



Commonwealth of Pennsylvania
Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110-9408

717/787-4194
Fax 717/783-6492

WEB SITE: <http://www.mmb.state.pa.us>

E-mail: ra-pmmb@pa.gov

Official General
Order No. A-962 (CRO 5)

Posted: January 7, 2015
Effective: February 1, 2015

COST REPLACEMENT ORDER FOR THE NORTHEASTERN MILK MARKETING AREA, AREA NO. 3

NOW, this 7th day of January 2015, 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, 2015.

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 processing, packaging, and delivery costs, container costs, ingredient costs, shrinkage and net profit and loss on sales of bulk milk and bulk cream costs, and in-store handling costs adopted by the Board in this order will replace the costs for these cost centers embodied in Official General Order (OGO) A-962 (CRO 4) and will be incorporated into the wholesale and retail prices of Class I price-controlled packaged products sold in Milk Marketing Area 3, as defined in Section B of OGO A-962. Wholesale and retail prices will be adjusted as well by the change in labor, utility, and insurance costs that the Board adopts in this order.

(b) The rate of return for dealers is 3.4%.

(c) The rate of return to retailers is 2.7%.

SECTION C
EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-962

All parts of Official General Order A-962 (CRO 3) not inconsistent with Section B of this order continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

Luke F. Brubaker, Chairman

Lynda J. Bowman, Consumer Member

James A. Van Blarcom, Member

Date: January 7, 2015

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).

FINDINGS OF FACT AND CONCLUSIONS OF LAW
COST REPLACEMENT HEARING FOR MILK MARKETING AREA NO. 3
DECEMBER 3, 2014

I. FINDINGS OF FACT

1. On December 3, 2014, the Pennsylvania Milk Marketing Board (“Board”) held a cost replacement hearing for Milk Marketing Area No. 3.

2. Notice of the hearing was published at 44 Pennsylvania Bulletin 6893 dated October 25, 2014. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1511, dated October 15, 2014. 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 3 milk dealers (“Dealers”), the only parties to present dealer cost information, consisted of Clover Farms Dairy Company; Guers Dairy; Schneider – Valley Farms, Inc; Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven; Turkey Hill L.P.; Pocono Mountain Dairies; and Swiss Premium Dairy, Inc.

4. Cliff 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 3. 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 3 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 3 and delivered to a range of customers in Area 3 which included supermarkets, convenience stores, schools, institutions, and small retail outlets. Mr. Herbein opined that the cross-section was representative of the dealers selling in Area 3. 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 3.

5. Dave DeSantis testified on behalf of Board Staff as an expert in milk regulation and milk cost accounting. Mr. DeSantis and Mr. Herbein testified that the cross-section dealers incurred a cost of \$0.2659 per point for processing, packaging, and delivering milk in 2013. Based on this uncontradicted and concurring testimony, the Board finds that the cross section dealers incurred a cost of \$0.2659 per point for processing, packaging, and delivery, and further finds that \$0.2659 is the processing, packaging, and delivery cost that should be used in this order.

6. Mr. DeSantis and Mr. Herbein testified to the following 2014 ingredient costs, based on year 2013 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0009/lb; Low Fat Milk - \$0.0007/lb; Non-Fat Milk - \$0.0026/lb; Flavored Milk - \$0.0326/lb; Flavored Reduced Fat Milk - \$0.0310/lb; Flavored Non-Fat Milk - \$0.0255/lb; Buttermilk - \$0.0309/lb; Egg Nog - \$0.1807/lb. The Board finds that these ingredient costs should be used in this order.

7. Mr. DeSantis and Mr. Herbein presented concurring evidence regarding the cost update for labor, insurance, and utility costs of \$(0.0032) per point between the first halves of 2013 and 2014. We find that \$(0.0032) 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. DeSantis and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. DeSantis in Staff Surrebuttal Exhibit 8 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. DeSantis and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. DeSantis in Staff Surrebuttal Exhibit 9 and attached to this order as Attachment 2.

10. Mr. DeSantis and Mr. Herbein presented concurring evidence regarding the cost of shrinkage and sales of bulk products of \$(0.0028) per pound. Based on the uncontradicted and concurring testimony, the Board finds that the cost of shrinkage and sales of bulk products to be used in this order should be \$(0.0028) per pound.

11. Based on the concurring container costs evidence presented by Mr. DeSantis and Mr. Herbein, the Board finds that the following base container costs should be adopted for this order: Gallon - \$0.2001; Half Gallon (combined) - \$0.1505; Quart (combined) - \$0.1059; Pint (combined) - \$0.0825; Half Pint (paper) - \$0.0279; Half Pint (plastic) - \$0.0697; 12 Ounce - \$0.0630; 10 Ounce - \$0.0544; 4 Ounce - \$0.0273; Bulk Per Quart - \$0.0418. Both Mr. DeSantis and Mr. Herbein 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. DeSantis and as 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. DeSantis and Mr. Herbein, we find the plastic add-on is \$0.0418 and that the add-on should be adjusted monthly based on the monthly container cost surveys.

12. No party 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.

13. Thomas J. Price testified on behalf of the Pennsylvania Food Merchants Association as an expert in retail store accounting and dairy in-store handling costs. Mr. Price recommended that the retail rate of return remain unchanged and that the Board continue to utilize the monthly CPI adjustment to minimum retail prices. The Board finds that the retail rate of return should remain at 2.7% and that the monthly CPI adjustment should remain in place.

