDARD	101,874,104	3,301,626	98,572,478	\$ 5,743,509	\$ 18,699,199	\$ 24,442,708	0.2399	0.0023	0.0000	0.2422
REDUCED FAT MILK, 2% MILKFAT	187,112,581	3,607,788	183,504,793	\$ 6,276,108	\$ 34,810,859	\$ 41,086,967	0.2196	0.0023	0.0001	0.2220
LOW FAT MILK, 1% MILKFAT	50,743,889	488,750	50,255,139	\$ 850,230	\$ 9,533,400	\$ 10,383,630	0.2046	0.0023	0.0002	0.2071
NONFAT MILK	78,670,661	94,746	78,575,915	\$ 164,820	\$ 14,905,851	\$ 15,070,671	0.1916	0.0023	0.0020	0.1959
FLAVORED MILK	12,072,238	397,696	11,674,542	\$ 691,832	\$ 2,214,661	\$ 2,906,493	0.2408	0.0023	0.0275	0.2706
FLAVORED REDUCED FAT MILK	40,458,787	410,700	40,048,087	\$ 714,454	\$ 7,597,122	\$ 8,311,576	0.2054	0.0023	0.0289	0.2366
BUTTERMILK	4,669,982	110,374	4,559,608	\$ 192,007	\$ 864,958	\$ 1,056,965	0.2263	0.0023	0.0186	0.2472
EGG NOG	1,342,035	95,945	1,246,090	\$ 166,906	\$ 236,383	\$ 403,289	0.3005	0.0023	0.1340	0.4368
HALF & HALF (MIXED MILK)	100,000	10,500	89500	\$ 18,527	\$ 10,507	\$ 29,034	0.2903			0.2903
SOUR CREAM	100,000	18,000	82000	\$ 31,761	\$ 9,627	\$ 41,388	0.4139			0.4139
LIGHT CREAM	100,000	18,000	82000	\$ 31,761	\$ 9,627	\$ 41,388	0.4139			0.4139
MEDIUM CREAM	100,000	30,000	70000	\$ 52,935	\$ 8,218	\$ 61,153	0.6115			0.6115
HEAVY CREAM	100,000	36,000	64000	\$ 63,522	\$ 7,514	\$ 71,036	0.7104			0.7104

Raw + Container + Processing

		POUNDS PER UNIT	RAW MILK COST	CONTAINER COST	PLASTIC ADD-ON	MILK CRATE ADD-ON	PROCESSING COST	TOTAL COST	
STANDARD (WHOLE)	MILK	GALLON	8.600000	\$ 2.0829	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 3.2424
		1/2 GALLON	4.300000	\$ 1.0415	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.6717
		QUART	2.150000	\$ 0.5207	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.8710
		PINT	1.075000	\$ 0.2604	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4871
		12 OUNCE	0.806300	\$ 0.1953	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3354
		10 OUNCE	0.671875	\$ 0.1627	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2813
		1/2 PINT	0.537500	\$ 0.1302	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2155
		4 OUNCE	0.268750	\$ 0.0651	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1170
		DISP. PER QT.	2.150000	\$ 0.5207	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.8106
REDUCED FAT (2%)	MILK	GALLON	8.620000	\$ 1.9136	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 3.0731
		1/2 GALLON	4.310000	\$ 0.9568	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.5870
		QUART	2.155000	\$ 0.4784	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.8287
		PINT	1.077500	\$ 0.2392	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4659
		12 OUNCE	0.808100	\$ 0.1794	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3195
		10 OUNCE	0.673438	\$ 0.1495	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2681
		1/2 PINT	0.538750	\$ 0.1196	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2049
		4 OUNCE	0.269375	\$ 0.0598	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1117
		DISP. PER QT.	2.155000	\$ 0.4784	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.7683
LOWFAT (1%)	MILK	GALLON	8.620000	\$ 1.7852	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 2.9447
		1/2 GALLON	4.310000	\$ 0.8926	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.5228
		QUART	2.155000	\$ 0.4463	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.7966
		PINT	1.077500	\$ 0.2232	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4499
		12 OUNCE	0.808100	\$ 0.1674	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3075
		10 OUNCE	0.673438	\$ 0.1395	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2581
		1/2 PINT	0.538750	\$ 0.1116	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.1969
		4 OUNCE	0.269375	\$ 0.0558	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1077
		DISP. PER QT.	2.155000	\$ 0.4463	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.7362
NONFAT (SKIM)	MILK	GALLON	8.630000	\$ 1.6906	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 2.8501
		1/2 GALLON	4.315000	\$ 0.8453	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.4755
		QUART	2.157500	\$ 0.4227	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.7730
		PINT	1.078750	\$ 0.2113	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4380
		12 OUNCE	0.809100	\$ 0.1585	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.2986
		10 OUNCE	0.674219	\$ 0.1321	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2507
		1/2 PINT	0.539375	\$ 0.1057	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.1910
		4 OUNCE	0.269688	\$ 0.0528	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1047
		DISP. PER QT.	2.157500	\$ 0.4227	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.7126
STANDARD (WHOLE)	FLAVORED MILK	GALLON	8.000000	\$ 2.1648	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 3.3243
		1/2 GALLON	4.000000	\$ 1.0824	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.7126
		QUART	2.000000	\$ 0.5412	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.8915
		PINT	1.000000	\$ 0.2706	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4973
		12 OUNCE	0.750000	\$ 0.2030	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3431
		10 OUNCE	0.625000	\$ 0.1691	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2877
		1/2 PINT	0.500000	\$ 0.1353	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2206
		4 OUNCE	0.250000	\$ 0.0677	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1196
		DISP. PER QT.	2.000000	\$ 0.5412	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.8311
REDUCED FAT	FLAVORED MILK	GALLON	8.000000	\$ 1.8928	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 3.0523
		1/2 GALLON	4.000000	\$ 0.9464	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.5766
		QUART	2.000000	\$ 0.4732	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.8235
		PINT	1.000000	\$ 0.2366	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4633
		12 OUNCE	0.750000	\$ 0.1775	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3176
		10 OUNCE	0.625000	\$ 0.1479	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2665
		1/2 PINT	0.500000	\$ 0.1183	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2036
		4 OUNCE	0.250000	\$ 0.0592	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1111
		DISP. PER QT.	2.000000	\$ 0.4732	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.7631
BUTTERMILK		GALLON	8.620000	\$ 2.1309	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 3.2904
		1/2 GALLON	4.310000	\$ 1.0654	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.6956
		QUART	2.155000	\$ 0.5327	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.8830
		PINT	1.077500	\$ 0.2664	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.4931
		12 OUNCE	0.808100	\$ 0.1998	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3399
		10 OUNCE	0.673438	\$ 0.1665	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.2851
		1/2 PINT	0.538750	\$ 0.1332	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2185
		4 OUNCE	0.269375	\$ 0.0666	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1185
DISP. PER QT.	2.155000	\$ 0.5327	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.8226		

