

AREA 1

COST REPLACEMENT HEARING DEALER REVISED REBUTTAL EXHIBITS

March 2, 2022

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

INDEX OF REVISED REBUTTAL EXHIBITS

**Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company**

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

Alexandra Albright, 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)

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

PROCESSING, PACKAGING AND DELIVERY COSTS/POINT
(WEIGHTED AVERAGE BASED ON SALES IN AREA 1)

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

<u>Cost Center</u>	<u>Total 2020 Points in PMMB Area 1 (1)</u>	<u>Weighted Average 2020 Cost/Point (1)</u>
Receiving, lab and field work	101,567,940	\$ 0.0266
Standardization and pasteurization	120,284,491	0.0184
Bottling	101,644,463	0.0521
Cold room	145,339,529	0.0665
Delivery	147,748,856	0.1775
Selling	168,494,941	0.0114
		<u>\$ 0.3525</u>

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

REVISED REBUTTAL EXHIBIT D2-A

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

COST REPLACEMENT ADJUSTMENTS FOR PROCESSING, PACKAGING AND DELIVERY COSTS

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	2020 Weighted Average Cost/Point	2019 Cost/Point Included in Existing Order (1)	Increase (Decrease)
Receiving, lab and field work	\$0.0266	\$0.0212	\$0.0054
Standardization and pasteurization	0.0184	0.0161	0.0023
Bottling	0.0521	0.0410	0.0111
Cold room	0.0665	0.0632	0.0033
Delivery	0.1775	0.1818	(0.0043)
Selling	<u>0.0114</u>	<u>0.0245</u>	<u>(0.0131)</u>
Sub total	\$0.3525	\$0.3478	\$0.0047
Add:			
2021 Cost increase (decrease) adjustment - Exhibit D7			(0.0084)
Less:			
2020 Cost (increase) decrease adjustment (1)			<u>0.0002</u>
Net change			<u><u>(\$0.0035)</u></u>

**PMMB AREA 1
MARCH 2, 2022 COST REPLACEMENT HEARING**

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

**Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company**

<u>Container Size</u>	<u>2021 Container Cost (1)</u>	<u>Adjust from April 2021 to December 2021 - Current (2)</u>	<u>Subtotal</u>	<u>Calculated Shrinkage and Loss (4)</u>	<u>Shrinkage Cost</u>	<u>Total Container Cost</u>
Gallon (5)	\$ 0.2172	\$ 0.0444	\$ 0.2616	1.68%	\$ 0.0044	\$ 0.2660
1/2 gallon - plastic	0.1627					
1/2 gallon - paper	(3)					
1/2 gallon - blended (5)	<u>0.1627</u>	0.0294	0.1921	1.70%	0.0033	0.1954
Quart - plastic	0.1438					
Quart - paper	<u>0.0899</u>					
Quart - blended (5)	<u>0.1438</u>	0.0350	0.1788	1.57%	0.0028	0.1816
Pint - plastic	0.0999					
Pint - paper	(3)					
Pint - blended (5)	<u>0.0999</u>	0.0159	0.1158	1.62%	0.0019	0.1177
Twelve ounce	(3)					
Ten ounce	(3)					
1/2 pint - plastic (5)	0.0659	0.0187	0.0846	0.92%	0.0008	0.0854
1/2 pint - paper (5)	0.0251	0.0004	0.0255	0.85%	0.0002	0.0257
Four ounce - paper	0.0243		0.0243	1.53%	0.0004	0.0247
Dispenser	0.0723		0.0723	1.30%	0.0009	0.0732

- (1) For containers not purchased in April 2021 the most recent invoice was used.
- (2) November 2021 container costs were used by the PMMB to establish minimum resale prices for December 2021.
- (3) Container not packaged in this Area.
- (4) 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.
- (5) Current container costs would replace these costs monthly when the PMMB minimum resale prices are announced.

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

ADJUSTED CONTAINER COSTS COMPARED TO CURRENT MONTH
CONTAINER COSTS – APRIL 2021

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

<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)	\$ 0.2663	\$ 0.2579	\$ 0.0084
Half Gallon (2)	0.1955	0.1862	0.0093
Quart (2)	0.1816	0.1817	(0.0001)
Pint (2)	0.1177	0.1169	0.0008
1/2 pint - plastic (2)	0.0854	0.0722	0.0132
1/2 pint - paper (2)	0.0257	0.0256	0.0001
Four ounce - paper	0.0247	0.0205	0.0042
Dispenser (per quart)	0.0732	0.0538	0.0194

(1) Per General Order No. A-993 (CRO 5) as updated.

