

# **AREA 5**

## **COST REPLACEMENT HEARING DEALER REBUTTAL EXHIBITS**

**April 19, 2023**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**INDEX OF REBUTTAL EXHIBITS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

Rebuttal Exhibit D1	Alex Deimler, CPA Curriculum Vitae
Rebuttal Exhibit D2	Processing, Packaging and Delivery Costs/Point
Rebuttal Exhibit D2-A	Cost Replacement Adjustments for Processing, Packaging and Delivery Costs
Rebuttal Exhibit D3	Summary of Current Container Costs with Adjustments for Shrinkage and Loss and Update to Current Month
Rebuttal Exhibit D3-A	Adjusted Container Costs Compared to Current Month Container Costs
Rebuttal Exhibit D4	Summary of Current Ingredient Costs
Rebuttal Exhibit D4-A	Cost Replacement Adjustments for Ingredients
Rebuttal Exhibit D5	Weighted Cost of Shrinkage and Weighted Costs and Revenues from Bulk Cream and Bulk Milk
Rebuttal Exhibit D6	Butterfat Content of Price Controlled Products
Rebuttal Exhibit D7	Cost Increases (Decreases) for Labor, Insurance and Utility Costs
Rebuttal Exhibit D8	Changes in Diesel Fuel Costs
Rebuttal Exhibit D9	Changes in Heating Fuel Costs (Natural Gas)
Rebuttal Exhibit D10	Adjustments for Container Efficiencies Due to Container Size
Rebuttal Exhibit D11A	Calculation of Minimum Wholesale Price Gallon Reduced Fat Milk (2%)
Rebuttal Exhibit D11B	Calculation of Minimum Wholesale Price Half Pint Flavored Nonfat Milk (Skim)

**Alexandra Deimler, CPA**

***Curriculum Vitae***

**EDUCATION**

Mercyhurst University – B.A. Degree in Accounting and Finance

**EMPLOYMENT**

**Herbein + Company, Inc., Reading, PA**

2020 to present

Manager – Dairy Consulting

- Cost benchmarking
- Milk shrinkage reduction projects
- Dairy accounting seminars, including Dairy 101, for private clients and industry
- Regulatory assistance with PMMB, USDA and other state agencies
- Financial reporting for dairy businesses subject to dairy price regulation
- Dairy cost accounting for basic and complex products
- Preparation of cost replacement exhibits

**MicroStrategy, Inc., Tysons Corner, VA**

2019 – 2020

Internal Auditor

- Performed risk evaluations for audit areas
- Performed operational, financial, and IT compliance audits
- Drafted audit reports
- Help to implement Workiva (an audit tool)

**SEK, Inc., Chambersburg, PA**

2017 – 2019

Staff accountant – Audit

- Performed audits, compilations, reviews, and tax engagements
- Prepared 990s, 1065s, 1040s, 1120s, and Schedule Ks
- Summarized census data and investment activity for pension department

**AJARALA Holsteins, Landisburg, PA**

2001– 2011

Grew up on dairy farm, milking and caring for cows and the facility

**PROFESSIONAL AND CIVIC ASSOCIATIONS AND DESIGNATIONS**

CPA – Commonwealth of Pennsylvania

Firm Member – Allinial Global

Member – American Institute of Certified Public Accountants (AICPA)

Member – Pennsylvania Institute of Certified Public Accountants (PICPA)

Submitted: April 5, 2023

**REBUTTAL EXHIBIT D2**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**PROCESSING, PACKAGING AND DELIVERY COSTS/POINT  
(WEIGHTED AVERAGE BASED ON SALES IN AREA 5)**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

<b><u>Cost Center</u></b>	<b><u>Total 2021 Points in PMMB Area 5 (1)</u></b>	<b><u>Weighted Average 2021 Cost/Point (1)</u></b>
Receiving, lab and field work	144,222,713	0.0178
Standardization and pasteurization	153,883,095	0.0331
Bottling	162,204,052	0.0559
Cold room	175,495,056	0.0588
Delivery	168,176,756	0.1682
Selling	179,402,906	0.0273
		<hr/>
		\$ 0.3611

(1) Reflects points (and related cost/point) for sales in PMMB Area 5 for the cross-section dealers.

