



Commonwealth of Pennsylvania
Milk Marketing Board
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Official General
Order No. A-993 (CRO 8)

Posted: January 3, 2024
Effective: February 1, 2024

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

NOW, this 3rd day of January 2024, 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, 2024.

**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 7) 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%.

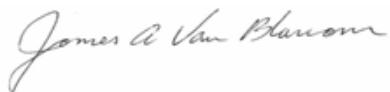
**SECTION C
EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-993**

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 3, 2024

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FINDINGS OF FACT AND CONCLUSIONS OF LAW
COST REPLACEMENT HEARING FOR MILK MARKETING AREA NO. 1
DECEMBER 6, 2023

I. FINDINGS OF FACT

1. On December 6, 2023, 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 53 Pennsylvania Bulletin 6321 on October 7, 2023. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1634, dated September 25, 2023. 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 cost 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 \$0.3666 per point for processing, packaging, and delivering milk in 2022. Ms. Deimler agreed. The Board finds that the cross section dealers incurred a cost of \$0.3666 per point for processing, packaging, and delivery, and further finds that \$0.3666 is the processing, packaging, and delivery cost that should be used in this order.

6. Mr. Gojsovich testified to the following 2023 ingredient costs, based on year 2022 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0001/lb; Low Fat Milk - \$0.0001/lb; Non-Fat Milk - \$0.0002/lb; Flavored Milk - \$0.0496/lb; Flavored Reduced Fat Milk - \$0.0610/lb; Flavored Non-Fat Milk - \$0.0391/lb; Buttermilk - \$0.0081/lb; Egg Nog - \$0.1716/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 \$0.0138 per point between the first halves of 2023 and 2022. Ms. Deimler agreed. We find that \$0.0138 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 Surrebuttal 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 Surrebuttal Exhibit 9 and attached to this order as Attachment 2.

10. Mr. Gojsovich testified that the cross section dealers incurred a cost of \$0.0124 per pound attributable to shrinkage and sales of bulk products during 2022. Ms. Deimler agreed. The Board finds that the cost of shrinkage and sales of bulk products to be used in this order should be \$0.0124 per pound.

11. Based on the container costs evidence presented by Mr. Gojsovich, which Ms. Deimler also recommended the Board adopt, the Board finds that the following base container costs should be adopted for this order: Gallon - \$0.2339; Half Gallon - \$0.1727; Quart - \$0.1706; Pint - \$0.1099; Half Pint (paper) - \$0.0280; Half Pint (plastic) - \$0.0846; 12 Ounce - \$0.0361; 10 Ounce - \$0.0301; 4 Ounce - \$0.0277; Bulk Per Quart - \$0.0818. 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, based on the base weighted costs and weighted units testified to by Mr. Gojsovich and as presented in the container cost calculations listed above. 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. Based on the testimony of Mr. Gojsovich and Ms. Deimler, we find the plastic add-on is \$0.0566 and that the add-on should be adjusted monthly based on the monthly container cost surveys.

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

Based on year 2022 container sales and year 2022 costs per point for the bottling, cold room, and delivery cost centers, Mr. Gojsovich calculated the following container efficiency adjustments:

Gallon	\$ (0.0902)
Half Gallon	\$ (0.0442)
Quart	\$ 0.0523
Pint	\$ 0.0821
Half Pint	\$ 0.0199
4 ounce	\$ 0.0301
Bulk (per quart)	\$ 0.2497

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 6, 2023, 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 3, 2024

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PENNSYLVANIA MILK MARKETING BOARD

MILK MARKETING AREA 1

Diesel Fuel Costs Adjustment

Update of Diesel Fuel Costs from YEAR 2022 to AUGUST 2023

1. Weighted Diesel Fuel Costs - YEAR 2022	\$ 1,821,939
2. Average On-Highway Diesel Price per Gallon - YEAR 2022 (1)	\$ 5.354
3. On-Highway Diesel Price per Gallon - AUGUST 2023 (1)	\$ 4.516
4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)	-15.65%
5. Presumed Diesel Fuel Costs - AUGUST 2023 ((Line 1 X Line 4) + Line 1)	<u>\$ 1,536,772</u>
6. Change in Diesel Fuel Costs from YEAR 2022 to AUGUST 2023 (Line 5 - Line 1)	\$ (285,167)
7. Weighted Delivery Points - YEAR 2022	<u>162,061,175</u>
8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7)	<u>\$ (0.0018)</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 MARKETING BOARD
MILK MARKETING AREA 1