Raw + Container + Processing

EGG NOG	GALLON	8.000000	\$ 3.4944	\$ 0.1375	\$ 0.0220	\$ -	\$ 1.0000	\$ 4.6539
	1/2 GALLON	4.000000	\$ 1.7472	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 2.3774
	QUART	2.000000	\$ 0.8736	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 1.2239
	PINT	1.000000	\$ 0.4368	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.6635
	12 OUNCE	0.750000	\$ 0.3276	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.4677
	10 OUNCE	0.625000	\$ 0.2730	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.3916
	1/2 PINT	0.500000	\$ 0.2184	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.3037
	4 OUNCE	0.250000	\$ 0.1092	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1611
	DISP. PER QT.	2.000000	\$ 0.8736	\$ 0.0399		\$ -	\$ 0.2500	\$ 1.1635
HALF & HALF	1/2 GALLON	4.275000	\$ 1.2410	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 1.8712
	QUART	2.137500	\$ 0.6205	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 0.9708
	PINT	1.068750	\$ 0.3103	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.5370
	12 OUNCE	0.801600	\$ 0.2327	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.3728
	10 OUNCE	0.667969	\$ 0.1939	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.3125
	1/2 PINT	0.534375	\$ 0.1551	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.2404
	4 OUNCE	0.267188	\$ 0.0776	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1295
	DISP. PER QT.	2.137500	\$ 0.6205	\$ 0.0399		\$ -	\$ 0.2500	\$ 0.9104
	3/8 OZ	0.025049	\$ 0.0073				\$ 0.0029	\$ 0.0102
	1/2 OZ	0.033399	\$ 0.0097				\$ 0.0039	\$ 0.0136
	3/4 OZ	0.050098	\$ 0.0145				\$ 0.0059	\$ 0.0204
LIGHT CREAM	1/2 GALLON	4.255000	\$ 1.7611	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 2.3913
	QUART	2.127500	\$ 0.8806	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 1.2309
	PINT	1.063750	\$ 0.4403	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.6670
	12 OUNCE	0.797800	\$ 0.3302	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.4703
	10 OUNCE	0.664844	\$ 0.2752	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.3938
	1/2 PINT	0.531875	\$ 0.2201	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.3054
	4 OUNCE	0.265938	\$ 0.1101	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.1620
	DISP. PER QT.	2.127500	\$ 0.8806	\$ 0.0399		\$ -	\$ 0.2500	\$ 1.1705
MEDIUM CREAM	1/2 GALLON	4.195000	\$ 2.5652	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 3.1954
	QUART	2.097500	\$ 1.2826	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 1.6329
	PINT	1.048750	\$ 0.6413	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.8680
	12 OUNCE	0.786600	\$ 0.4810	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.6211
	10 OUNCE	0.655469	\$ 0.4008	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.5194
	1/2 PINT	0.524375	\$ 0.3207	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.4060
	4 OUNCE	0.262188	\$ 0.1603	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.2122
	DISP. PER QT.	2.097500	\$ 1.2826	\$ 0.0399		\$ -	\$ 0.2500	\$ 1.5725
HEAVY CREAM	1/2 GALLON	4.160000	\$ 2.9553	\$ 0.1074	\$ 0.0228	\$ -	\$ 0.5000	\$ 3.5855
	QUART	2.080000	\$ 1.4776	\$ 0.0877	\$ 0.0126	\$ -	\$ 0.2500	\$ 1.8279
	PINT	1.040000	\$ 0.7388	\$ 0.0939	\$ 0.0078	\$ -	\$ 0.1250	\$ 0.9655
	12 OUNCE	0.780000	\$ 0.5541	\$ 0.0463		\$ -	\$ 0.0938	\$ 0.6942
	10 OUNCE	0.650000	\$ 0.4618	\$ 0.0405		\$ -	\$ 0.0781	\$ 0.5804
	1/2 PINT	0.520000	\$ 0.3694	\$ 0.0228		\$ -	\$ 0.0625	\$ 0.4547
	4 OUNCE	0.260000	\$ 0.1847	\$ 0.0206		\$ -	\$ 0.0313	\$ 0.2366
	DISP. PER QT.	2.080000	\$ 1.4776	\$ 0.0399		\$ -	\$ 0.2500	\$ 1.7675
SOUR CREAM	1/2 GALLON	4.255000	\$ 1.7611			\$ -	\$ 0.5000	\$ 2.2611
	QUART	2.127500	\$ 0.8806			\$ -	\$ 0.2500	\$ 1.1306
	PINT	1.063750	\$ 0.4403			\$ -	\$ 0.1250	\$ 0.5653
	12 OUNCE	0.797800	\$ 0.3302			\$ -	\$ 0.0938	\$ 0.4240
	10 OUNCE	0.664844	\$ 0.2752			\$ -	\$ 0.0781	\$ 0.3533
	1/2 PINT	0.531875	\$ 0.2201			\$ -	\$ 0.0625	\$ 0.2826
	4 OUNCE	0.265938	\$ 0.1101			\$ -	\$ 0.0313	\$ 0.1414
	DISP. PER QT.	2.127500	\$ 0.8806			\$ -	\$ 0.2500	\$ 1.1306

AREA 5 PRICE BUILD-UP

	1	2	3	4		5	6	7	8	9	10		12	13	14	15	16	
	AVERAGE DELIVERED COST	CREAM FIXED ADD-ON ADJUSTMENT	SMALL CONTAINER ADJUST.	COST UPDATE ADJUSTMENT	ENERGY ADD-ON	PREPROFIT WHOLESALE PRICE	3.50% DEALER PROFIT	PRICE WITH PROFIT	AVERAGE DELIVERY ADJUST.	SMALL DELIVERY ADJUST.	PROPOSED WHOLESALE		DISCOUNTED WHOLESALE	IN-STORE HANDLING COST	INTO STORE COST	2.70% RETAIL PROFIT	PROPOSED RETAIL	

STANDARD (WHOLE) MILK	GALLON	\$ 3.2424	0	\$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 3.2249	\$ 0.1170	\$ 3.3419	\$ (0.4664)	\$ 0.8536	\$ 3.7291		\$ 3.2816	\$ 0.5076	\$ 3.7892	\$ 0.1051	\$ 3.89
	1/2 GALLON	\$ 1.6717	0	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.6743	\$ 0.0607	\$ 1.7350	\$ (0.2332)	\$ 0.4268	\$ 1.9286		\$ 1.6972	\$ 0.2538	\$ 1.9510	\$ 0.0541	\$ 2.01
	QUART	\$ 0.8710	0	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.9265	\$ 0.0336	\$ 0.9601	\$ (0.1166)	\$ 0.2134	\$ 1.0569		\$ 0.9301	\$ 0.1269	\$ 1.0570	\$ 0.0293	\$ 1.09
	PINT	\$ 0.4871	0	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5739	\$ 0.0208	\$ 0.5947	\$ (0.0583)	\$ 0.1067	\$ 0.6431		\$ 0.5659	\$ 0.0635	\$ 0.6294	\$ 0.0175	\$ 0.65
	12 OUNCE	\$ 0.3354	0	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3797	\$ 0.0138	\$ 0.3935	\$ (0.0437)	\$ 0.0800	\$ 0.4298		\$ 0.3782	\$ 0.0476	\$ 0.4258	\$ 0.0118	\$ 0.44
	10 OUNCE	\$ 0.2813	0	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.3008	\$ 0.0109	\$ 0.3117	\$ (0.0389)	\$ 0.0711	\$ 0.3439		\$ 0.3026	\$ 0.0397	\$ 0.3423	\$ 0.0095	\$ 0.35
	1/2 PINT	\$ 0.2155	0	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2576	\$ 0.0093	\$ 0.2669	\$ (0.0292)	\$ 0.0534	\$ 0.2911		\$ 0.2562	\$ 0.0317	\$ 0.2879	\$ 0.0080	\$ 0.30
	4 OUNCE	\$ 0.1170	0	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1612	\$ 0.0058	\$ 0.1670	\$ (0.0146)	\$ 0.0267	\$ 0.1791		\$ 0.1576	\$ 0.0159	\$ 0.1735	\$ 0.0048	\$ 0.18
	DISP./QT.	\$ 0.8106	0	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.9403	\$ 0.0341	\$ 0.9744	\$ (0.1166)	\$ 0.2134	\$ 1.0712		\$ 0.9427	\$ 0.1269	\$ 1.0696	\$ 0.0297	\$ 1.10