(2) These container costs to be updated monthly.

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

SUMMARY OF INGREDIENT COSTS
(WEIGHTED AVERAGE BASED ON ACTUAL SALES IN AREA 1)

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	April 2021 Ingredient Cost Per Pound (1)
Standard	\$.0000
Reduced fat (2%) milk	.0002
Lowfat (1%) milk	.0002
Nonfat (skim) milk	.0003
Flavored milk	.0365
Flavored reduced fat milk	.0449
Flavored nonfat milk	.0337
Buttermilk	.0048
Eggnog	.1135

(1) For ingredients not purchased in April 2021 the most recent invoice was used.

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

COST REPLACEMENT ADJUSTMENTS FOR INGREDIENTS

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	2021 Weighted Average Cost/Pound	Cost/Pound included in Existing Order (1)	Increase (Decrease)
Standard milk	\$0.0000	\$0.0000	\$0.0000
Reduced fat milk (2%)	0.0002	0.0002	0.0000
Lowfat milk (1%)	0.0002	0.0002	0.0000
Nonfat milk (skim)	0.0003	0.0006	(0.0003)
Flavored milk (2)	0.0365	0.0413	(0.0048)
Flavored reduced fat milk (2)	0.0449	0.0351	0.0098
Flavored nonfat milk (2)	0.0337	0.0316	0.0021
Buttermilk	0.0048	0.0044	0.0004
Eggnog	0.1135	0.0962	0.0173

(1) Per General Order OGO A-993 (CRO 5) as updated for flavored milks on October 1, 2021.

(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 1
MARCH 2, 2022 COST REPLACEMENT HEARING
WEIGHTED COST OF SHRINKAGE AND WEIGHTED COSTS AND REVENUES FROM BULK CREAM AND BULK MILK**

**Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company**

<u>PMMB Area 1</u>	<u>Costs</u>	<u>Revenues</u>	<u>Weighted Net Cost (Revenue)</u>	<u>Weighted Pounds (1)</u>	<u>Weighted Cost (Revenue) Per Pound</u>
Shrinkage	\$ 693,798		\$ 693,798		
Bulk milk revenue minus milk costs		(60,764)			
Bulk milk cost center costs & freight	919,621				
Net bulk milk cost (revenue)			980,385		
Bulk cream revenue minus milk costs		598,105			
Bulk cream cost center costs	206,600				
Net bulk cream cost (revenue)			(391,505)		
Total	<u>\$ 1,820,019</u>	<u>\$ 537,341</u>			
Net cost (net revenue) - calendar year 2020			\$ 1,282,678	169,475,758	\$ 0.0076
Net cost (net revenue) in current order - calendar year 2019			<u>\$ 869,964</u>	232,008,295	<u>\$ 0.0037</u>
Net change - cost increase (cost reduction)			<u>\$ 412,714</u>		<u>\$ 0.0039</u>

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

BUTTERFAT CONTENT OF PRICE CONTROLLED PRODUCTS

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	<u>2020 Weighted Average Butterfat Test</u>	<u>Butterfat Test included in Existing Order (1)</u>	<u>Increase (Decrease)</u>
Standard milk	3.2838%	3.2821%	0.0017%
Reduced fat milk (2%)	1.9527%	1.9562%	-0.0035%
Lowfat milk (1%)	0.9658%	0.9596%	0.0062%
Nonfat milk (skim)	0.1036%	0.1043%	-0.0007%
Flavored milk	3.2494%	2.9646%	0.2848%
Flavored reduced fat milk	0.9119%	0.9614%	-0.0495%
Flavored nonfat milk	0.0916%	0.1015%	-0.0099%
Buttermilk	1.9777%	2.0129%	-0.0352%
Eggnog	7.0396%	7.0131%	0.0265%

(1) Per General Order No. A-993 (CRO 5)

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

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

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

Type of Expense	Weighted Expenses for the Six Months Ended June 30 (1)		Weighted Points for the Six Months Ended June 30 (1)		Cost Per Point		Increase (Decrease) Per Point
	2021	2020	2021	2020	2021	2020	
Labor and fringe benefits	\$15,290,418	\$16,089,789	79,797,398	78,534,022	\$ 0.1916	\$ 0.2049	(\$0.0133)
Utilities	\$592,764	\$538,024	79,797,398	78,534,022	0.0074	0.0069	0.0005
Insurance	\$705,672	\$342,474	79,797,398	78,534,022	0.0088	0.0044	0.0044
					<u>\$0.2078</u>	<u>\$0.2162</u>	<u>(\$0.0084)</u>