Heating Fuel Costs Adjustment

Update of Heating Fuel Costs from YEAR 2022 to JUNE 2023

1. Weighted Heating Fuel Costs - YEAR 2022	\$	279,517
2. Pennsylvania Average Natural Gas Price - Industrial - YEAR 2022 (1)	\$	11.35
3. Pennsylvania Average Natural Gas Price - Industrial - JUNE 2023 (1)	\$	8.54
4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		-24.76%
5. Presumed Heating Fuel Costs - JUNE 2023 ((Line 1 X Line 4) + Line 1)	\$	<u>210,309</u>
6. Change in Heating Fuel Costs from YEAR 2022 to JUNE 2023 (Line 5 - Line 1)	\$	(69,208)
7. Weighted Standardization & Pasteurization (S&P) Points - YEAR 2022		<u>132,252,158</u>
8. Change in Heating Fuel Costs per S&P Point (Line 6 ÷ Line 7)	\$	<u>(0.0005)</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 MARKETING BOARD
MILK MARKETING AREA 1

MILK COSTS BEFORE PACKAGING
OCTOBER 2023 MILK COSTS

Class I	
Skim Rate	\$ 14.01
Butterfat Rate	\$ 3.0966

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 (Profit)/Loss	Total Cost per Pound	
		Pounds	Percentage	Pounds	Value	Value	Value	Pound	Cost	(Profit)/Loss	Total Cost per Pound	

Class 1	Standard (Whole) Milk	72,190,944	2,402,217	3.3276%	69,788,727	\$ 7,438,705	\$ 9,777,401	\$ 17,216,106	\$ 0.2385	\$ -	\$ 0.0124	\$ 0.2509
	Reduced Fat (2%) Milk	46,597,115	894,477	1.9196%	45,702,638	\$ 2,769,837	\$ 6,402,940	\$ 9,172,777	\$ 0.1969	\$ 0.0001	\$ 0.0124	\$ 0.2094
	Low Fat (1%) Milk	23,674,824	222,511	0.9399%	23,452,313	\$ 689,028	\$ 3,285,669	\$ 3,974,697	\$ 0.1679	\$ 0.0001	\$ 0.0124	\$ 0.1804
	Non Fat (Skim) Milk	13,473,682	14,548	0.1080%	13,459,134	\$ 45,049	\$ 1,885,625	\$ 1,930,674	\$ 0.1433	\$ 0.0002	\$ 0.0124	\$ 0.1559
	Flavored Milk	1,076,484	35,007	3.2520%	1,041,477	\$ 108,403	\$ 145,911	\$ 254,314	\$ 0.2362	\$ 0.0496	\$ 0.0124	\$ 0.2982
	Flavored Reduced Fat Milk	7,550,206	63,660	0.8432%	7,486,546	\$ 197,130	\$ 1,048,865	\$ 1,245,995	\$ 0.1650	\$ 0.0610	\$ 0.0124	\$ 0.2384
	Flavored NONFAT Milk	8,415,307	8,238	0.0979%	8,407,069	\$ 25,510	\$ 1,177,830	\$ 1,203,340	\$ 0.1430	\$ 0.0391	\$ 0.0124	\$ 0.1945
	Buttermilk	326,458	6,137	1.8799%	320,321	\$ 19,004	\$ 44,877	\$ 63,881	\$ 0.1957	\$ 0.0081	\$ 0.0124	\$ 0.2162
	Egg Nog	202,531	11,277	5.5680%	191,254	\$ 34,920	\$ 26,795	\$ 61,715	\$ 0.3047	\$ 0.1716	\$ 0.0124	\$ 0.4887