REDUCED FAT (2%) MILK	GALLON	\$ 3.0731	0	\$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 3.0556	\$ 0.1108	\$ 3.1664	\$ (0.4664)	\$ 0.8536	\$ 3.5536		\$ 3.1272	\$ 0.5076	\$ 3.6348	\$ 0.1009	\$ 3.74
	1/2 GALLON	\$ 1.5870	0	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.5896	\$ 0.0577	\$ 1.6473	\$ (0.2332)	\$ 0.4268	\$ 1.8409		\$ 1.6200	\$ 0.2538	\$ 1.8738	\$ 0.0520	\$ 1.93
	QUART	\$ 0.8287	0	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.8842	\$ 0.0321	\$ 0.9163	\$ (0.1166)	\$ 0.2134	\$ 1.0131		\$ 0.8915	\$ 0.1269	\$ 1.0184	\$ 0.0283	\$ 1.05
	PINT	\$ 0.4659	0	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5527	\$ 0.0200	\$ 0.5727	\$ (0.0583)	\$ 0.1067	\$ 0.6211		\$ 0.5466	\$ 0.0635	\$ 0.6101	\$ 0.0169	\$ 0.63
	12 OUNCE	\$ 0.3195	0	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3638	\$ 0.0132	\$ 0.3770	\$ (0.0437)	\$ 0.0800	\$ 0.4133		\$ 0.3637	\$ 0.0476	\$ 0.4113	\$ 0.0114	\$ 0.42
	10 OUNCE	\$ 0.2681	0	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.2876	\$ 0.0104	\$ 0.2980	\$ (0.0389)	\$ 0.0711	\$ 0.3302		\$ 0.2906	\$ 0.0397	\$ 0.3303	\$ 0.0092	\$ 0.34
	1/2 PINT	\$ 0.2049	0	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2470	\$ 0.0090	\$ 0.2560	\$ (0.0292)	\$ 0.0534	\$ 0.2802		\$ 0.2466	\$ 0.0317	\$ 0.2783	\$ 0.0077	\$ 0.29
	4 OUNCE	\$ 0.1117	0	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1559	\$ 0.0057	\$ 0.1616	\$ (0.0146)	\$ 0.0267	\$ 0.1737		\$ 0.1529	\$ 0.0159	\$ 0.1688	\$ 0.0047	\$ 0.18
	DISP./QT.	\$ 0.7683	0	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.8980	\$ 0.0326	\$ 0.9306	\$ (0.1166)	\$ 0.2134	\$ 1.0274		\$ 0.9041	\$ 0.1269	\$ 1.0310	\$ 0.0286	\$ 1.06

LOWFAT (1%) MILK	GALLON	\$ 2.9447	0	\$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 2.9272	\$ 0.1062	\$ 3.0334	\$ (0.4664)	\$ 0.8536	\$ 3.4206		\$ 3.0101	\$ 0.5076	\$ 3.5177	\$ 0.0976	\$ 3.62
	1/2 GALLON	\$ 1.5228	0	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.5254	\$ 0.0553	\$ 1.5807	\$ (0.2332)	\$ 0.4268	\$ 1.7743		\$ 1.5614	\$ 0.2538	\$ 1.8152	\$ 0.0504	\$ 1.87
	QUART	\$ 0.7966	0	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.8521	\$ 0.0309	\$ 0.8830	\$ (0.1166)	\$ 0.2134	\$ 0.9798		\$ 0.8622	\$ 0.1269	\$ 0.9891	\$ 0.0274	\$ 1.02
	PINT	\$ 0.4499	0	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5367	\$ 0.0195	\$ 0.5562	\$ (0.0583)	\$ 0.1067	\$ 0.6046		\$ 0.5320	\$ 0.0635	\$ 0.5955	\$ 0.0165	\$ 0.61
	12 OUNCE	\$ 0.3075	0	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3518	\$ 0.0128	\$ 0.3646	\$ (0.0437)	\$ 0.0800	\$ 0.4009		\$ 0.3528	\$ 0.0476	\$ 0.4004	\$ 0.0111	\$ 0.41
	10 OUNCE	\$ 0.2581	0	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.2776	\$ 0.0101	\$ 0.2877	\$ (0.0389)	\$ 0.0711	\$ 0.3199		\$ 0.2815	\$ 0.0397	\$ 0.3212	\$ 0.0089	\$ 0.33
	1/2 PINT	\$ 0.1969	0	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2390	\$ 0.0087	\$ 0.2477	\$ (0.0292)	\$ 0.0534	\$ 0.2719		\$ 0.2393	\$ 0.0317	\$ 0.2710	\$ 0.0075	\$ 0.28
	4 OUNCE	\$ 0.1077	0	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1519	\$ 0.0055	\$ 0.1574	\$ (0.0146)	\$ 0.0267	\$ 0.1695		\$ 0.1492	\$ 0.0159	\$ 0.1651	\$ 0.0046	\$ 0.17
	DISP./QT.	\$ 0.7362	0	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.8659	\$ 0.0314	\$ 0.8973	\$ (0.1166)	\$ 0.2134	\$ 0.9941		\$ 0.8748	\$ 0.1269	\$ 1.0017	\$ 0.0278	\$ 1.03

NONFAT (SKIM) MILK	GALLON	\$ 2.8501	0	\$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 2.8326	\$ 0.1027	\$ 2.9353	\$ (0.4664)	\$ 0.8536	\$ 3.3225		\$ 2.9238	\$ 0.5076	\$ 3.4314	\$ 0.0952	\$ 3.53
	1/2 GALLON	\$ 1.4755	0	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.4781	\$ 0.0536	\$ 1.5317	\$ (0.2332)	\$ 0.4268	\$ 1.7253		\$ 1.5183	\$ 0.2538	\$ 1.7721	\$ 0.0492	\$ 1.82
	QUART	\$ 0.7730	0	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.8285	\$ 0.0300	\$ 0.8585	\$ (0.1166)	\$ 0.2134	\$ 0.9553		\$ 0.8407	\$ 0.1269	\$ 0.9676	\$ 0.0269	\$ 0.99
	PINT	\$ 0.4380	0	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5248	\$ 0.0190	\$ 0.5438	\$ (0.0583)	\$ 0.1067	\$ 0.5922		\$ 0.5211	\$ 0.0635	\$ 0.5846	\$ 0.0162	\$ 0.60
	12 OUNCE	\$ 0.2986	0	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3429	\$ 0.0124	\$ 0.3553	\$ (0.0437)	\$ 0.0800	\$ 0.3916		\$ 0.3446	\$ 0.0476	\$ 0.3922	\$ 0.0109	\$ 0.40
	10 OUNCE	\$ 0.2507	0	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.2702	\$ 0.0098	\$ 0.2800	\$ (0.0389)	\$ 0.0711	\$ 0.3122		\$ 0.2747	\$ 0.0397	\$ 0.3144	\$ 0.0087	\$ 0.32
	1/2 PINT	\$ 0.1910	0	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2331	\$ 0.0085	\$ 0.2416	\$ (0.0292)	\$ 0.0534	\$ 0.2658		\$ 0.2339	\$ 0.0317	\$ 0.2656	\$ 0.0074	\$ 0.27
	4 OUNCE	\$ 0.1047	0	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1489	\$ 0.0054	\$ 0.1543	\$ (0.0146)	\$ 0.0267	\$ 0.1664		\$ 0.1464	\$ 0.0159	\$ 0.1623	\$ 0.0045	\$ 0.17
	DISP./QT.	\$ 0.7126	0	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.8423	\$ 0.0305	\$ 0.8728	\$ (0.1166)	\$ 0.2134	\$ 0.9696		\$ 0.8532	\$ 0.1269	\$ 0.9801	\$ 0.0272	\$ 1.01

