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Commonwealth of Pennsylvania
Milk Marketing Board
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Official General
Order No. A-993 (CRO 9)

Posted: January 15, 2025
Effective: February 1, 2025

**COST REPLACEMENT ORDER FOR THE
SOUTHEASTERN MILK MARKETING AREA, AREA 1**

NOW, this 15th day of January 2025, the Commonwealth of Pennsylvania, Milk Marketing Board, issues this official general order pursuant to the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 – 700j-1204. This order will become effective at 12:01 a.m. on February 1, 2025.

**SECTION A
INCORPORATION**

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

**SECTION B
SCOPE**

(a) The costs adopted by the Board in this order will replace the costs for these cost centers embodied in Official General Order (OGO) A-993 (CRO 8) and will be incorporated into the wholesale and retail prices of price-controlled packaged products sold in Milk Marketing Area 1, as defined in Section B of OGO A-993.

- (b) The rate of return for dealers is 3.5%.
- (c) The rate of return to retailers is 2.5%.

SECTION C
EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-993

All parts of Official General Order A-993 not inconsistent with Section B of this order continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

Robert N. Barley, Chairman

James A. Van Blarcom, Member

Kristi Kassimer Harper, Consumer Member

Date: January 15, 2025

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FINDINGS OF FACT AND CONCLUSIONS OF LAW
COST REPLACEMENT HEARING FOR MILK MARKETING AREA NO. 1

I. FINDINGS OF FACT

1. On December 4, 2024, the Pennsylvania Milk Marketing Board (“Board”) held a cost replacement hearing for Milk Marketing Area No. 1.

2. Notice of the hearing was published at 54 Pennsylvania Bulletin 5961 on September 14, 2024. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1647, dated September 4, 2024. The hearing notice enumerated the scope of evidence that the Board would receive.

3. The dealer cross-section used by both Board Staff and the Area 1 Milk Dealers (“Dealers”), the only parties to present dealer cost information, consisted of Clover Farms Dairy Company; DFA Dairy Brands Fluid, LLC – Lansdale; Valley Farms Dairy, LLC; Wawa Beverage Company, and Milk Industry Management Corporation t/a Balford Farms.

4. Gary Gojsovich, testifying on behalf of Board Staff as an expert in milk industry accounting and regulation, testified that the cross section was representative of the dealers doing business in Area 1. Alexandra Deimler, testifying on behalf of the Dealers as an expert in cost accounting and milk cost accounting, agreed that the cross section was representative of dealers doing business in Area 1. Based on the testimony of Mr. Gojsovich and Ms. Deimler, the Board finds that the dealer cross section used by both Board Staff and Dealers is representative of dealers doing business in Area 1.

5. Mr. Gojsovich testified that the cross-section dealers incurred a cost of \$0.3816 per point for processing, packaging, and delivering milk in 2023. Ms. Deimler agreed. The Board finds that the cross section dealers incurred a cost of \$0.3816 per point for processing, packaging, and delivery, and further finds that \$0.3816 is the processing, packaging, and delivery cost that should be used in this order.

6. Mr. Gojsovich testified to the following 2024 ingredient costs, based on year 2023 pounds: Standard Milk - \$0.0001/lb; Reduced Fat Milk - \$0.0004/lb; Low Fat Milk - \$0.0004/lb; Non-Fat Milk - \$0.0005/lb; Flavored Milk - \$0.1013/lb; Flavored Reduced Fat Milk - \$0.0535/lb; Flavored Non-Fat Milk - \$0.0447/lb; Buttermilk - \$0.0061/lb; Egg Nog - \$0.2064/lb. Ms. Deimler agreed. The Board finds that these ingredient costs should be used in this order.

7. Mr. Gojsovich presented evidence regarding the cost update for labor, insurance, and utility costs of \$0.0119 per point between the first halves of 2023 and 2024. Ms. Deimler agreed. We find that \$0.0119 should be used in this order.

8. Mr. Gojsovich and Ms. Deimler recommended that the area-specific adjustment to minimum wholesale and retail prices to account for monthly changes in diesel fuel costs

continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 8 and attached to this order as Attachment 1.

9. Mr. Gojsovich and Ms. Deimler recommended that the area-specific adjustment to minimum wholesale and retail prices to account for monthly changes in heating fuel costs continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 9 and attached to this order as Attachment 2.