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2023 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	\$ 2.1577	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.8065	\$ 0.1381	\$ 3.9446	\$ (0.5068)	\$ 1.0552	\$ 4.4930	\$ 4.3985	\$ 0.0945
1/2 GALLON	\$ 1.0789	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.9618	\$ 0.0712	\$ 2.0330	\$ (0.2534)	\$ 0.5276	\$ 2.3072	\$ 2.2588	\$ 0.0484
QUART	\$ 0.5394	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.1422	\$ 0.0414	\$ 1.1836	\$ (0.1267)	\$ 0.2638	\$ 1.3207	\$ 1.2890	\$ 0.0317
PINT	\$ 0.2697	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.6519	\$ 0.0236	\$ 0.6755	\$ (0.0634)	\$ 0.1319	\$ 0.7440	\$ 0.7265	\$ 0.0175
12 OUNCE	\$ 0.2023	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3798	\$ 0.0138	\$ 0.3936	\$ (0.0475)	\$ 0.0989	\$ 0.4450	\$ 0.4366	\$ 0.0084
10 OUNCE	\$ 0.1686	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.3165	\$ 0.0115	\$ 0.3280	\$ (0.0396)	\$ 0.0824	\$ 0.3708	\$ 0.3637	\$ 0.0071
1/2 PINT	\$ 0.1349	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2777	\$ 0.0101	\$ 0.2878	\$ (0.0317)	\$ 0.0660	\$ 0.3221	\$ 0.3175	\$ 0.0046
4 OUNCE	\$ 0.0674	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1727	\$ 0.0063	\$ 0.1790	\$ (0.0158)	\$ 0.0330	\$ 0.1962	\$ 0.1951	\$ 0.0011
Bulk per Quart	\$ 0.5394	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.2489	\$ 0.0453	\$ 1.2942	\$ (0.1267)	\$ 0.2638	\$ 1.4313	\$ 1.1864	\$ 0.2449
REDUCED FAT (2%) MILK													
GALLON	\$ 1.8050	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.4538	\$ 0.1253	\$ 3.5791	\$ (0.5068)	\$ 1.0552	\$ 4.1275	\$ 4.0454	\$ 0.0821
1/2 GALLON	\$ 0.9025	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.7854	\$ 0.0648	\$ 1.8502	\$ (0.2534)	\$ 0.5276	\$ 2.1244	\$ 2.0822	\$ 0.0422
QUART	\$ 0.4513	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.0541	\$ 0.0382	\$ 1.0923	\$ (0.1267)	\$ 0.2638	\$ 1.2294	\$ 1.2007	\$ 0.0287
PINT	\$ 0.2256	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.6078	\$ 0.0220	\$ 0.6298	\$ (0.0634)	\$ 0.1319	\$ 0.6983	\$ 0.6824	\$ 0.0159
12 OUNCE	\$ 0.1692	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3467	\$ 0.0126	\$ 0.3593	\$ (0.0475)	\$ 0.0989	\$ 0.4107	\$ 0.4034	\$ 0.0073
10 OUNCE	\$ 0.1410	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2889	\$ 0.0105	\$ 0.2994	\$ (0.0396)	\$ 0.0824	\$ 0.3422	\$ 0.3362	\$ 0.0060
1/2 PINT	\$ 0.1128	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2556	\$ 0.0093	\$ 0.2649	\$ (0.0317)	\$ 0.0660	\$ 0.2992	\$ 0.2954	\$ 0.0038
4 OUNCE	\$ 0.0564	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1617	\$ 0.0059	\$ 0.1676	\$ (0.0158)	\$ 0.0330	\$ 0.1848	\$ 0.1840	\$ 0.0008
Bulk per Quart	\$ 0.4513	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.1608	\$ 0.0421	\$ 1.2029	\$ (0.1267)	\$ 0.2638	\$ 1.3400	\$ 1.0981	\$ 0.2419