AREA 5 PRICE BUILD-UP

	1	2	3	4		5	6	7	8	9	10		12	13	14	15	16	
	AVERAGE DELIVERED COST	CREAM FIXED ADD-ON ADJUSTMENT	SMALL CONTAINER ADJUST.	COST UPDATE ADJUSTMENT	ENERGY ADD-ON	PREPROFIT WHOLESALE PRICE	3.50% DEALER PROFIT	PRICE WITH PROFIT	AVERAGE DELIVERY ADJUST.	SMALL DELIVERY ADJUST.	PROPOSED WHOLESALE		DISCOUNTED WHOLESALE	IN-STORE HANDLING COST	INTO STORE COST	2.70% RETAIL PROFIT	PROPOSED RETAIL	
STANDARD (WHOLE) FLAVORED MILK	GALLON	\$ 3.3243	0 \$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 3.3068	\$ 0.1199	\$ 3.4267	\$ (0.4664)	\$ 0.8536	\$ 3.8139		\$ 3.3562	\$ 0.5076	\$ 3.8638	\$ 0.1072	\$ 3.97	
	1/2 GALLON	\$ 1.7126	0 \$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.7152	\$ 0.0622	\$ 1.7774	\$ (0.2332)	\$ 0.4268	\$ 1.9710		\$ 1.7345	\$ 0.2538	\$ 1.9883	\$ 0.0552	\$ 2.04	
	QUART	\$ 0.8915	0 \$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.9470	\$ 0.0343	\$ 0.9813	\$ (0.1166)	\$ 0.2134	\$ 1.0781		\$ 0.9487	\$ 0.1269	\$ 1.0756	\$ 0.0298	\$ 1.11	
	PINT	\$ 0.4973	0 \$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5841	\$ 0.0212	\$ 0.6053	\$ (0.0583)	\$ 0.1067	\$ 0.6537		\$ 0.5753	\$ 0.0635	\$ 0.6388	\$ 0.0177	\$ 0.66	
	12 OUNCE	\$ 0.3431	0 \$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3874	\$ 0.0141	\$ 0.4015	\$ (0.0437)	\$ 0.0800	\$ 0.4378		\$ 0.3853	\$ 0.0476	\$ 0.4329	\$ 0.0120	\$ 0.44	
	10 OUNCE	\$ 0.2877	0 \$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.3072	\$ 0.0111	\$ 0.3183	\$ (0.0389)	\$ 0.0711	\$ 0.3505		\$ 0.3084	\$ 0.0397	\$ 0.3481	\$ 0.0097	\$ 0.36	
	1/2 PINT	\$ 0.2206	0 \$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2627	\$ 0.0095	\$ 0.2722	\$ (0.0292)	\$ 0.0534	\$ 0.2964		\$ 0.2608	\$ 0.0317	\$ 0.2925	\$ 0.0081	\$ 0.30	
	4 OUNCE	\$ 0.1196	0 \$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1638	\$ 0.0059	\$ 0.1697	\$ (0.0146)	\$ 0.0267	\$ 0.1818		\$ 0.1600	\$ 0.0159	\$ 0.1759	\$ 0.0049	\$ 0.19	
	DISP./QT.	\$ 0.8311	0 \$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.9608	\$ 0.0348	\$ 0.9956	\$ (0.1166)	\$ 0.2134	\$ 1.0924		\$ 0.9613	\$ 0.1269	\$ 1.0882	\$ 0.0302	\$ 1.12	
	REDUCED FAT FLAVORED MILK	GALLON	\$ 3.0523	0 \$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 3.0348	\$ 0.1101	\$ 3.1449	\$ (0.4664)	\$ 0.8536	\$ 3.5321		\$ 3.1082	\$ 0.5076	\$ 3.6158	\$ 0.1003	\$ 3.72
1/2 GALLON		\$ 1.5766	0 \$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.5792	\$ 0.0573	\$ 1.6365	\$ (0.2332)	\$ 0.4268	\$ 1.8301		\$ 1.6105	\$ 0.2538	\$ 1.8643	\$ 0.0517	\$ 1.92	
QUART		\$ 0.8235	0 \$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.8790	\$ 0.0319	\$ 0.9109	\$ (0.1166)	\$ 0.2134	\$ 1.0077		\$ 0.8868	\$ 0.1269	\$ 1.0137	\$ 0.0281	\$ 1.04	
PINT		\$ 0.4633	0 \$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5501	\$ 0.0200	\$ 0.5701	\$ (0.0583)	\$ 0.1067	\$ 0.6185		\$ 0.5443	\$ 0.0635	\$ 0.6078	\$ 0.0169	\$ 0.62	
12 OUNCE		\$ 0.3176	0 \$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3619	\$ 0.0131	\$ 0.3750	\$ (0.0437)	\$ 0.0800	\$ 0.4113		\$ 0.3619	\$ 0.0476	\$ 0.4095	\$ 0.0114	\$ 0.42	
10 OUNCE		\$ 0.2665	0 \$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.2860	\$ 0.0104	\$ 0.2964	\$ (0.0389)	\$ 0.0711	\$ 0.3286		\$ 0.2892	\$ 0.0397	\$ 0.3289	\$ 0.0091	\$ 0.34	
1/2 PINT		\$ 0.2036	0 \$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2457	\$ 0.0089	\$ 0.2546	\$ (0.0292)	\$ 0.0534	\$ 0.2788		\$ 0.2453	\$ 0.0317	\$ 0.2770	\$ 0.0077	\$ 0.28	
4 OUNCE		\$ 0.1111	0 \$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1553	\$ 0.0056	\$ 0.1609	\$ (0.0146)	\$ 0.0267	\$ 0.1730		\$ 0.1522	\$ 0.0159	\$ 0.1681	\$ 0.0047	\$ 0.18	
DISP./QT.		\$ 0.7631	0 \$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.8928	\$ 0.0324	\$ 0.9252	\$ (0.1166)	\$ 0.2134	\$ 1.0220		\$ 0.8994	\$ 0.1269	\$ 1.0263	\$ 0.0285	\$ 1.05	
BUTTERMILK		GALLON	\$ 3.2904	0 \$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 3.2729	\$ 0.1187	\$ 3.3916	\$ (0.4664)	\$ 0.8536	\$ 3.7788		\$ 3.3253	\$ 0.5076	\$ 3.8329	\$ 0.1064	\$ 3.94
	1/2 GALLON	\$ 1.6956	0 \$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 1.6982	\$ 0.0616	\$ 1.7598	\$ (0.2332)	\$ 0.4268	\$ 1.9534		\$ 1.7190	\$ 0.2538	\$ 1.9728	\$ 0.0547	\$ 2.03	
	QUART	\$ 0.8830	0 \$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 0.9385	\$ 0.0340	\$ 0.9725	\$ (0.1166)	\$ 0.2134	\$ 1.0693		\$ 0.9410	\$ 0.1269	\$ 1.0679	\$ 0.0296	\$ 1.10	
	PINT	\$ 0.4931	0 \$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.5799	\$ 0.0210	\$ 0.6009	\$ (0.0583)	\$ 0.1067	\$ 0.6493		\$ 0.5714	\$ 0.0635	\$ 0.6349	\$ 0.0176	\$ 0.65	
	12 OUNCE	\$ 0.3399	0 \$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.3842	\$ 0.0139	\$ 0.3981	\$ (0.0437)	\$ 0.0800	\$ 0.4344		\$ 0.3823	\$ 0.0476	\$ 0.4299	\$ 0.0119	\$ 0.44	
	10 OUNCE	\$ 0.2851	0 \$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.3046	\$ 0.0110	\$ 0.3156	\$ (0.0389)	\$ 0.0711	\$ 0.3478		\$ 0.3061	\$ 0.0397	\$ 0.3458	\$ 0.0096	\$ 0.36	
	1/2 PINT	\$ 0.2185	0 \$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.2606	\$ 0.0095	\$ 0.2701	\$ (0.0292)	\$ 0.0534	\$ 0.2943		\$ 0.2590	\$ 0.0317	\$ 0.2907	\$ 0.0081	\$ 0.30	
	4 OUNCE	\$ 0.1185	0 \$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1627	\$ 0.0059	\$ 0.1686	\$ (0.0146)	\$ 0.0267	\$ 0.1807		\$ 0.1590	\$ 0.0159	\$ 0.1749	\$ 0.0049	\$ 0.19	
	DISP./QT.	\$ 0.8226	0 \$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 0.9523	\$ 0.0345	\$ 0.9868	\$ (0.1166)	\$ 0.2134	\$ 1.0836		\$ 0.9536	\$ 0.1269	\$ 1.0805	\$ 0.0300	\$ 1.11	
	EGG NOG	GALLON	\$ 4.6539	0 \$ (0.1071)	\$ 0.0256	\$ 0.0640	\$ 4.6364	\$ 0.1682	\$ 4.8046	\$ (0.4664)	\$ 0.8536	\$ 5.1918		\$ 4.5688	\$ 0.5076	\$ 5.0764	\$ 0.1409	\$ 5.22
1/2 GALLON		\$ 2.3774	0 \$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 2.3800	\$ 0.0863	\$ 2.4663	\$ (0.2332)	\$ 0.4268	\$ 2.6599		\$ 2.3407	\$ 0.2538	\$ 2.5945	\$ 0.0720	\$ 2.67	
QUART		\$ 1.2239	0 \$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 1.2794	\$ 0.0464	\$ 1.3258	\$ (0.1166)	\$ 0.2134	\$ 1.4226		\$ 1.2519	\$ 0.1269	\$ 1.3788	\$ 0.0383	\$ 1.43	
PINT		\$ 0.6635	0 \$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.7503	\$ 0.0272	\$ 0.7775	\$ (0.0583)	\$ 0.1067	\$ 0.8259		\$ 0.7268	\$ 0.0635	\$ 0.7903	\$ 0.0219	\$ 0.83	
12 OUNCE		\$ 0.4677	0 \$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.5120	\$ 0.0186	\$ 0.5306	\$ (0.0437)	\$ 0.0800	\$ 0.5669		\$ 0.4989	\$ 0.0476	\$ 0.5465	\$ 0.0152	\$ 0.57	
10 OUNCE		\$ 0.3916	0 \$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.4111	\$ 0.0149	\$ 0.4260	\$ (0.0389)	\$ 0.0711	\$ 0.4582		\$ 0.4032	\$ 0.0397	\$ 0.4429	\$ 0.0123	\$ 0.46	
1/2 PINT		\$ 0.3037	0 \$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.3458	\$ 0.0125	\$ 0.3583	\$ (0.0292)	\$ 0.0534	\$ 0.3825		\$ 0.3366	\$ 0.0317	\$ 0.3683	\$ 0.0102	\$ 0.39	
4 OUNCE		\$ 0.1611	0 \$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.2053	\$ 0.0074	\$ 0.2127	\$ (0.0146)	\$ 0.0267	\$ 0.2248		\$ 0.1978	\$ 0.0159	\$ 0.2137	\$ 0.0059	\$ 0.23	
DISP./QT.		\$ 1.1635	0 \$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 1.2932	\$ 0.0469	\$ 1.3401	\$ (0.1166)	\$ 0.2134	\$ 1.4369		\$ 1.2645	\$ 0.1269	\$ 1.3914	\$ 0.0386	\$ 1.44	