**REBUTTAL EXHIBIT D2-A**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**COST REPLACEMENT ADJUSTMENTS FOR PROCESSING, PACKAGING AND DELIVERY COSTS**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	<b>2021 Weighted Average Cost/Point</b>	<b>2020 Cost/Point Included in Existing Order (1)</b>	<b>Increase (Decrease)</b>
Receiving, lab and field work	\$0.0178	\$0.0165	\$0.0013
Standardization and pasteurization	0.0331	0.0293	0.0038
Bottling	0.0559	0.0498	0.0061
Cold room	0.0588	0.0520	0.0068
Delivery	0.1682	0.1734	(0.0052)
Selling	<u>0.0273</u>	<u>0.0229</u>	<u>0.0044</u>
Sub total	\$0.3611	\$0.3439	\$0.0172
Add:			
2022 Cost increase (decrease) adjustment - Exhibit D7			0.0118
Less:			
2021 Cost (increase) decrease adjustment			<u>(0.0166)</u>
Net change			<u>\$0.0124</u>

**REBUTTAL EXHIBIT D3**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**SUMMARY OF CURRENT CONTAINER COSTS WITH ADJUSTMENT FOR SHRINKAGE AND LOSS AND UPDATE TO CURRENT MONTH**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Co., Schneider's Dairy Inc., Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

<u>Container Size</u>	<u>April 2022 Container Cost (1)</u>	<u>Adjust from April 2022 to February 2023 - Current (2)</u>	<u>Subtotal</u>	<u>Calculated Shrinkage and Loss (3)</u>	<u>Shrinkage Cost</u>	<u>Total Container Cost</u>
Gallon	\$ 0.2382	\$ (0.0103)	\$ 0.2279	1.90%	\$ 0.0043	\$ 0.2322
1/2 gallon - plastic	0.1835					
1/2 gallon - paper	(5)					
1/2 gallon - blended (4)	<u>0.1835</u>	(0.0086)	0.1749	1.73%	0.0030	0.1779
Quart - plastic	0.1801					
Quart - paper	0.1049					
Quart - blended (4)	<u>0.1708</u>	(0.0003)	0.1705	1.57%	0.0027	0.1732
Pint - plastic	0.1509					
Pint - paper	0.0623					
Pint - blended (4)	<u>0.1502</u>	0.0045	0.1547	1.62%	0.0025	0.1572
Twelve ounce - plastic	0.1348		0.1348			0.1348
Ten ounce - paper	(5)		-			-
1/2 pint - plastic (4)	0.0642	-	0.0642	0.92%	0.0006	0.0648
1/2 pint - paper (4)	0.0318	0.0083	0.0401	0.85%	0.0003	0.0404
Four ounce - paper	0.0304		0.0304	1.53%	0.0005	0.0308
Dispenser	0.0758		0.0758	1.30%	0.0010	0.0768

(1) For containers not purchased in April 2022 the most recent invoice was used.

(2) December 2022 container costs were used by the PMMB to establish minimum resale prices for February 2023.

(3) Calculated based on actual container loss from a state-wide cross section of processing dealers for controlled containers used during the period January – March 2009. This state-wide cross section is composed of every processing dealer that participates in a cost replacement hearing.

(4) Current container costs would replace these costs monthly when the PMMB minimum resale prices are announced.

(5) Container not packaged in this Area.