LOW FAT (1%) MILK													
GALLON	\$ 1.5550	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.2038	\$ 0.1162	\$ 3.3200	\$ (0.5068)	\$ 1.0552	\$ 3.8684	\$ 3.7855	\$ 0.0829
1/2 GALLON	\$ 0.7775	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.6604	\$ 0.0602	\$ 1.7206	\$ (0.2534)	\$ 0.5276	\$ 1.9948	\$ 1.9522	\$ 0.0426
QUART	\$ 0.3888	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 0.9916	\$ 0.0360	\$ 1.0276	\$ (0.1267)	\$ 0.2638	\$ 1.1647	\$ 1.1358	\$ 0.0289
PINT	\$ 0.1944	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.5766	\$ 0.0209	\$ 0.5975	\$ (0.0634)	\$ 0.1319	\$ 0.6660	\$ 0.6500	\$ 0.0160
12 OUNCE	\$ 0.1458	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3233	\$ 0.0117	\$ 0.3350	\$ (0.0475)	\$ 0.0989	\$ 0.3864	\$ 0.3791	\$ 0.0073
10 OUNCE	\$ 0.1215	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2694	\$ 0.0098	\$ 0.2792	\$ (0.0396)	\$ 0.0824	\$ 0.3220	\$ 0.3159	\$ 0.0061
1/2 PINT	\$ 0.0972	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2400	\$ 0.0087	\$ 0.2487	\$ (0.0317)	\$ 0.0660	\$ 0.2830	\$ 0.2792	\$ 0.0038
4 OUNCE	\$ 0.0486	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1539	\$ 0.0056	\$ 0.1595	\$ (0.0158)	\$ 0.0330	\$ 0.1767	\$ 0.1760	\$ 0.0007
Bulk per Quart	\$ 0.3888	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.0983	\$ 0.0398	\$ 1.1381	\$ (0.1267)	\$ 0.2638	\$ 1.2752	\$ 1.0332	\$ 0.2420
NON FAT (SKIN) MILK													
GALLON	\$ 1.3454	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 2.9942	\$ 0.1086	\$ 3.1028	\$ (0.5068)	\$ 1.0552	\$ 3.6512	\$ 3.5709	\$ 0.0803
1/2 GALLON	\$ 0.6727	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.5556	\$ 0.0564	\$ 1.6120	\$ (0.2534)	\$ 0.5276	\$ 1.8862	\$ 1.8450	\$ 0.0412
QUART	\$ 0.3364	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 0.9392	\$ 0.0341	\$ 0.9733	\$ (0.1267)	\$ 0.2638	\$ 1.1104	\$ 1.0821	\$ 0.0283
PINT	\$ 0.1682	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.5504	\$ 0.0200	\$ 0.5704	\$ (0.0634)	\$ 0.1319	\$ 0.6389	\$ 0.6231	\$ 0.0158
12 OUNCE	\$ 0.1261	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3036	\$ 0.0110	\$ 0.3146	\$ (0.0475)	\$ 0.0989	\$ 0.3660	\$ 0.3590	\$ 0.0070
10 OUNCE	\$ 0.1051	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2530	\$ 0.0092	\$ 0.2622	\$ (0.0396)	\$ 0.0824	\$ 0.3050	\$ 0.2991	\$ 0.0059
1/2 PINT	\$ 0.0841	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2269	\$ 0.0082	\$ 0.2351	\$ (0.0317)	\$ 0.0660	\$ 0.2694	\$ 0.2658	\$ 0.0036
4 OUNCE	\$ 0.0420	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1473	\$ 0.0053	\$ 0.1526	\$ (0.0158)	\$ 0.0330	\$ 0.1698	\$ 0.1692	\$ 0.0006
Bulk per Quart	\$ 0.3364	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.0459	\$ 0.0379	\$ 1.0838	\$ (0.1267)	\$ 0.2638	\$ 1.2209	\$ 0.9795	\$ 0.2414