AREA 5 PRICE BUILD-UP

	1	2	3	4		5	6	7	8	9	10		12	13	14	15	16	
	AVERAGE DELIVERED COST	CREAM FIXED ADD-ON ADJUSTMENT	SMALL CONTAINER ADJUST.	COST UPDATE ADJUSTMENT	ENERGY ADD-ON	PREPROFIT WHOLESALE PRICE	3.50% DEALER PROFIT	PRICE WITH PROFIT	AVERAGE DELIVERY ADJUST.	SMALL DELIVERY ADJUST.	PROPOSED WHOLESALE		DISCOUNTED WHOLESALE	IN-STORE HANDLING COST	INTO STORE COST	2.70% RETAIL PROFIT	PROPOSED RETAIL	
HALF & HALF	1/2 GALLON	\$ 1.8712	\$ 0.3880	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 2.2618	\$ 0.0820	\$ 2.3438	\$ (0.2332)	\$ 0.4268	\$ 2.5374	\$ 2.2329	\$ 0.2538	\$ 2.4867	\$ 0.0690	\$ 2.56	
	QUART	\$ 0.9708	\$ 0.1940	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 1.2203	\$ 0.0443	\$ 1.2646	\$ (0.1166)	\$ 0.2134	\$ 1.3614	\$ 1.1980	\$ 0.1269	\$ 1.3249	\$ 0.0368	\$ 1.37	
	PINT	\$ 0.5370	\$ 0.0970	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.7208	\$ 0.0261	\$ 0.7469	\$ (0.0583)	\$ 0.1067	\$ 0.7953	\$ 0.6999	\$ 0.0635	\$ 0.7634	\$ 0.0212	\$ 0.80	
	12 OUNCE	\$ 0.3728	\$ 0.0728	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.4899	\$ 0.0178	\$ 0.5077	\$ (0.0437)	\$ 0.0800	\$ 0.5440	\$ 0.4787	\$ 0.0476	\$ 0.5263	\$ 0.0146	\$ 0.55	
	10 OUNCE	\$ 0.3125	\$ 0.0606	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.3926	\$ 0.0142	\$ 0.4068	\$ (0.0389)	\$ 0.0711	\$ 0.4390	\$ 0.3863	\$ 0.0397	\$ 0.4260	\$ 0.0118	\$ 0.44	
	1/2 PINT	\$ 0.2404	\$ 0.0485	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.3310	\$ 0.0120	\$ 0.3430	\$ (0.0292)	\$ 0.0534	\$ 0.3672	\$ 0.3231	\$ 0.0317	\$ 0.3548	\$ 0.0098	\$ 0.37	
	4 OUNCE	\$ 0.1295	\$ 0.0243	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.1980	\$ 0.0072	\$ 0.2052	\$ (0.0146)	\$ 0.0267	\$ 0.2173	\$ 0.1912	\$ 0.0159	\$ 0.2071	\$ 0.0057	\$ 0.22	
	DISP./QT.	\$ 0.9104	\$ 0.1940	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 1.2341	\$ 0.0448	\$ 1.2789	\$ (0.1166)	\$ 0.2134	\$ 1.3757	\$ 1.2106	\$ 0.1269	\$ 1.3375	\$ 0.0371	\$ 1.38	
	3/8 OZ	\$ 0.0102	\$ 0.0106		\$ 0.0001	\$ 0.0002	\$ 0.0211	\$ 0.0008	\$ 0.0219	\$ (0.0014)	\$ 0.0025	\$ 0.0230	\$ 0.0202	\$ 0.0015	\$ 0.0217	\$ 0.0006	\$ 0.03	
	1/2 OZ	\$ 0.0136	\$ 0.0141		\$ 0.0001	\$ 0.0003	\$ 0.0281	\$ 0.0010	\$ 0.0291	\$ (0.0018)	\$ 0.0033	\$ 0.0306	\$ 0.0269	\$ 0.0020	\$ 0.0289	\$ 0.0008	\$ 0.04	
3/4 OZ	\$ 0.0204	\$ 0.0212		\$ 0.0002	\$ 0.0004	\$ 0.0422	\$ 0.0015	\$ 0.0437	\$ (0.0027)	\$ 0.0050	\$ 0.0460	\$ 0.0405	\$ 0.0030	\$ 0.0435	\$ 0.0012	\$ 0.05		
LIGHT CREAM	1/2 GALLON	\$ 2.3913	\$ 0.3938	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 2.7877	\$ 0.1011	\$ 2.8888	\$ (0.2332)	\$ 0.4268	\$ 3.0824	\$ 2.7125	\$ 0.2538	\$ 2.9663	\$ 0.0823	\$ 3.09	
	QUART	\$ 1.2309	\$ 0.1969	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 1.4833	\$ 0.0538	\$ 1.5371	\$ (0.1166)	\$ 0.2134	\$ 1.6339	\$ 1.4378	\$ 0.1269	\$ 1.5647	\$ 0.0434	\$ 1.64	
	PINT	\$ 0.6670	\$ 0.0985	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.8523	\$ 0.0309	\$ 0.8832	\$ (0.0583)	\$ 0.1067	\$ 0.9316	\$ 0.8198	\$ 0.0635	\$ 0.8833	\$ 0.0245	\$ 0.94	
	12 OUNCE	\$ 0.4703	\$ 0.0738	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.5884	\$ 0.0213	\$ 0.6097	\$ (0.0437)	\$ 0.0800	\$ 0.6460	\$ 0.5685	\$ 0.0476	\$ 0.6161	\$ 0.0171	\$ 0.65	
	10 OUNCE	\$ 0.3938	\$ 0.0615	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.4748	\$ 0.0172	\$ 0.4920	\$ (0.0389)	\$ 0.0711	\$ 0.5242	\$ 0.4613	\$ 0.0397	\$ 0.5010	\$ 0.0139	\$ 0.53	
	1/2 PINT	\$ 0.3054	\$ 0.0492	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.3967	\$ 0.0144	\$ 0.4111	\$ (0.0292)	\$ 0.0534	\$ 0.4353	\$ 0.3831	\$ 0.0317	\$ 0.4148	\$ 0.0115	\$ 0.44	
	4 OUNCE	\$ 0.1620	\$ 0.0246	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.2308	\$ 0.0084	\$ 0.2392	\$ (0.0146)	\$ 0.0267	\$ 0.2513	\$ 0.2211	\$ 0.0159	\$ 0.2370	\$ 0.0066	\$ 0.26	
	DISP./QT.	\$ 1.1705	\$ 0.1969	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 1.4971	\$ 0.0543	\$ 1.5514	\$ (0.1166)	\$ 0.2134	\$ 1.6482	\$ 1.4504	\$ 0.1269	\$ 1.5773	\$ 0.0438	\$ 1.65	
MEDIUM CREAM	1/2 GALLON	\$ 3.1954	\$ 0.3938	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 3.5918	\$ 0.1303	\$ 3.7221	\$ (0.2332)	\$ 0.4268	\$ 3.9157	\$ 3.4458	\$ 0.2538	\$ 3.6996	\$ 0.1027	\$ 3.92	