**REBUTTAL EXHIBIT D3-A**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**ADJUSTED CONTAINER COSTS COMPARED TO CURRENT MONTH  
CONTAINER COSTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

<u>Container Size</u>	<u>Adjusted Container Costs from Exhibit D3</u>	<u>Container Costs in Current Prices (1)</u>	<u>Difference</u>
Gallon (2)	\$ 0.2322	\$ 0.2645	\$ (0.0323)
Half Gallon (2)	0.1779	0.1914	(0.0135)
Quart (2)	0.1732	0.1535	0.0197
Pint (2)	0.1572	0.1447	0.0125
Twelve ounce	0.1348	0.1160	0.0188
1/2 pint - plastic (2)	0.0648	0.0669	(0.0021)
1/2 pint - paper (2)	0.0404	0.0312	0.0092
Four ounce - paper	0.0308	0.0281	0.0027
Dispenser (per quart)	0.0768	0.0954	(0.0186)

(1) Per General Order No. A-954 (CRO 12) as updated.

(2) These container costs to be updated monthly.

(3) Difference between plastic 1/2 pint and paper 1/2 pint is \$0.0244. PMMB resale price schedules show the 1/2 pint paper price. \$0.0244 is the plastic add-on.

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**SUMMARY OF CURRENT INGREDIENT COSTS  
(WEIGHTED AVERAGE BASED ON ACTUAL SALES IN AREA 5)**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	April 2022 Ingredient Cost Per Pound (1)
Standard	\$.0000
Reduced fat (2%) milk	.0002
Low fat (1%) milk	.0003
Nonfat (skim) milk	.0007
Flavored milk	.0430
Flavored reduced fat milk	.0384
Flavored nonfat milk	.0297
Buttermilk	.0353
Eggnog	.1620

(1) For ingredients not purchased in April 2022 the most recent invoice was used.



**REBUTTAL EXHIBIT D4-A**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**COST REPLACEMENT ADJUSTMENTS FOR INGREDIENTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	<b>2021 Weighted Average Cost/Pound</b>	<b>Cost/Pound included in Existing Order (1)</b>	<b>Increase (Decrease)</b>
Standard milk	\$0.0000	\$0.0000	\$0.0000
Reduced fat milk (2%)	0.0002	0.0001	0.0001
Lowfat milk (1%)	0.0003	0.0001	0.0002
Nonfat milk (skim)	0.0007	0.0007	0.0000
Flavored milk (2)	0.0430	0.0431	(0.0001)
Flavored reduced fat milk (2)	0.0384	0.0328	0.0056
Flavored nonfat milk (2)	0.0297	0.0320	(0.0023)
Buttermilk	0.0353	0.0228	0.0125
Eggnog	0.1620	0.1701	(0.0081)

(1) Per General Order OGO A-954 (CRO 12) as updated for flavored milks on January 1, 2023.

(2) Ingredient costs to be updated on a quarterly basis for flavored milk, flavored reduced fat milk and flavored nonfat milk. Updates should be effective on January 1, April 1, July 1 and October 1.

PMMB AREA 5

APRIL 19, 2023 COST REPLACEMENT HEARING

WEIGHTED COST OF SHRINKAGE AND WEIGHTED COSTS AND REVENUES FROM BULK CREAM AND BULK MILK

DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)

<u>PMMB Area 5</u>	<u>Costs</u>	<u>Revenues</u>	<u>Weighted Net Cost (Revenue)</u>	<u>Weighted Pounds</u>	<u>Weighted Cost (Revenue) Per Pound</u>
Shrinkage	\$ 1,623,592		\$ 1,623,592		
Bulk milk revenue minus milk costs		596,619			
Bulk milk cost center costs & freight	69,665				
Net bulk milk cost (revenue)			(526,954)		
Bulk cream revenue minus milk costs		1,269,183			
Bulk cream cost center costs	363,910				
Net bulk cream cost (revenue)			(905,273)		
Total	<u>\$ 2,057,167</u>	<u>\$ 1,865,802</u>			
Net cost (net revenue) - calendar year 2021			\$ 191,365	274,308,707	\$ 0.0007
Net cost (net revenue) in current order - calendar year 2020			<u>\$ (106,447)</u>	317,163,505	<u>(0.0003)</u>
Net change - cost increase (cost reduction)			<u>\$ 297,812</u>		<u>\$ 0.0010</u>