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of -\$0.0012 per quart equivalent.

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2023 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	\$ 2.3856	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 4.0344	\$ 0.1463	\$ 4.1807	\$ (0.5068)	\$ 1.0552	\$ 4.7291	\$ 4.7060	\$ 0.0231
1/2 GALLON	\$ 1.1928	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 2.0757	\$ 0.0753	\$ 2.1510	\$ (0.2534)	\$ 0.5276	\$ 2.4252	\$ 2.4125	\$ 0.0127
QUART	\$ 0.5964	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.1992	\$ 0.0435	\$ 1.2427	\$ (0.1267)	\$ 0.2638	\$ 1.3798	\$ 1.3659	\$ 0.0139
PINT	\$ 0.2982	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.6804	\$ 0.0247	\$ 0.7051	\$ (0.0634)	\$ 0.1319	\$ 0.7736	\$ 0.7650	\$ 0.0086
12 OUNCE	\$ 0.2237	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.4012	\$ 0.0146	\$ 0.4158	\$ (0.0475)	\$ 0.0989	\$ 0.4672	\$ 0.4654	\$ 0.0018
10 OUNCE	\$ 0.1864	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.3343	\$ 0.0121	\$ 0.3464	\$ (0.0396)	\$ 0.0824	\$ 0.3892	\$ 0.3878	\$ 0.0014
1/2 PINT	\$ 0.1491	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2919	\$ 0.0106	\$ 0.3025	\$ (0.0317)	\$ 0.0660	\$ 0.3368	\$ 0.3368	\$ -
4 OUNCE	\$ 0.0746	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1799	\$ 0.0065	\$ 0.1864	\$ (0.0158)	\$ 0.0330	\$ 0.2036	\$ 0.2047	\$ (0.0011)
Bulk per Quart	\$ 0.5964	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.3059	\$ 0.0474	\$ 1.3533	\$ (0.1267)	\$ 0.2638	\$ 1.4904	\$ 1.2633	\$ 0.2271
REDUCED FAT MILK													
GALLON	\$ 1.9072	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.5560	\$ 0.1290	\$ 3.6850	\$ (0.5068)	\$ 1.0552	\$ 4.2334	\$ 4.0635	\$ 0.1699
1/2 GALLON	\$ 0.9536	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.8365	\$ 0.0666	\$ 1.9031	\$ (0.2534)	\$ 0.5276	\$ 2.1773	\$ 2.0913	\$ 0.0860
QUART	\$ 0.4768	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.0796	\$ 0.0392	\$ 1.1188	\$ (0.1267)	\$ 0.2638	\$ 1.2559	\$ 1.2053	\$ 0.0506
PINT	\$ 0.2384	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.6206	\$ 0.0225	\$ 0.6431	\$ (0.0634)	\$ 0.1319	\$ 0.7116	\$ 0.6847	\$ 0.0269
12 OUNCE	\$ 0.1788	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3563	\$ 0.0129	\$ 0.3692	\$ (0.0475)	\$ 0.0989	\$ 0.4206	\$ 0.4052	\$ 0.0154
10 OUNCE	\$ 0.1490	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2969	\$ 0.0108	\$ 0.3077	\$ (0.0396)	\$ 0.0824	\$ 0.3505	\$ 0.3376	\$ 0.0129
1/2 PINT	\$ 0.1192	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2620	\$ 0.0095	\$ 0.2715	\$ (0.0317)	\$ 0.0660	\$ 0.3058	\$ 0.2966	\$ 0.0092
4 OUNCE	\$ 0.0596	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1649	\$ 0.0060	\$ 0.1709	\$ (0.0158)	\$ 0.0330	\$ 0.1881	\$ 0.1847	\$ 0.0034
