

**AREA 6**

**COST REPLACEMENT HEARING  
DEALER REBUTTAL EXHIBITS D1 - D4, D6 - D10 AND DEALER  
REVISED REBUTTAL EXHIBITS D5, D11-A AND D11-B**

**February 2, 2022**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**INDEX OF REBUTTAL EXHIBITS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

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Rebuttal Exhibit D2	Processing, Packaging and Delivery Costs/Point
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Revised Rebuttal Exhibit D11B	Calculation of Minimum Wholesale Price Half Pint Flavored Nonfat Milk (Skim)

**Jed Davis**  
***Curriculum Vitae***

**EDUCATION**

Youngstown State University – B.S. Degree in Accounting, (1988)

**EMPLOYMENT**

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

2021 to present

Senior Consultant – Dairy Consulting

- Cost benchmarking
- Milk shrinkage reduction projects
- Dairy accounting seminars
- Regulatory issues – PA Milk Marketing Board, Federal Milk Marketing Orders, other state regulatory agencies
- Mergers and acquisitions
- Specialized financial reporting for dairy businesses
- Dairy cost accounting for basic and complex products

**Dean Foods Company, Dallas, TX**

2002 - 2021

Regional General Manager – West Atlantic Central

- Managed a multi facility region with full P & L responsibility
- Set business strategy through collaboration with corporate and regional resources
- Led and supervised a team of 7 professionals with focus on executing against our strategic goals
- Negotiated long term supply agreements with customers and suppliers
- Drove operational and commercial efficiencies to strengthen the bottom line

1997 - 2002

Group Controller – PA Dairies

- Directed the accounting and finance departments of four dairies within Dean Foods Company
- Provided business analysis, forecasting, strategic planning and budgeting support to General Managers
- Guided strategic initiatives to improve the accuracy of monthly forecasting.
- Consolidated the accounting and back office functions of four divisions into one shared service center.
- Led a team of accounting professionals focusing on timely and accurate financial reporting.

## **Jed Davis**

1990 - 1997

Controller / Asst Controller / Accountant ( Dean Dairy Products )

- Led the accounting and finance department with budgeting and financial reporting
- Assisted the General Manager with pricing strategies
- Provided business analysis
- Developed standard product costs for each manufactured item to support pricing decisions
- Effectively directed sales, purchasing, personnel, distribution, maintenance, and accounting functions

### **Universal Rundle Inc., New Castle, PA**

1988 – 1990

Cost Accountant

- Maintained standard cost systems for 3 manufacturing facilities
- Prepared monthly production and inventory reports
- Prepare annual budget and operating plan
- Support department managers with variance analysis

### **PROFESSIONAL AND CIVIC ASSOCIATIONS AND DESIGNATIONS**

Board of Directors – Pennsylvania Association of Milk Dealers

Board of Directors – Dairy Industry Association of Western PA

Shenango Valley Chamber of Congress – Board member

New York State Dairy Association – Board member

Shenango Valley Jaycees – Secretary Treasurer

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**PROCESSING, PACKAGING AND DELIVERY COSTS/POINT  
(WEIGHTED AVERAGE BASED ON SALES IN AREA 6)**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

<b>Cost Center</b>	<b>Total 2020 Points in PMMB Area 6 (1)</b>	<b>Weighted Average 2020 Cost/Point (1)</b>
Receiving, lab and field work	70,575,025	\$ 0.0180
Standardization and pasteurization	84,705,058	0.0195
Bottling	83,318,248	0.0554
Cold room	92,641,651	0.0440
Delivery	91,300,508	0.1788
Selling	87,698,370	0.0192
		<hr/> <hr/>
		\$ 0.3349

(1) Reflects points (and related cost/point) for sales in PMMB Area 6 for the cross-section dealers.

**REBUTTAL EXHIBIT D2-A**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

	<u>2020 Weighted Average Cost/Point</u>	<u>2019 Cost/Point Included in Existing Order (1)</u>	<u>Increase (Decrease)</u>
Receiving, lab and field work	\$0.0180	\$0.0197	(\$0.0017)
Standardization and pasteurization	0.0195	0.0213	(0.0018)
Bottling	0.0554	0.0569	(0.0015)
Cold room	0.0440	0.0412	0.0028
Delivery	0.1788	0.1690	0.0098
Selling	<u>0.0192</u>	<u>0.0229</u>	<u>(0.0037)</u>
Sub total	\$0.3349	\$0.3310	\$0.0039
Add:			
2020 Cost increase (decrease) adjustment - Exhibit D7			0.0009
Less:			
2019 Cost (increase) decrease adjustment (1)			<u>(0.0065)</u>
Net change			<u><u>(\$0.0017)</u></u>

(1) Per General Order No. A-956 (CRO 10).