**REBUTTAL EXHIBIT D6**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**BUTTERFAT CONTENT OF PRICE CONTROLLED PRODUCTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	<b>2021 Weighted Average Butterfat Test</b>	<b>Butterfat Test included in Existing Order (1)</b>	<b>Increase (Decrease)</b>
Standard milk	3.2442%	3.2577%	-0.0135%
Reduced fat milk (2%)	1.8796%	1.9283%	-0.0487%
Lowfat milk (1%)	0.9052%	0.9472%	-0.0420%
Nonfat milk (skim)	0.1191%	0.1087%	0.0104%
Flavored milk	3.3880%	3.3988%	-0.0108%
Flavored reduced fat milk	0.9998%	1.0125%	-0.0127%
Flavored nonfat milk	0.2180%	0.2634%	-0.0454%
Buttermilk	1.7439%	1.9969%	-0.2530%
Eggnog	6.8704%	6.5324%	0.3380%

(1) Per General Order No. A-954 (CRO 12)

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**COST INCREASES (DECREASES) FOR LABOR, INSURANCE AND UTILITY COSTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider’s Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

<b>Type of Expense</b>	<b>Weighted Expenses for the Six Months Ended June 30 (1)</b>		<b>Weighted Points for the Six Months Ended June 30 (1)</b>		<b>Cost Per Point</b>		<b>Increase (Decrease) Per Point</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	
Labor and fringe benefits	\$ 19,966,315	\$ 18,981,819	84,038,948	82,591,658	\$ 0.2376	\$ 0.2298	\$0.0078
Utilities	1,365,178	1,098,671	84,038,948	82,591,658	0.0162	0.0133	0.0029
Insurance	731,532	627,999	84,038,948	82,591,658	<u>0.0087</u>	<u>0.0076</u>	<u>0.0011</u>
					<u>\$0.2625</u>	<u>\$0.2507</u>	<u>\$0.0118</u>

(1) Weighted based on sales in PMMB Area 5

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**CHANGES IN DIESEL FUEL COSTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

Diesel fuel costs – calendar year 2021 (1)	\$2,597,845
Delivery points – calendar year 2021 (1)	<u>168,176,756</u>
Diesel fuel cost per point delivered	<u>\$0.0154</u>
Average diesel price – calendar year 2021 (2)	\$3.431
Average diesel price – December 2022 (2) (3)	<u>\$5.459</u>
Increase (decrease) from year 2021 to month December 2022	59.11%
Increase (decrease) in diesel fuel cost per point delivered	<u>\$0.0091</u>

- (1) Costs of cross-section dealers weighted by sales in Area 5.
- (2) On-highway diesel prices per gallon for the Central Atlantic Region as published by the U.S. Energy Information Administration.
- (3) December 2022 diesel fuel costs were used by the PMMB in establishing minimum prices for February 2023.

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**CHANGES IN HEATING FUEL COSTS (NATURAL GAS)**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

Heating fuel costs – calendar year 2021 (1)	\$276,558
Standardization & pasteurization points – calendar year 2021 (1)	<u>153,883,095</u>
Heating fuel cost per point pasteurized	<u><u>\$0.0018</u></u>
Average heating fuel costs – calendar year 2021 (2)	\$8.34
Average heating fuel costs – October 2022 (2) (3)	<u>12.67</u>
Increase (decrease) from year 2021 to month October 2022	51.92%
Increase (decrease) in heating fuel cost per point pasteurized	<u><u>\$0.0009</u></u>

- (1) Costs of cross-section dealers weighted by sales in Area 5.
- (2) Industrial natural gas prices for Pennsylvania in dollars per thousand cubic feet as published by the U.S. Energy Information Administration.
- (3) October 2022 natural gas costs were used by the PMMB in establishing minimum prices for February 2023.