II. CONCLUSIONS OF LAW

1. The December 3, 2014, cost replacement hearing for Milk Marketing Area No. 3 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 records of the Area 1 and Area 2 cost replacement hearings held on December 3, 2014, were incorporated by reference in the record of this hearing.

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

4. The cross-section used to establish dealer 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

Luke F. Brubaker, Chairman

Lynda J. Bowman, Consumer Member

James A. Van Blarcom, Member

Date: January 7, 2015

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).

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

Diesel Fuel Costs Adjustment

Update of Diesel Fuel Costs from YEAR 2013 to SEPTEMBER 2014

| | |
|---|----------------------------------|
| 1. Weighted Diesel Fuel Costs - YEAR 2013 | \$ 2,259,317 |
| 2. Average On-Highway Diesel Price per Gallon - YEAR 2013 ⁽¹⁾ | \$ 4.010 |
| 3. On-Highway Diesel Price per Gallon - SEPTEMBER 2014 ⁽¹⁾ | \$ 3.900 |
| 4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2) | -2.74% |
| 5. Presumed Diesel Fuel Costs - SEPTEMBER 2014 ((Line 1 X Line 4) + Line 1) | <u>\$ 2,197,341</u> |
| 6. Change in Diesel Fuel Costs from YEAR 2013 to SEPTEMBER 2014 (Line 5 - Line 1) | \$ (61,976) |
| 7. Weighted Delivery Points - YEAR 2013 | <u>112,908,187</u> |
| 8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7) | <u><u>\$ (0.0005)</u></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 3**

Heating Fuel Costs Adjustment

Update of Heating Fuel Costs from YEAR 2013 to JULY 2014

| | | |
|---|------------------|----------------------|
| 1. Weighted Heating Fuel Costs - YEAR 2013 | \$ | 319,898 |
| 2. Pennsylvania Average Natural Gas Price - Industrial - YEAR 2013 ⁽¹⁾ | \$ | 9.16 |
| 3. Pennsylvania Average Natural Gas Price - Industrial - JULY 2014 ⁽¹⁾ | \$ | 9.83 |
| 4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2) | | 7.31% |
| 5. Presumed Heating Fuel Costs - JULY 2014 ((Line 1 X Line 4) + Line 1) | <u>\$</u> | <u>343,282</u> |
| 6. Change in Heating Fuel Costs from YEAR 2013 to JULY 2014 (Line 5 - Line 1) | \$ | 23,384 |
| 7. Weighted Standardization & Pasteurization (S&P) Points - YEAR 2013 | | <u>136,818,701</u> |
| 8. Change in Heating Fuel Costs per S&P Point (Line 6 ÷ Line 7) | <u>\$</u> | <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 MARKETING BOARD
MILK MARKETING AREA 3**

**MILK COSTS BEFORE PACKAGING
NOVEMBER 2014 MILK COSTS**

| | Class 1 |
|----------------|-----------|
| Skim Rate | \$ 18.34 |
| Butterfat Rate | \$ 3.2725 |

| | A | B | C | D | E | F | G | H | I | J | K |
|---------------------|----------------|------------------|----------------------|-------------|-----------------|-----------------|-------------|----------------|-----------------|-------------------------|----------------------|
| | | | (B ÷ A) | (A - B) | (B × BF Rate) | (D × Skim Rate) | (E + F) | (G ÷ A) | (EX. 4) | (EX. 5) | (H + I + J) |
| Product Description | Product Pounds | Butterfat Pounds | Butterfat Percentage | Skim Pounds | Butterfat Value | Skim Value | Total Value | Cost per Pound | Ingredient Cost | Bulk Sale (Profit)/Loss | Total Cost per Pound |

| | | | | | | | | | | | | |
|---------|---------------------------|------------|-----------|---------|------------|--------------|--------------|---------------|-----------|-----------|-------------|------------------|
| Class 1 | Standard (Whole) Milk | 48,318,297 | 1,574,715 | 3.2590% | 46,743,582 | \$ 5,153,255 | \$ 8,572,773 | \$ 13,726,028 | \$ 0.2841 | \$ - | \$ (0.0028) | \$ 0.2813 |
| | Reduced Fat (2%) Milk | 48,061,108 | 940,872 | 1.9577% | 47,120,236 | \$ 3,079,004 | \$ 8,641,851 | \$ 11,720,855 | \$ 0.2439 | \$ 0.0009 | \$ (0.0028) | \$ 0.2420 |
| | Low Fat (1%) Milk | 27,936,540 | 267,144 | 0.9563% | 27,669,396 | \$ 874,229 | \$ 5,074,567 | \$ 5,948,796 | \$ 0.2129 | \$ 0.0007 | \$ (0.0028) | \$ 0.2108 |
| | Non Fat (Skim) Milk | 25,482,128 | 24,113 | 0.0946% | 25,458,015 | \$ 78,910 | \$ 4,669,000 | \$ 4,747,910 | \$ 0.1863 | \$ 0.0026 | \$ (0.0028) | \$ 0.1861 |
| | Flavored Milk | 3,121,628 | 104,457 | 3.3462% | 3,017,171 | \$ 341,836 | \$ 553,349 | \$ 895,185 | \$ 0.2868 | \$ 0.0326 | \$ (0.0028) | \$ 0.3166 |
| | Flavored Reduced Fat Milk | 5,794,366 | 77,629 | 1.3397% | 5,716,737 | \$ 254,041 | \$ 1,048,450 | \$ 1,302,490 | \$ 0.2248 | \$ 0.0310 | \$ (0.0028) | \$ 0.2530 |
| | Flavored NONFAT Milk | 12,804,088 | 11,891 | 0.0929% | 12,792,197 | \$ 38,913 | \$ 2,346,089 | \$ 2,385,002 | \$ 0.1863 | \$ 0.0255 | \$ (0.0028) | \$ 0.2090 |
| | Buttermilk | 102,769 | 3,903 | 3.7978% | 98,866 | \$ 12,773 | \$ 18,132 | \$ 30,905 | \$ 0.3007 | \$ 0.0309 | \$ (0.0028) | \$ 0.3288 |
| | Egg Nog | 1,093,523 | 72,852 | 6.6621% | 1,020,671 | \$ 238,408 | \$ 187,191 | \$ 425,599 | \$ 0.3892 | \$ 0.1807 | \$ (0.0028) | \$ 0.5671 |