(1) Weighted based on sales in PMMB Area 1

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

CHANGES IN DIESEL FUEL COSTS

Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

Diesel fuel costs – calendar year 2020 (1)	\$1,249,772
Delivery points – calendar year 2020 (1)	<u>147,748,856</u>
Diesel fuel cost per point delivered	<u><u>\$0.0085</u></u>
Average diesel price – calendar year 2020 (2)	\$2.806
Average diesel price – October 2020 (2) (3)	<u>\$3.730</u>
Increase (decrease) from year 2020 to month October 2021	32.93%
Increase (decrease) in diesel fuel cost per point delivered	<u><u>\$0.0028</u></u>

- (1) Costs of cross-section dealers weighted by sales in Area 1.
- (2) On-highway diesel prices per gallon for the Central Atlantic Region as published by the U.S. Energy Information Administration.
- (3) October 2021 diesel fuel costs were used by the PMMB in establishing minimum prices for December 2021.

PMMB AREA 1

MARCH 2, 2022 COST REPLACEMENT HEARING

CHANGES IN HEATING FUEL COSTS (NATURAL GAS)

**Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company**

Heating fuel costs – calendar year 2020 (1)	\$134,636
Standardization & pasteurization points – calendar year 2020 (1)	<u>120,284,491</u>
Heating fuel cost per point pasteurized	<u>\$0.0011</u>
Average heating fuel costs – calendar year 2020 (2)	\$7.99
Average heating fuel costs – August 2020 (2) (3)	<u>7.58</u>
Increase (decrease) from year 2019 to month August 2021	-5.13%
Increase (decrease) in heating fuel cost per point pasteurized	<u>(\$0.0001)</u>

- (1) Costs of cross-section dealers weighted by sales in Area 1.
- (2) Industrial natural gas prices for Pennsylvania in dollars per thousand cubic feet as published by the U.S. Energy Information Administration.
- (3) August 2021 natural gas costs were used by the PMMB in establishing minimum prices for December 2021.

**PMMB AREA 1
MARCH 2, 2022 COST REPLACEMENT HEARING**

**ADJUSTMENTS FOR CONTAINER EFFICIENCIES
DUE TO CONTAINER SIZE**

**Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company**

<u>Container Size</u>	<u>Container Quantities Sold by Cross-Section Dealers in 2020 in Area 1</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 Without Adjustment</u>
Gallon	10,282,675	\$ (0.0805)	\$ (827,755)	\$ (0.0639)	\$ (657,063)
Half gallon	9,902,484	(0.0421)	(416,895)	(0.0419)	(414,914)
Quart	5,788,286	0.0424	245,423	0.0280	162,072
Pint	4,425,607	0.0705	312,005	0.0549	242,966
Half pint - plastic	1,741,875	0.0215	37,450	0.0199	34,663
Half pint - paper	25,507,707	0.0215	548,416	0.0199	507,603
4 oz.	1,860,257	0.0326	60,644	0.0271	50,413
Dispenser (per quart)	340,614	0.1227	<u>41,793</u>	0.1195	<u>40,703</u>
Net impact on cross-section dealer revenues			<u>\$ 1,081</u>		<u>\$ (33,557)</u>

(1) Per OGO A-993 (CRO 5) as updated.