PMMB AREA 5

APRIL 19, 2023 COST REPLACEMENT HEARING

ADJUSTMENTS FOR CONTAINER EFFICIENCIES  
DUE TO CONTAINER SIZE

DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)

<u>Container Size</u>	<u>Container Quantities Sold by Cross-Section Dealers in 2021 in Area 5</u>	<u>Proposed Container Efficiency Adjustments</u>	<u>Impact on Cross-Section Dealer Revenue</u>	<u>Container Efficiency Adjustments in Current Order (1)</u>	<u>Impact on Cross-Section Dealer Revenue</u>
Gallon	16,118,767	(0.1023)	\$ (1,648,950)	\$ (0.1003)	\$ (1,616,712)
Half Gallon	16,272,923	(0.0687)	(1,117,950)	(0.0709)	(1,153,750)
Quart	5,630,188	0.1538	865,923	0.1060	596,800
Pint	6,621,373	0.1032	683,326	0.0978	647,570
12 oz.	37,372	0.0730	2,728	0.0754	2,818
Half Pint - Plastic	81,807	0.0200	1,636	0.0289	2,364
Half Pint - Paper	50,403,349	0.0200	1,008,067	0.0289	1,456,657
4 oz.	3,888,883	0.0375	145,833	0.0356	138,444
Dispenser (per quart)	231,330	0.2525	<u>58,411</u>	0.1137	<u>26,302</u>
Net impact on cross-section dealer revenues			<u>\$ (976)</u>		<u>\$ 100,493</u>

(1) Per OGO A-954 (CRO 12) as updated.

**REBUTTAL EXHIBIT D11-A**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**CALCULATION OF WHOLESALE MINIMUM PRICE  
GALLON REDUCED FAT MILK (2%) FOR FEBRUARY 2023**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	1.8796%	1.9283%	-0.0487%
Butterfat price as announced by PMMB	(1)	\$ 2.7600 per lb.	\$ 2.7600 per lb.	
Extended butterfat value		\$ 0.0519 per lb.	\$ 0.0532 per lb.	
Skim price as announced by PMMB	(1)	\$ 15.88 per cwt.	\$ 15.88 per cwt.	
Extended skim value		\$ 0.1558 per lb.	\$ 0.1557 per lb.	
Total milk value at announced prices		<u>\$ 0.2077</u> per lb.	<u>\$ 0.2090</u> per lb.	<u>\$ (0.0013)</u>
Ingredient cost	D4	0.0002	0.0001	
Cost of shrinkage / bulk milk & cream	D5	0.0007	(0.0003)	
Total milk cost per pound		<u>\$ 0.2086</u> per lb.	<u>\$ 0.2088</u> per lb.	<u>\$ (0.0002)</u>
Pounds per gallon (conversion)		<u>8.62</u>	<u>8.62</u>	
Total milk cost per gallon		<u>\$ 1.7981</u>	<u>\$ 1.7999</u>	<u>\$ (0.0018)</u>
Container cost (adjusted for shrinkage)	D3	0.2322 each	0.2279 each	0.0043
Cost center costs	D2	1.4444	1.3756	0.0688
1st half 2022 to 1st half 2021 adjustment	D7	0.0472	0.0664	(0.0192)
Container efficiency adjustment	D10	(0.1023)	(0.1003)	(0.0020)
Percentage discount adjustment	(3)	0.0160	0.0160	-
Diesel fuel adjustment	D8	0.0364	0.0500	(0.0136)
Heating fuels adjustment	D9	0.0036	0.0032	0.0004
		<u>\$ 3.4756</u> each	<u>\$ 3.4387</u> each	<u>\$ 0.0369</u>
Dealer profit at 3.5%	(2)	<u>0.1261</u>	<u>0.1247</u>	<u>\$ 0.0014</u>
Subtotal		<u>\$ 3.6017</u> each	<u>\$ 3.5634</u> each	<u>\$ 0.0383</u>
Less: average delivery cost	(2)	(0.5220)	(0.5220)	
Add: high cost delivery	(2)	0.9748	0.9748	
<b>Wholesale minimum price</b>		<u><b>\$ 4.0545</b></u> each	<u><b>\$ 4.0162</b></u> each	<u><b>\$ 0.0383</b></u>

(1) As announced for February 2023 by PMMB on January 20, 2023.