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
NOVEMBER 2014 MILK PRICES**

| | A EX. 6 | B EX. 3 | C EXS. 7, 8 & 9 ⁽¹⁾ | D | E EX. 2 | F (A+B+C+D+E) | G | H (F + G) | I | J | K (H + I + J) | |
|-----------------------|-------------|------------------|---|---------------------------------|------------------|------------------------|------------------|-------------------|------------------------|--------------------------|--------------------------|------------------|
| Container Size | Milk Cost | Container Cost | Cost Update & Energy Add-On Adjustments | Container Efficiency Adjustment | Processing Cost | Average Delivered Cost | Profit at 3.40% | Price with Profit | Less: Average Delivery | Plus: High Cost Delivery | Proposed Wholesale Price | |
| STANDARD (WHOLE) MILK | Gallon | \$ 2.4192 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 3.6183 | \$ 0.1274 | \$ 3.7457 | \$ (0.4992) | \$ 0.9448 | \$ 4.1913 |
| | Half Gallon | \$ 1.2096 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.8517 | \$ 0.0652 | \$ 1.9169 | \$ (0.2496) | \$ 0.4724 | \$ 2.1397 |
| | Quart | \$ 0.6048 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 1.0061 | \$ 0.0354 | \$ 1.0415 | \$ (0.1248) | \$ 0.2362 | \$ 1.1529 |
| | Pint | \$ 0.3024 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.5650 | \$ 0.0199 | \$ 0.5849 | \$ (0.0624) | \$ 0.1181 | \$ 0.6406 |
| | 12 Ounce | \$ 0.2268 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.4340 | \$ 0.0153 | \$ 0.4493 | \$ (0.0468) | \$ 0.0886 | \$ 0.4911 |
| | 10 Ounce | \$ 0.1890 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3735 | \$ 0.0131 | \$ 0.3866 | \$ (0.0390) | \$ 0.0738 | \$ 0.4214 |
| | Half Pint | \$ 0.1512 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2679 | \$ 0.0094 | \$ 0.2773 | \$ (0.0312) | \$ 0.0591 | \$ 0.3052 |
| | 4 ounce | \$ 0.0756 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1671 | \$ 0.0059 | \$ 0.1730 | \$ (0.0156) | \$ 0.0295 | \$ 0.1869 |
| | Dispenser | \$ 0.6048 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.9183 | \$ 0.0323 | \$ 0.9506 | \$ (0.1248) | \$ 0.2362 | \$ 1.0620 |
| REDUCED FAT (2%) MILK | Gallon | \$ 2.0860 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 3.2851 | \$ 0.1156 | \$ 3.4007 | \$ (0.4992) | \$ 0.9448 | \$ 3.8463 |
| | Half Gallon | \$ 1.0430 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.6851 | \$ 0.0593 | \$ 1.7444 | \$ (0.2496) | \$ 0.4724 | \$ 1.9672 |
| | Quart | \$ 0.5215 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 0.9228 | \$ 0.0325 | \$ 0.9553 | \$ (0.1248) | \$ 0.2362 | \$ 1.0667 |
| | Pint | \$ 0.2608 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.5234 | \$ 0.0184 | \$ 0.5418 | \$ (0.0624) | \$ 0.1181 | \$ 0.5975 |
| | 12 Ounce | \$ 0.1956 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.4028 | \$ 0.0142 | \$ 0.4170 | \$ (0.0468) | \$ 0.0886 | \$ 0.4588 |
| | 10 Ounce | \$ 0.1630 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3475 | \$ 0.0122 | \$ 0.3597 | \$ (0.0416) | \$ 0.0787 | \$ 0.3968 |
| | Half Pint | \$ 0.1304 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2471 | \$ 0.0087 | \$ 0.2558 | \$ (0.0312) | \$ 0.0591 | \$ 0.2837 |
| | 4 ounce | \$ 0.0652 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1567 | \$ 0.0055 | \$ 0.1622 | \$ (0.0156) | \$ 0.0295 | \$ 0.1761 |
| | Dispenser | \$ 0.5215 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.8350 | \$ 0.0294 | \$ 0.8644 | \$ (0.1248) | \$ 0.2362 | \$ 0.9758 |
| LOWFAT (1%) MILK | Gallon | \$ 1.8171 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 3.0162 | \$ 0.1062 | \$ 3.1224 | \$ (0.4992) | \$ 0.9448 | \$ 3.5680 |
| | Half Gallon | \$ 0.9085 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.5506 | \$ 0.0546 | \$ 1.6052 | \$ (0.2496) | \$ 0.4724 | \$ 1.8280 |
| | Quart | \$ 0.4543 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 0.8556 | \$ 0.0301 | \$ 0.8857 | \$ (0.1248) | \$ 0.2362 | \$ 0.9971 |
| | Pint | \$ 0.2271 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.4897 | \$ 0.0172 | \$ 0.5069 | \$ (0.0624) | \$ 0.1181 | \$ 0.5626 |
| | 12 Ounce | \$ 0.1704 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.3776 | \$ 0.0133 | \$ 0.3909 | \$ (0.0468) | \$ 0.0886 | \$ 0.4327 |
| | 10 Ounce | \$ 0.1420 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3265 | \$ 0.0115 | \$ 0.3380 | \$ (0.0416) | \$ 0.0787 | \$ 0.3751 |
| | Half Pint | \$ 0.1136 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2303 | \$ 0.0081 | \$ 0.2384 | \$ (0.0312) | \$ 0.0591 | \$ 0.2663 |
| | 4 ounce | \$ 0.0568 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1483 | \$ 0.0052 | \$ 0.1535 | \$ (0.0156) | \$ 0.0295 | \$ 0.1674 |
| | Dispenser | \$ 0.4543 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.7678 | \$ 0.0270 | \$ 0.7948 | \$ (0.1248) | \$ 0.2362 | \$ 0.9062 |
| NONFAT (SKIM) MILK | Gallon | \$ 1.6060 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 2.8051 | \$ 0.0987 | \$ 2.9038 | \$ (0.4992) | \$ 0.9448 | \$ 3.3494 |
| | Half Gallon | \$ 0.8030 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.4451 | \$ 0.0509 | \$ 1.4960 | \$ (0.2496) | \$ 0.4724 | \$ 1.7188 |
| | Quart | \$ 0.4015 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 0.8028 | \$ 0.0283 | \$ 0.8311 | \$ (0.1248) | \$ 0.2362 | \$ 0.9425 |
| | Pint | \$ 0.2008 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.4634 | \$ 0.0163 | \$ 0.4797 | \$ (0.0624) | \$ 0.1181 | \$ 0.5354 |
| | 12 Ounce | \$ 0.1506 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.3578 | \$ 0.0126 | \$ 0.3704 | \$ (0.0468) | \$ 0.0886 | \$ 0.4122 |
| | 10 Ounce | \$ 0.1255 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3100 | \$ 0.0109 | \$ 0.3209 | \$ (0.0416) | \$ 0.0787 | \$ 0.3580 |
| | Half Pint | \$ 0.1004 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2171 | \$ 0.0076 | \$ 0.2247 | \$ (0.0312) | \$ 0.0591 | \$ 0.2526 |
| | 4 ounce | \$ 0.0502 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1417 | \$ 0.0050 | \$ 0.1467 | \$ (0.0156) | \$ 0.0295 | \$ 0.1606 |
| | Dispenser | \$ 0.4015 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.7150 | \$ 0.0252 | \$ 0.7402 | \$ (0.1248) | \$ 0.2362 | \$ 0.8516 |