10. Mr. Gojsovich testified that the cross section dealers incurred a cost of \$0.0126 per pound attributable to shrinkage and sales of bulk products during 2023. Ms. Deimler agreed. The Board finds that the cost of shrinkage and sales of bulk products to be used in this order should be \$0.0126 per pound.

11. Based on the testimony of Mr. Gojsovich the Board finds that the base container costs and base weighted units presented by Mr. Gojsovich in Staff Exhibit 3 should replace those used in the current order. The weighted costs are found in Column C and the weighted units are found in Column D of Staff Exhibit 3. Staff Exhibit 3 is attached to this order as Attachment 3. Ms. Deimler agreed with Mr. Gojsovich's analysis.

Both Mr. Gojsovich and Ms. Deimler testified that container costs should continue to be updated monthly. The Board agrees and finds that container costs should continue to be updated monthly using the audited surveys submitted by the cross section dealers and based on the base weighted costs and weighted units testified to by Mr. Gojsovich and found in Attachment 3. The Board also finds that the weighted shrinkage factor should continue to be applied to container costs.

The Board further finds that minimum resale prices for products sold in half pint containers should be calculated using the paper container cost for products sold in paper containers and by applying a plastic add-on to the paper container cost for products sold in rigid plastic containers.

12. Mr. Gojsovich testified that the container efficiency adjustment should be updated. Ms. Deimler agreed.

Based on year 2023 container sales and year 2023 costs per point for the bottling, cold room, and delivery cost centers, Mr. Gojsovich calculated the following container efficiency adjustments:

Gallon	\$0.0947)
Half Gallon	\$0.0454)
Quart	\$0.0486523
Pint	\$0.1044
Half Pint	\$0.0234
4 ounce	\$0.0358
Bulk (per quart)	\$0.3026

The Board finds that the container efficiency adjustments should be updated as presented by Mr. Gojsovich.

13. No party presented evidence regarding 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.

14. Ms. Deimler recommended that the Board maintain the rate of return at 3.5%. She testified that the rate of return serves as an important factor in the ability of Pennsylvania's fluid milk processors to maintain and invest in their operations. She also testified that maintaining the current rate of return is important for consistency and stability when the fresh fluid milk industry continues to face a difficult business environment.

Based on Ms. Deimler's persuasive and credible testimony, the Board finds that the rate of return should remain at 3.5%

15. No evidence was presented at this hearing regarding retail prices. Since no evidence was presented, the Board finds that the current retail rate of return of 2.5% should remain in place and further finds that the monthly CPI adjustment to current in-store handling costs remain in effect.

II. CONCLUSIONS OF LAW

1. The December 4, 2024, cost replacement hearing for Milk Marketing Area No. 1 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. 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

Robert N. Barley, Chairman

James A. Van Blarcom, Member

Kristi Kassimer Harper, Consumer Member

Date: January 15, 2025

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**PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1**

Diesel Fuel Costs Adjustment

Update of Diesel Fuel Costs from YEAR 2023 to AUGUST 2024

1. Weighted Diesel Fuel Costs - YEAR 2023	\$	1,834,730
2. Average On-Highway Diesel Price per Gallon - YEAR 2023 (1)	\$	4.541
3. On-Highway Diesel Price per Gallon - AUGUST 2024 (1)	\$	3.952
4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)		-12.97%
5. Presumed Diesel Fuel Costs - AUGUST 2024 ((Line 1 X Line 4) + Line 1)	\$	<u>1,596,752</u>
6. Change in Diesel Fuel Costs from YEAR 2023 to AUGUST 2024 (Line 5 - Line 1)	\$	(237,978)
7. Weighted Delivery Points - YEAR 2023		<u>169,126,235</u>
8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7)	\$	<u>(0.0014)</u>

Footnote:

1. Source: 'Weekly Retail On-Highway Diesel Prices' per Energy Information Administration website.
web address = https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r1y_w.htm

**PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1**

Heating Fuel Costs Adjustment

Update of Heating Fuel Costs from YEAR 2023 to JUNE 2024

1. Weighted Heating Fuel Costs - YEAR 2023	\$	245,035
2. Pennsylvania Average Natural Gas Price - Industrial - YEAR 2023 (1)	\$	10.76
3. Pennsylvania Average Natural Gas Price - Industrial - JUNE 2024 (1)	\$	9.81
4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		-8.83%
5. Presumed Heating Fuel Costs - JUNE 2024 ((Line 1 X Line 4) + Line 1)	\$	<u>223,398</u>
6. Change in Heating Fuel Costs from YEAR 2023 to JUNE 2024 (Line 5 - Line 1)	\$	(21,637)
7. Weighted Standardization & Pasteurization (S&P) Points - YEAR 2023		<u>122,596,595</u>
8. Change in Heating Fuel Costs per S&P Point (Line 6 ÷ Line 7)	\$	<u>(0.0002)</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>