	QUART	\$ 1.6329	\$ 0.1969	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 1.8853	\$ 0.0684	\$ 1.9537	\$ (0.1166)	\$ 0.2134	\$ 2.0505	\$ 1.8044	\$ 0.1269	\$ 1.9313	\$ 0.0536	\$ 2.06	
	PINT	\$ 0.8680	\$ 0.0985	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 1.0533	\$ 0.0382	\$ 1.0915	\$ (0.0583)	\$ 0.1067	\$ 1.1399	\$ 1.0031	\$ 0.0635	\$ 1.0666	\$ 0.0296	\$ 1.14	
	12 OUNCE	\$ 0.6211	\$ 0.0738	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.7392	\$ 0.0268	\$ 0.7660	\$ (0.0437)	\$ 0.0800	\$ 0.8023	\$ 0.7060	\$ 0.0476	\$ 0.7536	\$ 0.0209	\$ 0.81	
	10 OUNCE	\$ 0.5194	\$ 0.0615	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.6004	\$ 0.0218	\$ 0.6222	\$ (0.0389)	\$ 0.0711	\$ 0.6544	\$ 0.5759	\$ 0.0397	\$ 0.6156	\$ 0.0171	\$ 0.66	
	1/2 PINT	\$ 0.4060	\$ 0.0492	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.4973	\$ 0.0180	\$ 0.5153	\$ (0.0292)	\$ 0.0534	\$ 0.5395	\$ 0.4748	\$ 0.0317	\$ 0.5065	\$ 0.0141	\$ 0.54	
	4 OUNCE	\$ 0.2122	\$ 0.0246	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.2810	\$ 0.0102	\$ 0.2912	\$ (0.0146)	\$ 0.0267	\$ 0.3033	\$ 0.2669	\$ 0.0159	\$ 0.2828	\$ 0.0078	\$ 0.31	
	DISP./QT.	\$ 1.5725	\$ 0.1969	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 1.8991	\$ 0.0689	\$ 1.9680	\$ (0.1166)	\$ 0.2134	\$ 2.0648	\$ 1.8170	\$ 0.1269	\$ 1.9439	\$ 0.0539	\$ 2.07	
HEAVY CREAM	1/2 GALLON	\$ 3.5855	\$ 0.3938	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 3.9819	\$ 0.1444	\$ 4.1263	\$ (0.2332)	\$ 0.4268	\$ 4.3199	\$ 3.8015	\$ 0.2538	\$ 4.0553	\$ 0.1125	\$ 4.32	
	QUART	\$ 1.8279	\$ 0.1969	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 2.0803	\$ 0.0755	\$ 2.1558	\$ (0.1166)	\$ 0.2134	\$ 2.2526	\$ 1.9823	\$ 0.1269	\$ 2.1092	\$ 0.0585	\$ 2.26	
	PINT	\$ 0.9655	\$ 0.0985	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 1.1508	\$ 0.0417	\$ 1.1925	\$ (0.0583)	\$ 0.1067	\$ 1.2409	\$ 1.0920	\$ 0.0635	\$ 1.1555	\$ 0.0321	\$ 1.25	
	12 OUNCE	\$ 0.6942	\$ 0.0738	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.8123	\$ 0.0295	\$ 0.8418	\$ (0.0437)	\$ 0.0800	\$ 0.8781	\$ 0.7727	\$ 0.0476	\$ 0.8203	\$ 0.0228	\$ 0.88	
	10 OUNCE	\$ 0.5804	\$ 0.0615	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.6614	\$ 0.0240	\$ 0.6854	\$ (0.0389)	\$ 0.0711	\$ 0.7176	\$ 0.6315	\$ 0.0397	\$ 0.6712	\$ 0.0186	\$ 0.72	
	1/2 PINT	\$ 0.4547	\$ 0.0492	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.5460	\$ 0.0198	\$ 0.5658	\$ (0.0292)	\$ 0.0534	\$ 0.5900	\$ 0.5192	\$ 0.0317	\$ 0.5509	\$ 0.0153	\$ 0.60	
	4 OUNCE	\$ 0.2366	\$ 0.0246	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.3054	\$ 0.0111	\$ 0.3165	\$ (0.0146)	\$ 0.0267	\$ 0.3286	\$ 0.2892	\$ 0.0159	\$ 0.3051	\$ 0.0085	\$ 0.33	
	DISP./QT.	\$ 1.7675	\$ 0.1969	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 2.0941	\$ 0.0760	\$ 2.1701	\$ (0.1166)	\$ 0.2134	\$ 2.2669	\$ 1.9949	\$ 0.1269	\$ 2.1218	\$ 0.0589	\$ 2.27	
SOUR CREAM	1/2 GALLON	\$ 2.2611	\$ 1.3896	\$ (0.0422)	\$ 0.0128	\$ 0.0320	\$ 3.6533	\$ 0.1325	\$ 3.7858	\$ (0.2332)	\$ 0.4268	\$ 3.9794	\$ 3.5019	\$ 0.2538	\$ 3.7557	\$ 0.1042	\$ 3.98	
	QUART	\$ 1.1306	\$ 0.6948	\$ 0.0331	\$ 0.0064	\$ 0.0160	\$ 1.8809	\$ 0.0682	\$ 1.9491	\$ (0.1166)	\$ 0.2134	\$ 2.0459	\$ 1.8004	\$ 0.1269	\$ 1.9273	\$ 0.0535	\$ 2.05	
	PINT	\$ 0.5653	\$ 0.3474	\$ 0.0756	\$ 0.0032	\$ 0.0080	\$ 0.9995	\$ 0.0363	\$ 1.0358	\$ (0.0583)	\$ 0.1067	\$ 1.0842	\$ 0.9541	\$ 0.0635	\$ 1.0176	\$ 0.0282	\$ 1.09	
	12 OUNCE	\$ 0.4240	\$ 0.2606	\$ 0.0359	\$ 0.0024	\$ 0.0060	\$ 0.7289	\$ 0.0264	\$ 0.7553	\$ (0.0437)	\$ 0.0800	\$ 0.7916	\$ 0.6966	\$ 0.0476	\$ 0.7442	\$ 0.0207	\$ 0.80	
	10 OUNCE	\$ 0.3533	\$ 0.2171	\$ 0.0125	\$ 0.0020	\$ 0.0050	\$ 0.5899	\$ 0.0214	\$ 0.6113	\$ (0.0389)	\$ 0.0711	\$ 0.6435	\$ 0.5663	\$ 0.0397	\$ 0.6060	\$ 0.0168	\$ 0.65	
	1/2 PINT	\$ 0.2826	\$ 0.1737	\$ 0.0365	\$ 0.0016	\$ 0.0040	\$ 0.4984	\$ 0.0181	\$ 0.5165	\$ (0.0292)	\$ 0.0534	\$ 0.5407	\$ 0.4758	\$ 0.0317	\$ 0.5075	\$ 0.0141	\$ 0.55	
	4 OUNCE	\$ 0.1414	\$ 0.0869	\$ 0.0414	\$ 0.0008	\$ 0.0020	\$ 0.2725	\$ 0.0099	\$ 0.2824	\$ (0.0146)	\$ 0.0267	\$ 0.2945	\$ 0.2592	\$ 0.0159	\$ 0.2751	\$ 0.0076	\$ 0.30	
	DISP./QT.	\$ 1.1306	\$ 0.6948	\$ 0.1073	\$ 0.0064	\$ 0.0160	\$ 1.9551	\$ 0.0709	\$ 2.0260	\$ (0.1166)	\$ 0.2134	\$ 2.1228	\$ 1.8681	\$ 0.1269	\$ 1.9950	\$ 0.0554	\$ 2.13	