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0061 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
NOVEMBER 2014 MILK PRICES**

| | A EX. 6 | B EX. 3 | C EXS. 7, 8 & 9 ⁽¹⁾ | D | E EX. 2 | F (A+B+C+D+E) | G | H (F + G) | I | J | K (H + I + J) | |
|----------------------------------|-------------|----------------|---|---------------------------------|-----------------|------------------------|-----------------|-------------------|------------------------|--------------------------|--------------------------|-----------|
| Container Size | Milk Cost | Container Cost | Cost Update & Energy Add-On Adjustments | Container Efficiency Adjustment | Processing Cost | Average Delivered Cost | Profit at 3.40% | Price with Profit | Less: Average Delivery | Plus: High Cost Delivery | Proposed Wholesale Price | |
| FLAVORED MILK | Gallon | \$ 2.5328 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 3.7319 | \$ 0.1314 | \$ 3.8633 | \$ (0.4992) | \$ 0.9448 | \$ 4.3089 |
| | Half Gallon | \$ 1.2664 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.9085 | \$ 0.0672 | \$ 1.9757 | \$ (0.2496) | \$ 0.4724 | \$ 2.1985 |
| | Quart | \$ 0.6332 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 1.0345 | \$ 0.0364 | \$ 1.0709 | \$ (0.1248) | \$ 0.2362 | \$ 1.1823 |
| | Pint | \$ 0.3166 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.5792 | \$ 0.0204 | \$ 0.5996 | \$ (0.0624) | \$ 0.1181 | \$ 0.6553 |
| | 12 Ounce | \$ 0.2375 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.4447 | \$ 0.0157 | \$ 0.4604 | \$ (0.0468) | \$ 0.0886 | \$ 0.5022 |
| | 10 Ounce | \$ 0.1979 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3824 | \$ 0.0135 | \$ 0.3959 | \$ (0.0416) | \$ 0.0787 | \$ 0.4330 |
| | Half Pint | \$ 0.1583 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2750 | \$ 0.0097 | \$ 0.2847 | \$ (0.0312) | \$ 0.0591 | \$ 0.3126 |
| | 4 ounce | \$ 0.0792 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1707 | \$ 0.0060 | \$ 0.1767 | \$ (0.0156) | \$ 0.0295 | \$ 0.1906 |
| Dispenser | \$ 0.6332 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.9467 | \$ 0.0333 | \$ 0.9800 | \$ (0.1248) | \$ 0.2362 | \$ 1.0914 | |
| FLAVORED REDUCED FAT MILK | Gallon | \$ 2.0240 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 3.2231 | \$ 0.1134 | \$ 3.3365 | \$ (0.4992) | \$ 0.9448 | \$ 3.7821 |
| | Half Gallon | \$ 1.0120 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.6541 | \$ 0.0582 | \$ 1.7123 | \$ (0.2496) | \$ 0.4724 | \$ 1.9351 |
| | Quart | \$ 0.5060 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 0.9073 | \$ 0.0319 | \$ 0.9392 | \$ (0.1248) | \$ 0.2362 | \$ 1.0506 |
| | Pint | \$ 0.2530 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.5156 | \$ 0.0181 | \$ 0.5337 | \$ (0.0624) | \$ 0.1181 | \$ 0.5894 |
| | 12 Ounce | \$ 0.1898 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.3970 | \$ 0.0140 | \$ 0.4110 | \$ (0.0468) | \$ 0.0886 | \$ 0.4528 |
| | 10 Ounce | \$ 0.1581 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3426 | \$ 0.0121 | \$ 0.3547 | \$ (0.0416) | \$ 0.0787 | \$ 0.3918 |