Bulk per Quart	\$ 0.4768	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.1863	\$ 0.0430	\$ 1.2293	\$ (0.1267)	\$ 0.2638	\$ 1.3664	\$ 1.1027	\$ 0.2637
FLAVORED NONFAT MILK													
GALLON	\$ 1.5560	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.2048	\$ 0.1162	\$ 3.3210	\$ (0.5068)	\$ 1.0552	\$ 3.8694	\$ 3.7601	\$ 0.1093
1/2 GALLON	\$ 0.7780	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.6609	\$ 0.0602	\$ 1.7211	\$ (0.2534)	\$ 0.5276	\$ 1.9953	\$ 1.9396	\$ 0.0557
QUART	\$ 0.3890	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 0.9918	\$ 0.0360	\$ 1.0278	\$ (0.1267)	\$ 0.2638	\$ 1.1649	\$ 1.1294	\$ 0.0355
PINT	\$ 0.1945	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.5767	\$ 0.0209	\$ 0.5976	\$ (0.0634)	\$ 0.1319	\$ 0.6661	\$ 0.6467	\$ 0.0194
12 OUNCE	\$ 0.1459	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3234	\$ 0.0117	\$ 0.3351	\$ (0.0475)	\$ 0.0989	\$ 0.3865	\$ 0.3767	\$ 0.0098
10 OUNCE	\$ 0.1216	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2695	\$ 0.0098	\$ 0.2793	\$ (0.0396)	\$ 0.0824	\$ 0.3221	\$ 0.3139	\$ 0.0082
1/2 PINT	\$ 0.0973	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2401	\$ 0.0087	\$ 0.2488	\$ (0.0317)	\$ 0.0660	\$ 0.2831	\$ 0.2776	\$ 0.0055
4 OUNCE	\$ 0.0486	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1539	\$ 0.0056	\$ 0.1595	\$ (0.0158)	\$ 0.0330	\$ 0.1767	\$ 0.1751	\$ 0.0016
Bulk per Quart	\$ 0.3890	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.0985	\$ 0.0398	\$ 1.1383	\$ (0.1267)	\$ 0.2638	\$ 1.2754	\$ 1.0268	\$ 0.2486
BUTTERMILK													
GALLON	\$ 1.8636	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 3.5124	\$ 0.1274	\$ 3.6398	\$ (0.5068)	\$ 1.0552	\$ 4.1882	\$ 4.0999	\$ 0.0883
1/2 GALLON	\$ 0.9318	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 1.8147	\$ 0.0658	\$ 1.8805	\$ (0.2534)	\$ 0.5276	\$ 2.1547	\$ 2.1094	\$ 0.0453
QUART	\$ 0.4659	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.0687	\$ 0.0388	\$ 1.1075	\$ (0.1267)	\$ 0.2638	\$ 1.2446	\$ 1.2144	\$ 0.0302
PINT	\$ 0.2330	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.6152	\$ 0.0223	\$ 0.6375	\$ (0.0634)	\$ 0.1319	\$ 0.7060	\$ 0.6892	\$ 0.0168
12 OUNCE	\$ 0.1747	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.3522	\$ 0.0128	\$ 0.3650	\$ (0.0475)	\$ 0.0989	\$ 0.4164	\$ 0.4085	\$ 0.0079
10 OUNCE	\$ 0.1456	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.2935	\$ 0.0106	\$ 0.3041	\$ (0.0396)	\$ 0.0824	\$ 0.3469	\$ 0.3404	\$ 0.0065
1/2 PINT	\$ 0.1165	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.2593	\$ 0.0094	\$ 0.2687	\$ (0.0317)	\$ 0.0660	\$ 0.3030	\$ 0.2989	\$ 0.0041
4 OUNCE	\$ 0.0582	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.1635	\$ 0.0059	\$ 0.1694	\$ (0.0158)	\$ 0.0330	\$ 0.1866	\$ 0.1857	\$ 0.0009
Bulk per Quart	\$ 0.4659	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.1754	\$ 0.0426	\$ 1.2180	\$ (0.1267)	\$ 0.2638	\$ 1.3551	\$ 1.1118	\$ 0.2433