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

CONTAINER COSTS
YEAR 2023 UNITS (@ APRIL 2024 COSTS)

A	B	C	D	E	F	G	H
				(C ÷ D)			(F x (1+G))
Container Size	Blow Molded or Purchased	Weighted Costs	Weighted Units	Weighted Cost per Unit	Updated (to OCT-2024) Cost per Unit	Weighted Shrinkage Factor (%)	Adjusted for Shrinkage Cost per Unit
GALLON	Plastic	Blow Molded	\$ 1,276,465	6,548,998	\$ 0.1949		
		Purchased	\$ 977,691	3,211,983	\$ 0.3044		
			\$ 2,254,156	9,760,981	\$ 0.2309	\$ 0.2341	1.81% \$ 0.2383
1/2 GALLON	Plastic	Blow Molded	\$ 973,499	6,977,985	\$ 0.1395		
		Purchased	\$ 845,778	3,594,549	\$ 0.2353		
	Paper	Purchased	\$ -	-	\$ -		
	Combined		\$ 1,819,277	10,572,534	\$ 0.1721	\$ 0.1746	1.82% \$ 0.1778
QUART	Plastic	Purchased	\$ 1,019,909	5,906,534	\$ 0.1727		
	Paper	Purchased	\$ 2,287	14,216	\$ 0.1609		
	Combined		\$ 1,022,196	5,920,750	\$ 0.1726	\$ 0.1764	1.57% \$ 0.1792
PINT	Plastic	Purchased	\$ 474,435	4,140,941	\$ 0.1146		
	Paper	Purchased	\$ -	-	\$ -		
	Combined		\$ 474,435	4,140,941	\$ 0.1146	\$ 0.1166	1.62% \$ 0.1185
12 Ounce ⁽¹⁾		Purchased			\$ 0.0361	\$ 0.0361	\$ 0.0361
10 Ounce ⁽¹⁾		Purchased			\$ 0.0301	\$ 0.0301	\$ 0.0301
1/2 PINT	Plastic ⁽¹⁾	Purchased			\$ 0.0846	\$ 0.0846	0.92% \$ 0.0854
	Paper	Purchased	\$ 675,503	24,266,026	\$ 0.0278	\$ 0.0305	0.85% \$ 0.0308
4 Ounce	Paper	Purchased	\$ 25,362	895,946	\$ 0.0283	\$ 0.0283	1.53% \$ 0.0287
Bulk Per Quart		Purchased	\$ 23,895	279,520	\$ 0.0855	\$ 0.0855	1.30% \$ 0.0866

Footnote:

1. None of the Area 1 cross-section Dealers bottled price-Controlled product in this size container during Year 2023. The cost per unit presented is per a prior year.