| | Half Pint | \$ 0.1265 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2432 | \$ 0.0086 | \$ 0.2518 | \$ (0.0312) | \$ 0.0591 | \$ 0.2797 |
| | 4 ounce | \$ 0.0633 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1548 | \$ 0.0054 | \$ 0.1602 | \$ (0.0156) | \$ 0.0295 | \$ 0.1741 |
| Dispenser | \$ 0.5060 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.8195 | \$ 0.0288 | \$ 0.8483 | \$ (0.1248) | \$ 0.2362 | \$ 0.9597 | |
| FLAVORED NONFAT MILK | Gallon | \$ 1.6720 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 2.8711 | \$ 0.1011 | \$ 2.9722 | \$ (0.4992) | \$ 0.9448 | \$ 3.4178 |
| | Half Gallon | \$ 0.8360 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 1.4781 | \$ 0.0520 | \$ 1.5301 | \$ (0.2496) | \$ 0.4724 | \$ 1.7529 |
| | Quart | \$ 0.4180 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 0.8193 | \$ 0.0288 | \$ 0.8481 | \$ (0.1248) | \$ 0.2362 | \$ 0.9595 |
| | Pint | \$ 0.2090 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.4716 | \$ 0.0166 | \$ 0.4882 | \$ (0.0624) | \$ 0.1181 | \$ 0.5439 |
| | 12 Ounce | \$ 0.1568 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.3640 | \$ 0.0128 | \$ 0.3768 | \$ (0.0468) | \$ 0.0886 | \$ 0.4186 |
| | 10 Ounce | \$ 0.1306 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.3151 | \$ 0.0111 | \$ 0.3262 | \$ (0.0416) | \$ 0.0787 | \$ 0.3633 |
| | Half Pint | \$ 0.1045 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2212 | \$ 0.0078 | \$ 0.2290 | \$ (0.0312) | \$ 0.0591 | \$ 0.2569 |
| | 4 ounce | \$ 0.0523 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1438 | \$ 0.0051 | \$ 0.1489 | \$ (0.0156) | \$ 0.0295 | \$ 0.1628 |
| Dispenser | \$ 0.4180 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 0.7315 | \$ 0.0257 | \$ 0.7572 | \$ (0.1248) | \$ 0.2362 | \$ 0.8686 | |
| BUTTERMILK | Gallon | \$ 2.8277 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 4.0268 | \$ 0.1417 | \$ 4.1685 | \$ (0.4992) | \$ 0.9448 | \$ 4.6141 |
| | Half Gallon | \$ 1.4138 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 2.0559 | \$ 0.0724 | \$ 2.1283 | \$ (0.2496) | \$ 0.4724 | \$ 2.3511 |
| | Quart | \$ 0.7069 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 1.1082 | \$ 0.0390 | \$ 1.1472 | \$ (0.1248) | \$ 0.2362 | \$ 1.2586 |
| | Pint | \$ 0.3535 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.6161 | \$ 0.0217 | \$ 0.6378 | \$ (0.0624) | \$ 0.1181 | \$ 0.6935 |
| | 12 Ounce | \$ 0.2651 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.4723 | \$ 0.0166 | \$ 0.4889 | \$ (0.0468) | \$ 0.0886 | \$ 0.5307 |
| | 10 Ounce | \$ 0.2209 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.4054 | \$ 0.0143 | \$ 0.4197 | \$ (0.0416) | \$ 0.0787 | \$ 0.4568 |
| | Half Pint | \$ 0.1767 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.2934 | \$ 0.0103 | \$ 0.3037 | \$ (0.0312) | \$ 0.0591 | \$ 0.3316 |
| | 4 ounce | \$ 0.0884 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.1799 | \$ 0.0063 | \$ 0.1862 | \$ (0.0156) | \$ 0.0295 | \$ 0.2001 |
| Dispenser | \$ 0.7069 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 1.0204 | \$ 0.0359 | \$ 1.0563 | \$ (0.1248) | \$ 0.2362 | \$ 1.1677 | |

