



Commonwealth of Pennsylvania

Milk Marketing Board
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Official General
Order No. A-949

Posted: December 5, 2007
Effective: January 1, 2008

AN ORDER REGARDING CONTAINERS

NOW, this 5th day of December 2007, the Commonwealth of Pennsylvania, Milk Marketing Board (Board), adopts and 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 January 1, 2008.

SECTION I

The attached findings of fact and conclusions of law are incorporated herein by this reference as though fully set forth in this order.

SECTION II

In each Milk Marketing Area the container costs adopted by the Board in this order and listed in Findings of Fact 4 and 6 shall replace the container costs embodied in the Official General Orders/Cost Replacement Orders and price announcements for the respective Milk Marketing Areas.

PENNSYLVANIA MILK MARKETING BOARD

Boyd E. Wolff, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Date: December 5, 2007

FINDINGS OF FACT AND CONCLUSIONS OF LAW

CONTAINERS

November 7, 2007

FINDINGS OF FACT

1. On November 7, 2007, the Pennsylvania Milk Marketing Board (“Board”) convened a hearing for all milk marketing areas to receive testimony and evidence to consider container costs and their effect on minimum wholesale and retail prices.
2. Notice of the hearing was published at 37 *Pennsylvania Bulletin* 5105 on September 15, 2007, and was mailed to those who have requested notice of Board hearings by means of Bulletin No. 1418 dated September 5, 2007.
3. At the conclusion of the hearing, the parties waived their right to file briefs.
4. Gary Gojsovich testified for Board Staff as an expert in milk cost accounting. Carl Herbein testified for the Pennsylvania Association of Milk Dealers (“Dealers”) as an expert in milk cost accounting. Board Staff and Dealers were the only parties to present evidence regarding container costs. Mr. Gojsovich and Mr. Herbein calculated container costs based on the cross sections of milk dealers used in the most recent cost replacement orders in each area. With the exception of half pint containers, Mr. Gojsovich and Mr. Herbein recommended that the Board continue to use a blended or combined container cost for those sizes of containers where both plastic and paper containers are present in the market. They agreed on the following container costs for the applicable cross sections of milk dealers:

Area 1:	Gallon	\$0.1627
	Half Gallon	\$0.1213
	Quart	\$0.0890
	Pint	\$0.0781
	12 ounce	\$0.0361
	10 ounce	\$0.0301
	Half Pint (paper)	\$0.0183
	4 Ounce	\$0.0181
	Dispenser (per quart)	\$0.0591

Area 2:	Gallon	\$0.1561
	Half Gallon	\$0.1206
	Quart	\$0.0695
	Pint	\$0.0798
	12 ounce	\$0.0630
	10 ounce	\$0.0855
	Half Pint (plastic)	\$0.0578
	Half Pint (paper)	\$0.0203
	4 Ounce	\$0.0210
	Dispenser (per quart)	\$0.0367

Area 3:	Gallon	\$0.1600
	Half Gallon	\$0.1204
	Quart	\$0.0753
	Pint	\$0.0637
	12 ounce	\$0.0630
	10 ounce	\$0.0394
	Half Pint (plastic)	\$0.0595
	Half Pint (paper)	\$0.0228
	4 Ounce	\$0.0229
	Dispenser (per quart)	\$0.0358

Area 4:	Gallon	\$0.1607
	Half Gallon	\$0.1272
	Quart	\$0.1011
	Pint	\$0.0923
	12 ounce	\$0.0630
	10 ounce	\$0.0309
	Half Pint (plastic)	\$0.0584
	Half Pint (paper)	\$0.0232
	4 Ounce	\$0.0223
	Dispenser (per quart)	\$0.0419

Area 5:	Gallon	\$0.1375
	Half Gallon	\$0.1074
	Quart	\$0.0877
	Pint	\$0.0939
	12 ounce	\$0.0463
	10 ounce	\$0.0405
	Half Pint (plastic)	\$0.0546
	Half Pint (paper)	\$0.0228
	4 Ounce	\$0.0206
	Dispenser (per quart)	\$0.0399

Area 6:	Gallon	\$0.1761
	Half Gallon	\$0.1124
	Quart	\$0.1357
	Pint	\$0.1282
	12 ounce	\$0.0376
	10 ounce	\$0.0310
	Half Pint (plastic)	\$0.0669
	Half Pint (paper)	\$0.0213
	4 Ounce	\$0.0215
	Dispenser (per quart)	\$0.1185

The Board finds that the container costs noted above should replace the container costs currently in use.

5. Regarding half pint containers, Mr. Gojsovich and Mr. Herbein testified that the Board should continue its present practice of using the paper price and calculating a plastic add-on, based on the difference between the half-pint paper cost and the half-pint plastic cost, to be used when milk is sold in rigid plastic half-pint containers. The Board finds that this practice should continue.
6. Mr. Gojsovich and Mr. Herbein also recommended that the Board continue to update plastic container costs on a monthly basis. The Board finds that the monthly updates should continue, using the following base plastic container costs agreed to by Mr. Gojsovich and Mr. Herbein:

Area 1:	Gallon	\$0.1627
	Half Gallon	\$0.1233
	Quart	\$0.1027
	Pint	\$0.0788
	12 ounce	\$0.0361
	Half Pint (plastic)	\$0.0561

Area 2:	Gallon	\$0.1561
	Half Gallon	\$0.1284
	Quart	\$0.0989
	Pint	\$0.0929
	12 ounce	\$0.0630
	Half Pint (plastic)	\$0.0578

Area 3:	Gallon	\$0.1600
	Half Gallon	\$0.1299
	Quart	\$0.1116
	Pint	\$0.0942
	12 ounce	\$0.0630
	Half Pint (plastic)	\$0.0595

Area 4:	Gallon	\$0.1607
	Half Gallon	\$0.1289
	Quart	\$0.1318
	Pint	\$0.1008
	12 ounce	\$0.0630
	Half Pint (plastic)	\$0.0584
	Area 5:	Gallon
Half Gallon		\$0.1070
Quart		\$0.1055
Pint		\$0.0961
12 ounce		\$0.0463
Half Pint (plastic)		\$0.0546
Area 6:		Gallon
	Half Gallon	\$0.1129
	Quart	\$0.1925
	Pint	\$0.1359
	12 ounce	\$0.0376
	Half Pint (plastic)	\$0.0669

CONCLUSIONS OF LAW

1. The November 7, 2007, hearing regarding container costs was held pursuant to the authority granted to the Board in sections 801 and 803 of the Milk Marketing Law (Law) (31 P.S. §§ 700j-801 and 700j-803).
2. The hearing was held following adequate notice and all interested parties were given a reasonable opportunity to be heard.
3. The cross sections used are representative of all dealers doing business in the respective Milk Marketing Areas.
4. In adopting the attached order, the Board has considered the entire record and concludes that the order is supported by a preponderance of credible evidence and is reasonable and appropriate under sections 801 and 803 of the Law.
5. The attached order may be amended pursuant to the procedures set out in section 801 of the Law.

PENNSYLVANIA MILK MARKETING BOARD

Boyd E. Wolff, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Dated: December 5, 2007

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