REVISED REBUTTAL EXHIBIT D11-A

PMMB AREA 1
MARCH 2, 2022 COST REPLACEMENT HEARING
CALCULATION OF WHOLESALE MINIMUM PRICE
GALLON REDUCED FAT MILK (2%) FOR DECEMBER 2021
Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	1.9527%	1.9562%	-0.0035%
Butterfat price as announced by PMMB	(1)	\$ 2.1618 per lb.	\$ 2.1618 per lb.	
Extended butterfat value		\$ 0.0422 per lb.	\$ 0.0423 per lb.	
Skim price as announced by PMMB	(1)	\$16.99 per cwt.	\$16.99 per cwt.	
Extended skim value		\$ 0.1666 per lb.	\$ 0.1666 per lb.	
Total milk value at announced prices		<u>\$ 0.2088</u> per lb.	<u>\$ 0.2089</u> per lb.	<u>\$(0.0001)</u>
Ingredient cost	D4	0.0002	0.0002	
Cost of shrinkage / bulk milk & cream	D5	0.0076	0.0037	
Total milk cost per pound		<u>\$ 0.2166</u> per lb.	<u>\$ 0.2128</u> per lb.	<u>\$ 0.0038</u>
Pounds per gallon (conversion)		<u>8.62</u>	<u>8.62</u>	
Total milk cost per gallon		<u>\$ 1.8671</u>	<u>\$ 1.8343</u>	<u>\$ 0.0328</u>
Container cost (adjusted for shrinkage)	D3	0.2660 each	0.2579 each	0.0081
Cost center costs	D2	1.4100	1.3912	0.0188
1st half 2021 to 1st half 2020 adjustment	D7	(0.0336)	(0.0008)	(0.0328)
Container efficiency adjustment	D10	(0.0805)	(0.0639)	(0.0166)
Percentage discount adjustment	(3)	0.0056	0.0056	-
Diesel fuel adjustment	D8	0.0112	0.0064	0.0048
Heating fuels adjustment	D9	(0.0004)	(0.0004)	-
		<u>\$ 3.4454</u> each	<u>\$ 3.4303</u> each	<u>\$ 0.0151</u>
Dealer profit at 3.5%	(2)	<u>0.1250</u>	<u>0.1244</u>	<u>\$ 0.0006</u>
Subtotal		<u>\$ 3.5704</u> each	<u>\$ 3.5547</u> each	<u>\$ 0.0157</u>
Less: average delivery cost	(2)	(0.5068)	(0.5068)	
Add: high cost delivery	(2)	1.0552	1.0552	
Wholesale minimum price		<u><u>\$ 4.1188</u></u> each	<u><u>\$ 4.1031</u></u> each	<u><u>\$ 0.0157</u></u>

(1) As announced for December 2021 by PMMB on November 18, 2021.

(2) Per OGO A-993 (CRO 5) as updated.

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

PMMB AREA 1
MARCH 2, 2022 COST REPLACEMENT HEARING
CALCULATION OF WHOLESALE MINIMUM PRICE
HALF PINT FLAVORED NONFAT MILK (SKIM) FOR DECEMBER 2021
Clover Farms Dairy Co., DFA Dairy Brands Fluid, LLC - Lansdale,
Milk Industry Management Corp. T/A Balford Farms, Valley Farms Dairy LLC,
Wawa Beverage Company

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	0.0916%	0.1015%	-0.0099%
Butterfat price as announced by PMMB	(1)	\$ 2.1618 per lb.	\$ 2.1618 per lb.	
Extended butterfat value		\$ 0.0020 per lb.	\$ 0.0022 per lb.	
Skim price as announced by PMMB	(1)	\$16.99 per cwt.	\$ 16.99 per cwt.	
Extended skim value		\$ 0.1697 per lb.	\$ 0.1697 per lb.	
Total milk value at announced prices		<u>\$ 0.1717 per lb.</u>	<u>\$ 0.1719 per lb.</u>	<u>\$(0.0002)</u>
Ingredient cost	D4	0.0337	0.0316	
Cost of shrinkage / bulk milk & cream	D5	0.0076	0.0037	
Total milk cost per pound		<u>\$ 0.2130 per lb.</u>	<u>\$ 0.2072 per lb.</u>	<u>\$ 0.0058</u>
Pounds per gallon (conversion)		0.50	0.50	
Total milk cost per half pint		<u>\$ 0.1065</u>	<u>\$ 0.1036</u>	<u>\$ 0.0029</u>
Container cost (adjusted for shrinkage)	D3	0.0257 each	0.0256 each	0.0001
Cost center costs	D2	0.0881	0.0870	0.0011
1st half 2021 to 1st half 2021 adjustment	D7	(0.0021)	(0.0001)	(0.0020)
Container efficiency adjustment	D10	0.0215	0.0199	0.0016
Percentage discount adjustment	(3)	0.0004	0.0004	-
Diesel fuel adjustment	D8	0.0007	0.0004	0.0003
Heating fuels adjustment	D9	(0.0001)	(0.0001)	-
		<u>\$ 0.2407 each</u>	<u>\$ 0.2367 each</u>	<u>\$ 0.0040</u>
Dealer profit at 3.5%	(2)	0.0087	0.0086	\$ 0.0001
Subtotal		<u>\$ 0.2494 each</u>	<u>\$ 0.2453 each</u>	<u>\$ 0.0041</u>
Less: average delivery cost	(2)	(0.0317)	(0.0317)	
Add: high cost delivery	(2)	0.0660	0.0660	
Wholesale minimum price		<u>\$ 0.2837 each</u>	<u>\$ 0.2796 each</u>	<u>\$ 0.0041</u>

(1) As announced for December 2021 by PMMB on November 18, 2021.

(2) Per OGO A-993 (CRO 5) as updated.

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