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0061 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
NOVEMBER 2014 MILK PRICES**

| | A EX. 6 | B EX. 3 | C EXS. 7, 8 & 9 ⁽¹⁾ | D | E EX. 2 | F (A+B+C+D+E) | G | H (F + G) | I | J | K (H + I + J) | |
|------------------|--------------------|----------------|---|---------------------------------|-----------------|------------------------|-----------------|-------------------|------------------------|--------------------------|--------------------------|-----------|
| Container Size | Milk Cost | Container Cost | Cost Update & Energy Add-On Adjustments | Container Efficiency Adjustment | Processing Cost | Average Delivered Cost | Profit at 3.40% | Price with Profit | Less: Average Delivery | Plus: High Cost Delivery | Proposed Wholesale Price | |
| EGG NOG | Gallon | \$ 4.5368 | \$ 0.2063 | \$ 0.0104 | \$ (0.0812) | \$ 1.0636 | \$ 5.7359 | \$ 0.2019 | \$ 5.9378 | \$ (0.4992) | \$ 0.9448 | \$ 6.3834 |
| | Half Gallon | \$ 2.2684 | \$ 0.1523 | \$ 0.0052 | \$ (0.0472) | \$ 0.5318 | \$ 2.9105 | \$ 0.1024 | \$ 3.0129 | \$ (0.2496) | \$ 0.4724 | \$ 3.2357 |
| | Quart | \$ 1.1342 | \$ 0.1108 | \$ 0.0026 | \$ 0.0220 | \$ 0.2659 | \$ 1.5355 | \$ 0.0540 | \$ 1.5895 | \$ (0.1248) | \$ 0.2362 | \$ 1.7009 |
| | Pint | \$ 0.5671 | \$ 0.0861 | \$ 0.0013 | \$ 0.0422 | \$ 0.1330 | \$ 0.8297 | \$ 0.0292 | \$ 0.8589 | \$ (0.0624) | \$ 0.1181 | \$ 0.9146 |
| | 12 Ounce | \$ 0.4253 | \$ 0.0630 | \$ 0.0010 | \$ 0.0435 | \$ 0.0997 | \$ 0.6325 | \$ 0.0223 | \$ 0.6548 | \$ (0.0468) | \$ 0.0886 | \$ 0.6966 |
| | 10 Ounce | \$ 0.3544 | \$ 0.0544 | \$ 0.0008 | \$ 0.0462 | \$ 0.0831 | \$ 0.5389 | \$ 0.0190 | \$ 0.5579 | \$ (0.0416) | \$ 0.0787 | \$ 0.5950 |
| | Half Pint | \$ 0.2836 | \$ 0.0293 | \$ 0.0007 | \$ 0.0202 | \$ 0.0665 | \$ 0.4003 | \$ 0.0141 | \$ 0.4144 | \$ (0.0312) | \$ 0.0591 | \$ 0.4423 |
| | 4 ounce | \$ 0.1418 | \$ 0.0277 | \$ 0.0003 | \$ 0.0303 | \$ 0.0332 | \$ 0.2333 | \$ 0.0082 | \$ 0.2415 | \$ (0.0156) | \$ 0.0295 | \$ 0.2554 |
| Dispenser | \$ 1.1342 | \$ 0.0423 | \$ 0.0026 | \$ 0.0027 | \$ 0.2659 | \$ 1.4477 | \$ 0.0510 | \$ 1.4987 | \$ (0.1248) | \$ 0.2362 | \$ 1.6101 | |

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0061 per quart equivalent.

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3

RETAIL PRICE BUILDUP
NOVEMBER 2014 MILK PRICES

| | A EX. 10 | B | C | D | E (A+B+C+D) |
|-----------------------|---------------------------------|--------------------------------|------------------------------------|--------------------------|------------------------------|
| Container Size | Proposed Wholesale Price | Deepest Discount 13.00% | In-Store Handling \$ 0.1286 | Store Profit 2.7% | Proposed Retail Price |

| STANDARD (WHOLE) MILK | Gallon | \$ 4.1913 | \$ (0.5449) | \$ 0.5144 | \$ 0.1155 | \$ 4.28 |
|------------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 2.1397 | \$ (0.2782) | \$ 0.2572 | \$ 0.0588 | \$ 2.18 |
| | Quart | \$ 1.1529 | \$ (0.1499) | \$ 0.1286 | \$ 0.0314 | \$ 1.16 |
| | Pint | \$ 0.6406 | \$ (0.0833) | \$ 0.0643 | \$ 0.0172 | \$ 0.65 |
| | 12 Ounce | \$ 0.4911 | \$ (0.0638) | \$ 0.0482 | \$ 0.0132 | \$ 0.50 |
| | 10 Ounce | \$ 0.4214 | \$ (0.0548) | \$ 0.0402 | \$ 0.0113 | \$ 0.43 |
| | Half Pint | \$ 0.3052 | \$ (0.0397) | \$ 0.0322 | \$ 0.0083 | \$ 0.31 |
| | 4 ounce | \$ 0.1869 | \$ (0.0243) | \$ 0.0161 | \$ 0.0050 | \$ 0.20 |
| | Dispenser | \$ 1.0620 | \$ (0.1381) | \$ 0.1286 | \$ 0.0292 | \$ 1.08 |