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

MILK COSTS BEFORE PACKAGING
OCTOBER 2024 MILK COSTS

Class I	
Skim Rate	\$ 15.59
Butterfat Rate	\$ 3.6843

Product Description	Product Pounds	A	B	C (B ÷ A)	D (A - B)	E (B X BF Rate)	F (D X Skim Rate)	G (E + F)	H (G ÷ A)	I (EX. 4)	J (EX. 5)	K (H + I + J)
		Butterfat		Skim	Butterfat	Skim	Total	Cost per Pound	Ingredient Cost	Bulk Sale Cost	Total Cost per Pound	
		Pounds	Percentage	Pounds	Value	Value	Value	Pound	(Profit)/Loss			
Standard (Whole) Milk	65,922,496	2,174,697	3.2989%	63,747,799	\$ 8,012,236	\$ 9,938,282	\$ 17,950,518	\$ 0.2723	\$ 0.0001	\$ 0.0126	\$ 0.2850	
Reduced Fat (2%) Milk	42,900,019	823,069	1.9186%	42,076,950	\$ 3,032,433	\$ 6,559,797	\$ 9,592,230	\$ 0.2236	\$ 0.0004	\$ 0.0126	\$ 0.2366	
Low Fat (1%) Milk	22,092,536	209,634	0.9489%	21,882,902	\$ 772,355	\$ 3,411,544	\$ 4,183,899	\$ 0.1894	\$ 0.0004	\$ 0.0126	\$ 0.2024	
Non Fat (Skim) Milk	12,358,876	10,903	0.0882%	12,347,973	\$ 40,170	\$ 1,925,049	\$ 1,965,219	\$ 0.1590	\$ 0.0005	\$ 0.0126	\$ 0.1721	
Flavored Milk	1,458,744	54,064	3.7062%	1,404,680	\$ 199,188	\$ 218,990	\$ 418,178	\$ 0.2867	\$ 0.1013	\$ 0.0126	\$ 0.4006	
Flavored Reduced Fat Milk	5,757,544	56,596	0.9830%	5,700,948	\$ 208,517	\$ 888,778	\$ 1,097,295	\$ 0.1906	\$ 0.0535	\$ 0.0126	\$ 0.2567	
Flavored NONFAT Milk	6,635,543	5,653	0.0852%	6,629,890	\$ 20,827	\$ 1,033,600	\$ 1,054,427	\$ 0.1589	\$ 0.0447	\$ 0.0126	\$ 0.2162	
Buttermilk	314,266	5,908	1.8799%	308,358	\$ 21,767	\$ 48,073	\$ 69,840	\$ 0.2222	\$ 0.0061	\$ 0.0126	\$ 0.2409	
Egg Nog	202,914	14,346	7.0700%	188,568	\$ 52,855	\$ 29,398	\$ 82,253	\$ 0.4054	\$ 0.2064	\$ 0.0126	\$ 0.6244	