AREA 5

PENNSYLVANIA MILK MARKETING BOARD
WESTERN MILK MARKETING AREA
MINIMUM WHOLESALE PRICES
SCHEDULE I

	CLASS I	CLASS II
SKIM RATE	\$ 18.97	\$ 11.74
BUTTERFAT RATE	\$ 1.7396	\$ 1.7645

August-2008

OGO-A954

DESCRIPTION	PRODUCT CODE	BUTTERFAT % RANGE		BULK PER QT. EQUIV.	NON-RETURNABLE								
		LOW	HIGH		/1/	/2/	QUART	PINT	12 OZ.	10 OZ.	/4/	4 OZ.	
					GAL.	1/2 GAL.					1/2 PT.		
STANDARD MILK	400	3.10	6.00	\$ 1.0712	\$ 3.7291	\$ 1.9286	\$ 1.0569	\$ 0.6431	\$ 0.4298	\$ 0.3439	\$ 0.2911	\$ 0.1791	
REDUCED FAT MILK, 2% MILKFAT	800	1.50	3.09	\$ 1.0274	\$ 3.5536	\$ 1.8409	\$ 1.0131	\$ 0.6211	\$ 0.4133	\$ 0.3302	\$ 0.2802	\$ 0.1737	
LOWFAT MILK, 1% MILKFAT	900	0.50	1.49	\$ 0.9941	\$ 3.4206	\$ 1.7743	\$ 0.9798	\$ 0.6046	\$ 0.4009	\$ 0.3199	\$ 0.2719	\$ 0.1695	
NONFAT MILK	1200	0.00	0.49	\$ 0.9696	\$ 3.3225	\$ 1.7253	\$ 0.9553	\$ 0.5922	\$ 0.3916	\$ 0.3122	\$ 0.2658	\$ 0.1664	
FLAVORED MILK	500	3.10	6.00	\$ 1.0924	\$ 3.8139	\$ 1.9710	\$ 1.0781	\$ 0.6537	\$ 0.4378	\$ 0.3505	\$ 0.2964	\$ 0.1818	
FLAVORED REDUCED FAT MILK	600	0.00	3.09	\$ 1.0220	\$ 3.5321	\$ 1.8301	\$ 1.0077	\$ 0.6185	\$ 0.4113	\$ 0.3286	\$ 0.2788	\$ 0.1730	
BUTTERMILK	1000	0.00	6.00	\$ 1.0836	\$ 3.7788	\$ 1.9534	\$ 1.0693	\$ 0.6493	\$ 0.4344	\$ 0.3478	\$ 0.2943	\$ 0.1807	
EGG NOG	510	0.00	17.99	\$ 1.4369	\$ 5.1918	\$ 2.6599	\$ 1.4226	\$ 0.8259	\$ 0.5669	\$ 0.4582	\$ 0.3825	\$ 0.2248	
MIXED MILK /3/	1500	6.01	17.99	\$ 1.3757		\$ 2.5374	\$ 1.3614	\$ 0.7953	\$ 0.5440	\$ 0.4390	\$ 0.3672	\$ 0.2173	
LIGHT CREAM	1700	18.00	29.99	\$ 1.6482		\$ 3.0824	\$ 1.6339	\$ 0.9316	\$ 0.6460	\$ 0.5242	\$ 0.4353	\$ 0.2513	
MEDIUM CREAM	1800	30.00	35.99	\$ 2.0648		\$ 3.9157	\$ 2.0505	\$ 1.1399	\$ 0.8023	\$ 0.6544	\$ 0.5395	\$ 0.3033	
HEAVY CREAM	1900	36.00	50.00	\$ 2.2669		\$ 4.3199	\$ 2.2526	\$ 1.2409	\$ 0.8781	\$ 0.7176	\$ 0.5900	\$ 0.3286	
SOUR CREAM /5/	1600	0.00	29.99	\$ 2.1228	\$0.9978 / LB.		\$ 3.9794	\$ 2.0459	\$ 1.0842	\$ 0.7916	\$ 0.6435	\$ 0.5407	\$ 0.2945