| REDUCED FAT (2%) MILK | Gallon | \$ 3.8463 | \$ (0.5000) | \$ 0.5144 | \$ 0.1071 | \$ 3.97 |
|------------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 1.9672 | \$ (0.2557) | \$ 0.2572 | \$ 0.0546 | \$ 2.02 |
| | Quart | \$ 1.0667 | \$ (0.1387) | \$ 0.1286 | \$ 0.0293 | \$ 1.09 |
| | Pint | \$ 0.5975 | \$ (0.0777) | \$ 0.0643 | \$ 0.0162 | \$ 0.60 |
| | 12 Ounce | \$ 0.4588 | \$ (0.0596) | \$ 0.0482 | \$ 0.0124 | \$ 0.46 |
| | 10 Ounce | \$ 0.3968 | \$ (0.0516) | \$ 0.0402 | \$ 0.0107 | \$ 0.40 |
| | Half Pint | \$ 0.2837 | \$ (0.0369) | \$ 0.0322 | \$ 0.0077 | \$ 0.29 |
| | 4 ounce | \$ 0.1761 | \$ (0.0229) | \$ 0.0161 | \$ 0.0047 | \$ 0.19 |
| | Dispenser | \$ 0.9758 | \$ (0.1269) | \$ 0.1286 | \$ 0.0271 | \$ 1.00 |

| LOWFAT (1%) MILK | Gallon | \$ 3.5680 | \$ (0.4638) | \$ 0.5144 | \$ 0.1004 | \$ 3.72 |
|-------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 1.8280 | \$ (0.2376) | \$ 0.2572 | \$ 0.0513 | \$ 1.90 |
| | Quart | \$ 0.9971 | \$ (0.1296) | \$ 0.1286 | \$ 0.0276 | \$ 1.02 |
| | Pint | \$ 0.5626 | \$ (0.0731) | \$ 0.0643 | \$ 0.0154 | \$ 0.57 |
| | 12 Ounce | \$ 0.4327 | \$ (0.0563) | \$ 0.0482 | \$ 0.0118 | \$ 0.44 |
| | 10 Ounce | \$ 0.3751 | \$ (0.0488) | \$ 0.0402 | \$ 0.0102 | \$ 0.38 |
| | Half Pint | \$ 0.2663 | \$ (0.0346) | \$ 0.0322 | \$ 0.0073 | \$ 0.27 |
| | 4 ounce | \$ 0.1674 | \$ (0.0218) | \$ 0.0161 | \$ 0.0045 | \$ 0.17 |
| | Dispenser | \$ 0.9062 | \$ (0.1178) | \$ 0.1286 | \$ 0.0254 | \$ 0.94 |

| NONFAT (SKIM) MILK | Gallon | \$ 3.3494 | \$ (0.4354) | \$ 0.5144 | \$ 0.0951 | \$ 3.52 |
|---------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 1.7188 | \$ (0.2234) | \$ 0.2572 | \$ 0.0486 | \$ 1.80 |
| | Quart | \$ 0.9425 | \$ (0.1225) | \$ 0.1286 | \$ 0.0263 | \$ 0.97 |
| | Pint | \$ 0.5354 | \$ (0.0696) | \$ 0.0643 | \$ 0.0147 | \$ 0.54 |
| | 12 Ounce | \$ 0.4122 | \$ (0.0536) | \$ 0.0482 | \$ 0.0113 | \$ 0.42 |
| | 10 Ounce | \$ 0.3580 | \$ (0.0465) | \$ 0.0402 | \$ 0.0098 | \$ 0.36 |
| | Half Pint | \$ 0.2526 | \$ (0.0328) | \$ 0.0322 | \$ 0.0070 | \$ 0.26 |
| | 4 ounce | \$ 0.1606 | \$ (0.0209) | \$ 0.0161 | \$ 0.0043 | \$ 0.17 |
| | Dispenser | \$ 0.8516 | \$ (0.1107) | \$ 0.1286 | \$ 0.0241 | \$ 0.89 |

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3

RETAIL PRICE BUILDUP
NOVEMBER 2014 MILK PRICES

| | A EX. 10 | B | C | D | E (A+B+C+D) |
|-----------------------|---------------------------------|--------------------------------|------------------------------------|--------------------------|------------------------------|
| Container Size | Proposed Wholesale Price | Deepest Discount 13.00% | In-Store Handling \$ 0.1286 | Store Profit 2.7% | Proposed Retail Price |

| FLAVORED MILK | Gallon | \$ 4.3089 | \$ (0.5602) | \$ 0.5144 | \$ 0.1183 | \$ 4.38 |
|----------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 2.1985 | \$ (0.2858) | \$ 0.2572 | \$ 0.0602 | \$ 2.23 |
| | Quart | \$ 1.1823 | \$ (0.1537) | \$ 0.1286 | \$ 0.0321 | \$ 1.19 |
| | Pint | \$ 0.6553 | \$ (0.0852) | \$ 0.0643 | \$ 0.0176 | \$ 0.67 |
| | 12 Ounce | \$ 0.5022 | \$ (0.0653) | \$ 0.0482 | \$ 0.0135 | \$ 0.51 |
| | 10 Ounce | \$ 0.4330 | \$ (0.0563) | \$ 0.0402 | \$ 0.0116 | \$ 0.44 |
| | Half Pint | \$ 0.3126 | \$ (0.0406) | \$ 0.0322 | \$ 0.0084 | \$ 0.32 |
| | 4 ounce | \$ 0.1906 | \$ (0.0248) | \$ 0.0161 | \$ 0.0050 | \$ 0.20 |
| | Dispenser | \$ 1.0914 | \$ (0.1419) | \$ 0.1286 | \$ 0.0299 | \$ 1.11 |