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2024 MILK PRICES

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D EX. 10	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)
STANDARD (WHOLE) MILK													
GALLON	\$ 2.4510	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 4.1642	\$ 0.1510	\$ 4.3152	\$ (0.5068)	\$ 1.0552	\$ 4.8636	\$ 4.8183	\$ 0.0453
1/2 GALLON	\$ 1.2255	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 2.1427	\$ 0.0777	\$ 2.2204	\$ (0.2534)	\$ 0.5276	\$ 2.4946	\$ 2.4726	\$ 0.0220
QUART	\$ 0.6128	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.2330	\$ 0.0447	\$ 1.2777	\$ (0.1267)	\$ 0.2638	\$ 1.4148	\$ 1.4092	\$ 0.0056
PINT	\$ 0.3064	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.7255	\$ 0.0263	\$ 0.7518	\$ (0.0634)	\$ 0.1319	\$ 0.8203	\$ 0.7913	\$ 0.0290
12 OUNCE	\$ 0.2298	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.4131	\$ 0.0150	\$ 0.4281	\$ (0.0475)	\$ 0.0989	\$ 0.4795	\$ 0.4743	\$ 0.0052
10 OUNCE	\$ 0.1915	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.3443	\$ 0.0125	\$ 0.3568	\$ (0.0396)	\$ 0.0824	\$ 0.3996	\$ 0.3953	\$ 0.0043
1/2 PINT	\$ 0.1532	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.3055	\$ 0.0111	\$ 0.3166	\$ (0.0317)	\$ 0.0660	\$ 0.3509	\$ 0.3440	\$ 0.0069
4 OUNCE	\$ 0.0766	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1902	\$ 0.0069	\$ 0.1971	\$ (0.0158)	\$ 0.0330	\$ 0.2143	\$ 0.2060	\$ 0.0083
Bulk per Quart	\$ 0.6128	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.3944	\$ 0.0506	\$ 1.4450	\$ (0.1267)	\$ 0.2638	\$ 1.5821	\$ 1.5097	\$ 0.0724
REDUCED FAT (2%) MILK													
GALLON	\$ 2.0395	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.7527	\$ 0.1361	\$ 3.8888	\$ (0.5068)	\$ 1.0552	\$ 4.4372	\$ 4.3812	\$ 0.0560
1/2 GALLON	\$ 1.0197	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.9369	\$ 0.0702	\$ 2.0071	\$ (0.2534)	\$ 0.5276	\$ 2.2813	\$ 2.2541	\$ 0.0272
QUART	\$ 0.5099	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.1301	\$ 0.0410	\$ 1.1711	\$ (0.1267)	\$ 0.2638	\$ 1.3082	\$ 1.2999	\$ 0.0083
PINT	\$ 0.2549	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6740	\$ 0.0244	\$ 0.6984	\$ (0.0634)	\$ 0.1319	\$ 0.7669	\$ 0.7367	\$ 0.0302
12 OUNCE	\$ 0.1912	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3745	\$ 0.0136	\$ 0.3881	\$ (0.0475)	\$ 0.0989	\$ 0.4395	\$ 0.4334	\$ 0.0061
10 OUNCE	\$ 0.1593	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.3121	\$ 0.0113	\$ 0.3234	\$ (0.0396)	\$ 0.0824	\$ 0.3662	\$ 0.3611	\$ 0.0051
1/2 PINT	\$ 0.1275	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2798	\$ 0.0101	\$ 0.2899	\$ (0.0317)	\$ 0.0660	\$ 0.3242	\$ 0.3167	\$ 0.0075
4 OUNCE	\$ 0.0637	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1773	\$ 0.0064	\$ 0.1837	\$ (0.0158)	\$ 0.0330	\$ 0.2009	\$ 0.1923	\$ 0.0086
Bulk per Quart	\$ 0.5099	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.2915	\$ 0.0468	\$ 1.3383	\$ (0.1267)	\$ 0.2638	\$ 1.4754	\$ 1.4004	\$ 0.0750
LOW FAT (1%) MILK													
GALLON	\$ 1.7447	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.4579	\$ 0.1254	\$ 3.5833	\$ (0.5068)	\$ 1.0552	\$ 4.1317	\$ 4.0731	\$ 0.0586
1/2 GALLON	\$ 0.8723	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.7895	\$ 0.0649	\$ 1.8544	\$ (0.2534)	\$ 0.5276	\$ 2.1286	\$ 2.1000	\$ 0.0286
QUART	\$ 0.4362	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.0564	\$ 0.0383	\$ 1.0947	\$ (0.1267)	\$ 0.2638	\$ 1.2318	\$ 1.2228	\$ 0.0090
PINT	\$ 0.2181	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6372	\$ 0.0231	\$ 0.6603	\$ (0.0634)	\$ 0.1319	\$ 0.7288	\$ 0.6981	\$ 0.0307
12 OUNCE	\$ 0.1636	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3469	\$ 0.0126	\$ 0.3595	\$ (0.0475)	\$ 0.0989	\$ 0.4109	\$ 0.4045	\$ 0.0064
10 OUNCE	\$ 0.1363	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.2891	\$ 0.0105	\$ 0.2996	\$ (0.0396)	\$ 0.0824	\$ 0.3424	\$ 0.3371	\$ 0.0053
1/2 PINT	\$ 0.1090	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2613	\$ 0.0095	\$ 0.2708	\$ (0.0317)	\$ 0.0660	\$ 0.3051	\$ 0.2974	\$ 0.0077
4 OUNCE	\$ 0.0545	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1681	\$ 0.0061	\$ 0.1742	\$ (0.0158)	\$ 0.0330	\$ 0.1914	\$ 0.1827	\$ 0.0087
Bulk per Quart	\$ 0.4362	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.2178	\$ 0.0442	\$ 1.2620	\$ (0.1267)	\$ 0.2638	\$ 1.3991	\$ 1.3233	\$ 0.0758
NON FAT (SKIN) MILK													
GALLON	\$ 1.4852	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.1984	\$ 0.1160	\$ 3.3144	\$ (0.5068)	\$ 1.0552	\$ 3.8628	\$ 3.8131	\$ 0.0497
1/2 GALLON	\$ 0.7426	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.6598	\$ 0.0602	\$ 1.7200	\$ (0.2534)	\$ 0.5276	\$ 1.9942	\$ 1.9701	\$ 0.0241
QUART	\$ 0.3713	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 0.9915	\$ 0.0360	\$ 1.0275	\$ (0.1267)	\$ 0.2638	\$ 1.1646	\$ 1.1578	\$ 0.0068
PINT	\$ 0.1857	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6048	\$ 0.0219	\$ 0.6267	\$ (0.0634)	\$ 0.1319	\$ 0.6952	\$ 0.6657	\$ 0.0295
12 OUNCE	\$ 0.1392	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3225	\$ 0.0117	\$ 0.3342	\$ (0.0475)	\$ 0.0989	\$ 0.3856	\$ 0.3801	\$ 0.0055
10 OUNCE	\$ 0.1160	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.2688	\$ 0.0097	\$ 0.2785	\$ (0.0396)	\$ 0.0824	\$ 0.3213	\$ 0.3168	\$ 0.0045
1/2 PINT	\$ 0.0928	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2451	\$ 0.0089	\$ 0.2540	\$ (0.0317)	\$ 0.0660	\$ 0.2883	\$ 0.2811	\$ 0.0072
4 OUNCE	\$ 0.0464	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1600	\$ 0.0058	\$ 0.1658	\$ (0.0158)	\$ 0.0330	\$ 0.1830	\$ 0.1746	\$ 0.0084
Bulk per Quart	\$ 0.3713	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.1529	\$ 0.0418	\$ 1.1947	\$ (0.1267)	\$ 0.2638	\$ 1.3318	\$ 1.2583	\$ 0.0735