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of -\$0.0012 per quart equivalent.

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

WHOLESALE PRICE BUILDUP
OCTOBER 2023 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	\$ 3.9096	\$ 0.2314	\$ 0.0412	\$ (0.0902)	\$ 1.4664	\$ 5.5584	\$ 0.2016	\$ 5.7600	\$ (0.5068)	\$ 1.0552	\$ 6.3084	\$ 6.2778 \$ 0.0306
	1/2 GALLON	\$ 1.9548	\$ 0.1733	\$ 0.0206	\$ (0.0442)	\$ 0.7332	\$ 2.8377	\$ 0.1029	\$ 2.9406	\$ (0.2534)	\$ 0.5276	\$ 3.2148	\$ 3.1984 \$ 0.0164
	QUART	\$ 0.9774	\$ 0.1736	\$ 0.0103	\$ 0.0523	\$ 0.3666	\$ 1.5802	\$ 0.0573	\$ 1.6375	\$ (0.1267)	\$ 0.2638	\$ 1.7746	\$ 1.7589 \$ 0.0157
	PINT	\$ 0.4887	\$ 0.1117	\$ 0.0051	\$ 0.0821	\$ 0.1833	\$ 0.8709	\$ 0.0316	\$ 0.9025	\$ (0.0634)	\$ 0.1319	\$ 0.9710	\$ 0.9615 \$ 0.0095
	12 OUNCE	\$ 0.3665	\$ 0.0361	\$ 0.0039	\$ -	\$ 0.1375	\$ 0.5440	\$ 0.0197	\$ 0.5637	\$ (0.0475)	\$ 0.0989	\$ 0.6151	\$ 0.6127 \$ 0.0024
	10 OUNCE	\$ 0.3054	\$ 0.0301	\$ 0.0032	\$ -	\$ 0.1146	\$ 0.4533	\$ 0.0164	\$ 0.4697	\$ (0.0396)	\$ 0.0824	\$ 0.5125	\$ 0.5106 \$ 0.0019
	1/2 PINT	\$ 0.2444	\$ 0.0286	\$ 0.0026	\$ 0.0199	\$ 0.0917	\$ 0.3872	\$ 0.0140	\$ 0.4012	\$ (0.0317)	\$ 0.0660	\$ 0.4355	\$ 0.4350 \$ 0.0005
	4 OUNCE	\$ 0.1222	\$ 0.0281	\$ 0.0013	\$ 0.0301	\$ 0.0458	\$ 0.2275	\$ 0.0083	\$ 0.2358	\$ (0.0158)	\$ 0.0330	\$ 0.2530	\$ 0.2538 \$ (0.0008)
	Bulk per Quart	\$ 0.9774	\$ 0.0829	\$ 0.0103	\$ 0.2497	\$ 0.3666	\$ 1.6869	\$ 0.0612	\$ 1.7481	\$ (0.1267)	\$ 0.2638	\$ 1.8852	\$ 1.6563 \$ 0.2289

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of -\$0.0012 per quart equivalent.

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

RETAIL PRICE BUILDUP OCTOBER 2023 PRICES

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

RETAIL PRICE BUILDUP OCTOBER 2023 PRICES

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 1

RETAIL PRICE BUILDUP
OCTOBER 2023 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	\$ 6.3084	\$ (0.9463)	\$ 0.8088	\$ 0.1582	\$ 6.33	\$ 6.30	\$ 0.03
	1/2 GALLON	\$ 3.2148	\$ (0.4822)	\$ 0.4106	\$ 0.0806	\$ 3.22	\$ 3.21	\$ 0.01
	QUART	\$ 1.7746	\$ (0.2662)	\$ 0.2665	\$ 0.0455	\$ 1.82	\$ 1.81	\$ 0.01
	PINT	\$ 0.9710	\$ (0.1457)	\$ 0.2329	\$ 0.0271	\$ 1.09	\$ 1.08	\$ 0.01
	12 OUNCE	\$ 0.6151	\$ (0.0923)	\$ 0.1747	\$ 0.0179	\$ 0.72	\$ 0.71	\$ 0.01
	10 OUNCE	\$ 0.5125	\$ (0.0769)	\$ 0.1456	\$ 0.0149	\$ 0.60	\$ 0.59	\$ 0.01
	1/2 PINT	\$ 0.4355	\$ (0.0653)	\$ 0.1226	\$ 0.0126	\$ 0.51	\$ 0.50	\$ 0.01
	4 OUNCE	\$ 0.2530	\$ (0.0380)	\$ 0.0613	\$ 0.0071	\$ 0.28	\$ 0.28	\$ -
	Bulk per Quart	\$ 1.8852	\$ (0.2828)	\$ 0.2665	\$ 0.0479	\$ 1.92	\$ 1.72	\$ 0.20