| FLAVORED REDUCED FAT MILK | Gallon | \$ 3.7821 | \$ (0.4917) | \$ 0.5144 | \$ 0.1056 | \$ 3.91 |
|----------------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 1.9351 | \$ (0.2516) | \$ 0.2572 | \$ 0.0539 | \$ 1.99 |
| | Quart | \$ 1.0506 | \$ (0.1366) | \$ 0.1286 | \$ 0.0289 | \$ 1.07 |
| | Pint | \$ 0.5894 | \$ (0.0766) | \$ 0.0643 | \$ 0.0160 | \$ 0.59 |
| | 12 Ounce | \$ 0.4528 | \$ (0.0589) | \$ 0.0482 | \$ 0.0123 | \$ 0.46 |
| | 10 Ounce | \$ 0.3918 | \$ (0.0509) | \$ 0.0402 | \$ 0.0106 | \$ 0.40 |
| | Half Pint | \$ 0.2797 | \$ (0.0364) | \$ 0.0322 | \$ 0.0076 | \$ 0.28 |
| | 4 ounce | \$ 0.1741 | \$ (0.0226) | \$ 0.0161 | \$ 0.0047 | \$ 0.18 |
| | Dispenser | \$ 0.9597 | \$ (0.1248) | \$ 0.1286 | \$ 0.0267 | \$ 0.99 |

| FLAVORED NONFAT MILK | Gallon | \$ 3.4178 | \$ (0.4443) | \$ 0.5144 | \$ 0.0968 | \$ 3.58 |
|-----------------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 1.7529 | \$ (0.2279) | \$ 0.2572 | \$ 0.0495 | \$ 1.83 |
| | Quart | \$ 0.9595 | \$ (0.1247) | \$ 0.1286 | \$ 0.0267 | \$ 0.99 |
| | Pint | \$ 0.5439 | \$ (0.0707) | \$ 0.0643 | \$ 0.0149 | \$ 0.55 |
| | 12 Ounce | \$ 0.4186 | \$ (0.0544) | \$ 0.0482 | \$ 0.0114 | \$ 0.42 |
| | 10 Ounce | \$ 0.3633 | \$ (0.0472) | \$ 0.0402 | \$ 0.0099 | \$ 0.37 |
| | Half Pint | \$ 0.2569 | \$ (0.0334) | \$ 0.0322 | \$ 0.0071 | \$ 0.26 |
| | 4 ounce | \$ 0.1628 | \$ (0.0212) | \$ 0.0161 | \$ 0.0044 | \$ 0.17 |
| | Dispenser | \$ 0.8686 | \$ (0.1129) | \$ 0.1286 | \$ 0.0245 | \$ 0.91 |

| BUTTERMILK | Gallon | \$ 4.6141 | \$ (0.5998) | \$ 0.5144 | \$ 0.1257 | \$ 4.65 |
|-------------------|--------------------|-----------|-------------|-----------|-----------|---------|
| | Half Gallon | \$ 2.3511 | \$ (0.3056) | \$ 0.2572 | \$ 0.0639 | \$ 2.37 |
| | Quart | \$ 1.2586 | \$ (0.1636) | \$ 0.1286 | \$ 0.0340 | \$ 1.26 |
| | Pint | \$ 0.6935 | \$ (0.0902) | \$ 0.0643 | \$ 0.0185 | \$ 0.70 |
| | 12 Ounce | \$ 0.5307 | \$ (0.0690) | \$ 0.0482 | \$ 0.0141 | \$ 0.54 |
| | 10 Ounce | \$ 0.4568 | \$ (0.0594) | \$ 0.0402 | \$ 0.0121 | \$ 0.47 |
| | Half Pint | \$ 0.3316 | \$ (0.0431) | \$ 0.0322 | \$ 0.0089 | \$ 0.34 |
| | 4 ounce | \$ 0.2001 | \$ (0.0260) | \$ 0.0161 | \$ 0.0053 | \$ 0.21 |
| | Dispenser | \$ 1.1677 | \$ (0.1518) | \$ 0.1286 | \$ 0.0318 | \$ 1.18 |

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**RETAIL PRICE BUILDUP
NOVEMBER 2014 MILK PRICES**

| | A EX. 10 | B | C | D | E (A+B+C+D) |
|---------------------------|---|--|--|----------------------------------|--------------------------------------|
| Container Size | Proposed Wholesale Price | Deepest Discount 13.00% | In-Store Handling \$ 0.1286 | Store Profit 2.7% | Proposed Retail Price |

| | | | | | | |
|----------------|--------------------|-----------|-------------|-----------|-----------|---------|
| EGG NOG | Gallon | \$ 6.3834 | \$ (0.8298) | \$ 0.5144 | \$ 0.1684 | \$ 6.39 |
| | Half Gallon | \$ 3.2357 | \$ (0.4206) | \$ 0.2572 | \$ 0.0853 | \$ 3.25 |
| | Quart | \$ 1.7009 | \$ (0.2211) | \$ 0.1286 | \$ 0.0446 | \$ 1.71 |
| | Pint | \$ 0.9146 | \$ (0.1189) | \$ 0.0643 | \$ 0.0239 | \$ 0.92 |
| | 12 Ounce | \$ 0.6966 | \$ (0.0906) | \$ 0.0482 | \$ 0.0182 | \$ 0.71 |
| | 10 Ounce | \$ 0.5950 | \$ (0.0774) | \$ 0.0402 | \$ 0.0155 | \$ 0.61 |
| | Half Pint | \$ 0.4423 | \$ (0.0575) | \$ 0.0322 | \$ 0.0116 | \$ 0.45 |
| | 4 ounce | \$ 0.2554 | \$ (0.0332) | \$ 0.0161 | \$ 0.0066 | \$ 0.27 |
| | Dispenser | \$ 1.6101 | \$ (0.2093) | \$ 0.1286 | \$ 0.0424 | \$ 1.62 |