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2024 MILK PRICES

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D EX. 10	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)
FLAVORED MILK													
GALLON	\$ 3.2048	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 4.9180	\$ 0.1784	\$ 5.0964	\$ (0.5068)	\$ 1.0552	\$ 5.6448	\$ 5.0726	\$ 0.5722
1/2 GALLON	\$ 1.6024	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 2.5196	\$ 0.0914	\$ 2.6110	\$ (0.2534)	\$ 0.5276	\$ 2.8852	\$ 2.5998	\$ 0.2854
QUART	\$ 0.8012	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.4214	\$ 0.0516	\$ 1.4730	\$ (0.1267)	\$ 0.2638	\$ 1.6101	\$ 1.4727	\$ 0.1374
PINT	\$ 0.4006	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.8197	\$ 0.0297	\$ 0.8494	\$ (0.0634)	\$ 0.1319	\$ 0.9179	\$ 0.8231	\$ 0.0948
12 OUNCE	\$ 0.3005	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.4838	\$ 0.0175	\$ 0.5013	\$ (0.0475)	\$ 0.0989	\$ 0.5527	\$ 0.4982	\$ 0.0545
10 OUNCE	\$ 0.2504	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.4032	\$ 0.0146	\$ 0.4178	\$ (0.0396)	\$ 0.0824	\$ 0.4606	\$ 0.4151	\$ 0.0455
1/2 PINT	\$ 0.2003	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.3526	\$ 0.0128	\$ 0.3654	\$ (0.0317)	\$ 0.0660	\$ 0.3997	\$ 0.3599	\$ 0.0398
4 OUNCE	\$ 0.1002	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.2138	\$ 0.0078	\$ 0.2216	\$ (0.0158)	\$ 0.0330	\$ 0.2388	\$ 0.2140	\$ 0.0248
Bulk per Quart	\$ 0.8012	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.5828	\$ 0.0574	\$ 1.6402	\$ (0.1267)	\$ 0.2638	\$ 1.7773	\$ 1.5733	\$ 0.2040
FLAVORED REDUCED FAT MILK													
GALLON	\$ 2.0536	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.7668	\$ 0.1366	\$ 3.9034	\$ (0.5068)	\$ 1.0552	\$ 4.4518	\$ 4.4675	\$ (0.0157)
1/2 GALLON	\$ 1.0268	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.9440	\$ 0.0705	\$ 2.0145	\$ (0.2534)	\$ 0.5276	\$ 2.2887	\$ 2.2972	\$ (0.0085)
QUART	\$ 0.5134	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.1336	\$ 0.0411	\$ 1.1747	\$ (0.1267)	\$ 0.2638	\$ 1.3118	\$ 1.3215	\$ (0.0097)
PINT	\$ 0.2567	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6758	\$ 0.0245	\$ 0.7003	\$ (0.0634)	\$ 0.1319	\$ 0.7688	\$ 0.7475	\$ 0.0213
12 OUNCE	\$ 0.1925	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3758	\$ 0.0136	\$ 0.3894	\$ (0.0475)	\$ 0.0989	\$ 0.4408	\$ 0.4415	\$ (0.0007)
10 OUNCE	\$ 0.1604	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.3132	\$ 0.0114	\$ 0.3246	\$ (0.0396)	\$ 0.0824	\$ 0.3674	\$ 0.3679	\$ (0.0005)
1/2 PINT	\$ 0.1284	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2807	\$ 0.0102	\$ 0.2909	\$ (0.0317)	\$ 0.0660	\$ 0.3252	\$ 0.3221	\$ 0.0031
4 OUNCE	\$ 0.0642	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1778	\$ 0.0064	\$ 0.1842	\$ (0.0158)	\$ 0.0330	\$ 0.2014	\$ 0.1950	\$ 0.0064
Bulk per Quart	\$ 0.5134	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.2950	\$ 0.0470	\$ 1.3420	\$ (0.1267)	\$ 0.2638	\$ 1.4791	\$ 1.4220	\$ 0.0571