- /1/ DEDUCT \$0.06 IF SOLD IN REUSABLE CONTAINER WITH A 50 CENT DEPOSIT.
- /2/ DEDUCT \$0.04 IF SOLD IN REUSABLE CONTAINER WITH A 40 CENT DEPOSIT.
- /3/ MIXED MILK PRICES: 3/8 OZ. - \$ 0.0230 Case of 400 = \$ 9.20
 1/2 OZ. - \$ 0.0306 Case of 300 = \$ 9.18
- /4/ ADD \$ 0.0368 WHEN SOLD IN RIGID PLASTIC CONTAINERS
- /5/ SOUR CREAM 5 LBS - \$ 4.9890 10 LBS - \$ 9.9779

AREA 5

PENNSYLVANIA MILK MARKETING BOARD
WESTERN MILK MARKETING AREA
MINIMUM RETAIL OUT-OF-STORE (CASH AND CARRY)
SCHEDULE II /4/

August-2008

OGO A-954

DESCRIPTION	PRODUCT CODE	BUTTERFAT % RANGE		BULK PER QT. EQUIV.	NON-RETURNABLE							
		LOW	HIGH		/1/	/2/	QUART	PINT	12 OZ.	10 OZ.	/5/	4 OZ.
					GAL.	1/2 GAL.					1/2 PT.	
STANDARD MILK	400	3.10	6.00	\$ 1.10	\$ 3.89	\$ 2.01	\$ 1.09	\$ 0.65	\$ 0.44	\$ 0.35	\$ 0.30	\$ 0.18
REDUCED FAT MILK, 2% MILKFAT	800	1.50	3.09	\$ 1.06	\$ 3.74	\$ 1.93	\$ 1.05	\$ 0.63	\$ 0.42	\$ 0.34	\$ 0.29	\$ 0.18
LOWFAT MILK, 1% MILKFAT	900	0.50	1.49	\$ 1.03	\$ 3.62	\$ 1.87	\$ 1.02	\$ 0.61	\$ 0.41	\$ 0.33	\$ 0.28	\$ 0.17
NONFAT MILK	1200	0.00	0.49	\$ 1.01	\$ 3.53	\$ 1.82	\$ 0.99	\$ 0.60	\$ 0.40	\$ 0.32	\$ 0.27	\$ 0.17
FLAVORED MILK	500	3.10	6.00	\$ 1.12	\$ 3.97	\$ 2.04	\$ 1.11	\$ 0.66	\$ 0.44	\$ 0.36	\$ 0.30	\$ 0.19
FLAVORED REDUCED FAT MILK	600	0.00	3.09	\$ 1.05	\$ 3.72	\$ 1.92	\$ 1.04	\$ 0.62	\$ 0.42	\$ 0.34	\$ 0.28	\$ 0.18
BUTTERMILK	1000	0.00	6.00	\$ 1.11	\$ 3.94	\$ 2.03	\$ 1.10	\$ 0.65	\$ 0.44	\$ 0.36	\$ 0.30	\$ 0.19
EGG NOG	510	0.00	17.99	\$ 1.44	\$ 5.22	\$ 2.67	\$ 1.43	\$ 0.83	\$ 0.57	\$ 0.46	\$ 0.39	\$ 0.23
MIXED MILK	1500	6.01	17.99	\$ 1.38		\$ 2.56	\$ 1.37	\$ 0.80	\$ 0.55	\$ 0.44	\$ 0.37	\$ 0.22
LIGHT CREAM	1700	18.00	29.99	\$ 1.65		\$ 3.09	\$ 1.64	\$ 0.94	\$ 0.65	\$ 0.53	\$ 0.44	\$ 0.26
MEDIUM CREAM	1800	30.00	35.99	\$ 2.07		\$ 3.92	\$ 2.06	\$ 1.14	\$ 0.81	\$ 0.66	\$ 0.54	\$ 0.31
HEAVY CREAM	1900	36.00	50.00	\$ 2.27		\$ 4.32	\$ 2.26	\$ 1.25	\$ 0.88	\$ 0.72	\$ 0.60	\$ 0.33
SOUR CREAM /3/	1600	0.00	29.99	\$ 2.13		\$ 3.98	\$ 2.05	\$ 1.09	\$ 0.80	\$ 0.65	\$ 0.55	\$ 0.30

/1/ DEDUCT \$0.06 IF SOLD IN REUSABLE CONTAINER WITH A 50 CENT DEPOSIT.

/2/ DEDUCT \$0.04 IF SOLD IN REUSABLE CONTAINER WITH A 40 CENT DEPOSIT.

/3/ SOUR CREAM - 5 LBS. - \$ 5.06 10 LBS. - \$ 10.13

/4/ ADD \$0.0425 PER QUART FOR HOME-DELIVERED MILK

/5/ ADD \$ 0.04 WHEN SOLD IN RIGID PLASTIC CONTAINERS

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 5**

Diesel Fuel Costs Adjustment

Update of Diesel Fuel Costs from Year 2007 to June 2008

1. Weighted Diesel Fuel Costs - Year 2007	\$	4,457,744
2. Average On-Highway Diesel Price per Gallon - Year 2007 ⁽¹⁾	\$	2.9654
3. On-Highway Diesel Price per Gallon - June 2008 ⁽¹⁾	\$	4.8626
4. Percent Increase In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)		63.98%
5. Presumed Diesel Fuel Costs - June 2008 ((Line 1 X Line 4) + Line 1)	<u>\$</u>	<u>7,309,715</u>
6. Increase in Diesel Fuel Costs from Year 2007 to June 2008 (Line 5 - Line 1)	\$	2,851,970
7. Weighted Delivery Points - Year 2007		<u>296,126,447</u>
8. Diesel Fuel Costs Increase per Delivery Point (Line 6 ÷ Line 7)	<u>\$</u>	<u>0.0096</u>

Footnote:

1. Source: 'Weekly Retail On-Highway Diesel Prices' per Energy Information Administration website.
web address = http://tonto.eia.doe.gov/oog/info/wohdp/diesel_detail_report_combined.asp

PENNSYLVANIA MILK MARKETING BOARD MILK MARKETING AREA 5

Heating Fuel Costs Adjustment

Update of Heating Fuel Costs from Year 2007 to April 2008

1. Weighted Heating Fuel Costs - Year 2007	\$	728,669
2. Pennsylvania Average Natural Gas Price - Industrial - Year 2007 ⁽¹⁾	\$	11.80
3. Pennsylvania Average Natural Gas Price - Industrial - April 2008 ⁽¹⁾	\$	11.94
4. Percent Increase In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		1.19%
5. Presumed Heating Fuel Costs - April 2008 ((Line 1 X Line 4) + Line 1)	\$	<u>737,340</u>
6. Increase in Heating Fuel Costs from Year 2007 to April 2008 (Line 5 - Line 1)	\$	8,671
7. Weighted Standardization & Pasteurization (S&P) Points - Year 2007		<u>279,075,236</u>
8. Heating Fuel Costs Increase per S&P Point (Line 6 ÷ Line 7)	\$	<u><u>-</u></u>

Footnote:

1. Source: Pennsylvania Natural Gas Industrial Price per Energy Information Administration website.
web address = <http://tonto.eia.doe.gov/dnav/ng/hist/n3035pa3m.htm>