(2) Per OGO A-954 (CRO 12) as updated.

(3) Per OGO A-972 "Price Adjustments to Account for Interaction of Milk Prices and Wholesale Percentage Discounts."



**REBUTTAL EXHIBIT D11-B**

**PMMB AREA 5**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

**CALCULATION OF WHOLESALE MINIMUM PRICE  
HALF PINT FLAVORED NONFAT MILK (SKIM) FOR FEBRUARY 2023**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Co., Schneider's Dairy Inc.,  
Turner Dairy Farms, Inc., United Dairy, Inc. (Martins Ferry, OH), United Dairy, Inc. (Uniontown, PA)**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	0.2180%	0.2634%	-0.0454%
Butterfat price as announced by PMMB	(1)	\$ 2.7600 per lb.	\$ 2.7600 per lb.	
Extended butterfat value		\$ 0.0060 per lb.	\$ 0.0073 per lb.	
Skim price as announced by PMMB	(1)	\$ 15.88 per cwt.	\$ 15.88 per cwt.	
Extended skim value		\$ 0.1585 per lb.	\$ 0.1584 per lb.	
Total milk value at announced prices		<u>\$ 0.1645 per lb.</u>	<u>\$ 0.1657 per lb.</u>	<u>\$(0.0012)</u>
Ingredient cost	D4	0.0297	0.0320	
Cost of shrinkage / bulk milk & cream	D5	0.0007	(0.0003)	
Total milk cost per pound		<u>\$ 0.1949 per lb.</u>	<u>\$ 0.1974 per lb.</u>	<u>\$(0.0025)</u>
Pounds per gallon (conversion)		<u>0.50</u>	<u>0.50</u>	
Total milk cost per half pint		<u>\$ 0.0975</u>	<u>\$ 0.0987</u>	<u>\$(0.0012)</u>
Container cost (adjusted for shrinkage)	D3	0.0404 each	0.0376 each	0.0028
Cost center costs	D2	0.0903	0.0860	0.0043
1st half 2022 to 1st half 2021 adjustment	D7	0.0030	0.0042	(0.0012)
Container efficiency adjustment	D10	0.0200	0.0289	(0.0089)
Percentage discount adjustment	(3)	0.0010	0.0010	-
Diesel fuel adjustment	D8	0.0023	0.0031	(0.0008)
Heating fuels adjustment	D9	0.0002	0.0002	-
		<u>\$ 0.2547 each</u>	<u>\$ 0.2597 each</u>	<u>\$(0.0050)</u>
Dealer profit at 3.5%	(2)	0.0092	0.0094	\$(0.0002)
Subtotal		<u>\$ 0.2639 each</u>	<u>\$ 0.2691 each</u>	<u>\$(0.0052)</u>
Less: average delivery cost	(2)	(0.0326)	(0.0326)	
Add: high cost delivery	(2)	0.0609	0.0609	
<b>Wholesale minimum price</b>		<u><u>\$ 0.2922 each</u></u>	<u><u>\$ 0.2974 each</u></u>	<u><u>\$(0.0052)</u></u>

(1) As announced for February 2023 by PMMB on January 20, 2023.

(2) Per OGO A-954 (CRO 12) as updated.

(3) Per OGO A-972 "Price Adjustments to Account for Interaction of Milk Prices and Wholesale Percentage Discounts."