FLAVORED NONFAT MILK													
GALLON	\$ 1.7296	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.4428	\$ 0.1249	\$ 3.5677	\$ (0.5068)	\$ 1.0552	\$ 4.1161	\$ 4.0629	\$ 0.0532
1/2 GALLON	\$ 0.8648	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.7820	\$ 0.0646	\$ 1.8466	\$ (0.2534)	\$ 0.5276	\$ 2.1208	\$ 2.0949	\$ 0.0259
QUART	\$ 0.4324	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.0526	\$ 0.0382	\$ 1.0908	\$ (0.1267)	\$ 0.2638	\$ 1.2279	\$ 1.2203	\$ 0.0076
PINT	\$ 0.2162	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6353	\$ 0.0230	\$ 0.6583	\$ (0.0634)	\$ 0.1319	\$ 0.7268	\$ 0.6969	\$ 0.0299
12 OUNCE	\$ 0.1622	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3455	\$ 0.0125	\$ 0.3580	\$ (0.0475)	\$ 0.0989	\$ 0.4094	\$ 0.4035	\$ 0.0059
10 OUNCE	\$ 0.1351	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.2879	\$ 0.0104	\$ 0.2983	\$ (0.0396)	\$ 0.0824	\$ 0.3411	\$ 0.3363	\$ 0.0048
1/2 PINT	\$ 0.1081	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2604	\$ 0.0094	\$ 0.2698	\$ (0.0317)	\$ 0.0660	\$ 0.3041	\$ 0.2968	\$ 0.0073
4 OUNCE	\$ 0.0541	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1677	\$ 0.0061	\$ 0.1738	\$ (0.0158)	\$ 0.0330	\$ 0.1910	\$ 0.1824	\$ 0.0086
Bulk per Quart	\$ 0.4324	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.2140	\$ 0.0440	\$ 1.2580	\$ (0.1267)	\$ 0.2638	\$ 1.3951	\$ 1.3208	\$ 0.0743
BUTTERMILK													
GALLON	\$ 2.0766	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 3.7898	\$ 0.1375	\$ 3.9273	\$ (0.5068)	\$ 1.0552	\$ 4.4757	\$ 4.4402	\$ 0.0355
1/2 GALLON	\$ 1.0383	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 1.9555	\$ 0.0709	\$ 2.0264	\$ (0.2534)	\$ 0.5276	\$ 2.3006	\$ 2.2835	\$ 0.0171
QUART	\$ 0.5191	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.1393	\$ 0.0413	\$ 1.1806	\$ (0.1267)	\$ 0.2638	\$ 1.3177	\$ 1.3146	\$ 0.0031
PINT	\$ 0.2596	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 0.6787	\$ 0.0246	\$ 0.7033	\$ (0.0634)	\$ 0.1319	\$ 0.7718	\$ 0.7440	\$ 0.0278
12 OUNCE	\$ 0.1947	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.3780	\$ 0.0137	\$ 0.3917	\$ (0.0475)	\$ 0.0989	\$ 0.4431	\$ 0.4389	\$ 0.0042
10 OUNCE	\$ 0.1622	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.3150	\$ 0.0114	\$ 0.3264	\$ (0.0396)	\$ 0.0824	\$ 0.3692	\$ 0.3657	\$ 0.0035
1/2 PINT	\$ 0.1298	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.2821	\$ 0.0102	\$ 0.2923	\$ (0.0317)	\$ 0.0660	\$ 0.3266	\$ 0.3204	\$ 0.0062
4 OUNCE	\$ 0.0649	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.1785	\$ 0.0065	\$ 0.1850	\$ (0.0158)	\$ 0.0330	\$ 0.2022	\$ 0.1942	\$ 0.0080
Bulk per Quart	\$ 0.5191	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 1.3007	\$ 0.0472	\$ 1.3479	\$ (0.1267)	\$ 0.2638	\$ 1.4850	\$ 1.4151	\$ 0.0699

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of +\$0.0005 per quart equivalent.

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2024 MILK PRICES

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D EX. 10	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)	
EGG NOG	GALLON	\$ 4.9952	\$ 0.2383	\$ 0.0432	\$ (0.0947)	\$ 1.5264	\$ 6.7084	\$ 0.2433	\$ 6.9517	\$ (0.5068)	\$ 1.0552	\$ 7.5001	\$ 6.7191	\$ 0.7810
	1/2 GALLON	\$ 2.4976	\$ 0.1778	\$ 0.0216	\$ (0.0454)	\$ 0.7632	\$ 3.4148	\$ 0.1239	\$ 3.5387	\$ (0.2534)	\$ 0.5276	\$ 3.8129	\$ 3.4230	\$ 0.3899
	QUART	\$ 1.2488	\$ 0.1792	\$ 0.0108	\$ 0.0486	\$ 0.3816	\$ 1.8690	\$ 0.0678	\$ 1.9368	\$ (0.1267)	\$ 0.2638	\$ 2.0739	\$ 1.8844	\$ 0.1895
	PINT	\$ 0.6244	\$ 0.1185	\$ 0.0054	\$ 0.1044	\$ 0.1908	\$ 1.0435	\$ 0.0378	\$ 1.0813	\$ (0.0634)	\$ 0.1319	\$ 1.1498	\$ 1.0289	\$ 0.1209
	12 OUNCE	\$ 0.4683	\$ 0.0361	\$ 0.0041	\$ -	\$ 0.1431	\$ 0.6516	\$ 0.0236	\$ 0.6752	\$ (0.0475)	\$ 0.0989	\$ 0.7266	\$ 0.6525	\$ 0.0741
	10 OUNCE	\$ 0.3903	\$ 0.0301	\$ 0.0034	\$ -	\$ 0.1193	\$ 0.5431	\$ 0.0197	\$ 0.5628	\$ (0.0396)	\$ 0.0824	\$ 0.6056	\$ 0.5438	\$ 0.0618
	1/2 PINT	\$ 0.3122	\$ 0.0308	\$ 0.0027	\$ 0.0234	\$ 0.0954	\$ 0.4645	\$ 0.0168	\$ 0.4813	\$ (0.0317)	\$ 0.0660	\$ 0.5156	\$ 0.4628	\$ 0.0528
	4 OUNCE	\$ 0.1561	\$ 0.0287	\$ 0.0014	\$ 0.0358	\$ 0.0477	\$ 0.2697	\$ 0.0098	\$ 0.2795	\$ (0.0158)	\$ 0.0330	\$ 0.2967	\$ 0.2654	\$ 0.0313
	Bulk per Quart	\$ 1.2488	\$ 0.0866	\$ 0.0108	\$ 0.3026	\$ 0.3816	\$ 2.0304	\$ 0.0736	\$ 2.1040	\$ (0.1267)	\$ 0.2638	\$ 2.2411	\$ 1.9849	\$ 0.2562

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of +\$0.0005 per quart equivalent.

PENNSYLVANIA MILK BOARD
MILK MARKETING AREA 1

RETAIL PRICE BUILDUP
OCTOBER 2024 PRICES

	A EX. 11	B	C	D	E (A+B+C+D)	F	G (E - F)
Container Size	Proposed Wholesale Price	Deepest Discount 15.00%	In-Store Handling	Store Profit 2.5%	Proposed Retail Price	Current Retail Price	Increase (Decrease)
EGG NOG	GALLON	\$ 7.5001	\$ (1.1250)	\$ 0.8293	\$ 0.1847	\$ 7.51	\$ 6.72
	1/2 GALLON	\$ 3.8129	\$ (0.5719)	\$ 0.4210	\$ 0.0939	\$ 3.82	\$ 3.43
	QUART	\$ 2.0739	\$ (0.3111)	\$ 0.2732	\$ 0.0522	\$ 2.09	\$ 1.92
	PINT	\$ 1.1498	\$ (0.1725)	\$ 0.2388	\$ 0.0312	\$ 1.25	\$ 1.14
	12 OUNCE	\$ 0.7266	\$ (0.1090)	\$ 0.1791	\$ 0.0204	\$ 0.82	\$ 0.75
	10 OUNCE	\$ 0.6056	\$ (0.0908)	\$ 0.1493	\$ 0.0170	\$ 0.68	\$ 0.63
	1/2 PINT	\$ 0.5156	\$ (0.0773)	\$ 0.1257	\$ 0.0145	\$ 0.58	\$ 0.53
	4 OUNCE	\$ 0.2967	\$ (0.0445)	\$ 0.0629	\$ 0.0081	\$ 0.32	\$ 0.30
	Bulk per Quart	\$ 2.2411	\$ (0.3362)	\$ 0.2732	\$ 0.0558	\$ 2.25	\$ 2.01