**REBUTTAL EXHIBIT D3**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

<u>Container Size</u>	<u>April 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)	\$ 0.2217	\$ 0.0564	\$ 0.2781	1.98%	\$ 0.0055	\$ 0.2836
1/2 gallon - plastic	0.1812					
1/2 gallon - paper	(3)					
1/2 gallon - blended (5)	<u>0.1812</u>	0.0293	0.2105	1.97%	0.0041	0.2146
Quart - plastic	0.2323					
Quart - paper	0.0905					
Quart - blended (5)	<u>0.2313</u>	(0.0256)	0.2057	1.57%	0.0032	0.2089
Pint - plastic	0.1677					
Pint - paper	0.0584					
Pint - blended (5)	<u>0.1664</u>	0.0048	0.1712	1.62%	0.0028	0.1740
Twelve ounce	(3)					
Ten ounce	(3)					
1/2 pint - plastic (5)	(3)	-	-	0.92%	-	-
1/2 pint - paper (5)	0.0288	0.0013	0.0301	0.85%	0.0003	0.0304
Four ounce - paper	0.0276		0.0276	1.53%	0.0004	0.0280
Dispenser	0.1409		0.1409	1.30%	0.0018	0.1427

- (1) For containers not purchased in April 2020 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 6

FEBRUARY 2, 2022 COST REPLACEMENT HEARING

ADJUSTED CONTAINER COSTS COMPARED TO CURRENT MONTH  
CONTAINER COSTS – DECEMBER 2020

DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC

<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)	\$ 0.2836	\$ 0.2829	\$ 0.0007
Half Gallon (2)	0.2146	0.1973	0.0173
Quart (2)	0.2089	0.2326	(0.0237)
Pint (2)	0.1740	0.1697	0.0043
1/2 pint - plastic (2)	0.0537	0.0537	-
1/2 pint - paper (2)	0.0304	0.0310	(0.0006)
Four ounce - paper	0.0280	0.0255	0.0025
Dispenser (per quart)	0.1427	0.1340	0.0087

(1) Per General Order No. A-956 (CRO 10) as updated.

(2) These container costs to be updated monthly.

(3) Difference between plastic ½ pint and paper ½ pint is \$0.0233. PMMB resale price schedules show the ½ pint paper price. \$0.0233 is the plastic add-on.



PMMB AREA 6

FEBRUARY 2, 2022 COST REPLACEMENT HEARING

SUMMARY OF INGREDIENT COSTS  
(WEIGHTED AVERAGE BASED ON ACTUAL SALES IN AREA 6)

DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey’s Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC

	April 2021 Ingredient Cost Per Pound <u>(1)</u>
Standard	\$.0000
Reduced fat (2%) milk	.0001
Low fat (1%) milk	.0001
Non fat (skim) milk	.0005
Flavored milk	.0359
Flavored reduced fat milk	.0403
Flavored nonfat milk	.0325
Buttermilk	.0279
Eggnog	.1454

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

**REBUTTAL EXHIBIT D4-A**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**COST REPLACEMENT ADJUSTMENTS FOR INGREDIENTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

	<b>2020 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%)	0.0001	0.0001	0.0000
Lowfat milk (1%)	0.0001	0.0001	0.0000
Nonfat milk (skim)	0.0005	0.0005	0.0000
Flavored milk (2)	0.0359	0.0356	0.0003
Flavored reduced fat milk (2)	0.0403	0.0389	0.0014
Flavored nonfat milk (2)	0.0325	0.0345	(0.0020)
Buttermilk	0.0279	0.0403	(0.0124)
Eggnog	0.1454	0.1642	(0.0188)

(1) Per General Order OGO A-956 (CRO 10) 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 6

FEBRUARY 2, 2022 COST REPLACEMENT HEARING

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

DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC

<u>PMMB Area 6</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	\$ 566,041		\$ 566,041		
Bulk milk revenue minus milk costs		194,086			
Bulk milk cost center costs & freight	249,876				
Net bulk milk cost (revenue)			55,790		
Bulk cream revenue minus milk costs		121,049			
Bulk cream cost center costs	60,056				
Net bulk cream cost (revenue)			(60,993)		
Total	<u>\$ 875,973</u>	<u>\$ 315,135</u>			
Net cost (net revenue) - calendar year 2020			\$ 560,838	130,357,259	\$ 0.0043
Net cost (net revenue) in current order - calendar year 2019			<u>\$ 702,066</u>	139,911,665	<u>0.0050</u>
Net change - cost increase (cost reduction)			<u>\$ (141,228)</u>		<u>\$ (0.0007)</u>

**REBUTTAL EXHIBIT D6**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**BUTTERFAT CONTENT OF PRICE CONTROLLED PRODUCTS**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

	<b>2020 Weighted Average Butterfat Test</b>	<b>Butterfat Test included in Existing Order (1)</b>	<b>Increase (Decrease)</b>
Standard milk	3.2837%	3.2928%	-0.0091%
Reduced fat milk (2%)	1.9140%	1.9392%	-0.0252%
Lowfat milk (1%)	0.9520%	0.9448%	0.0072%
Nonfat milk (skim)	0.1246%	0.1138%	0.0108%
Flavored milk	3.2817%	3.2781%	0.0036%
Flavored reduced fat milk	1.1295%	1.0998%	0.0297%
Flavored nonfat milk	0.1529%	0.1369%	0.0160%
Buttermilk	1.0359%	1.0192%	0.0167%
Eggnog	6.1838%	6.3382%	-0.1544%

(1) Per General Order No. A-956 (CRO 10)

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

<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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
Labor and fringe benefits	\$ 10,134,077	\$ 10,334,575	40,747,922	40,938,013	\$ 0.2487	\$ 0.2524	(\$0.0037)
Utilities	459,994	465,800	40,747,922	40,938,013	0.0113	0.0114	(0.0001)
Insurance	433,321	239,888	40,747,922	40,938,013	0.0106	0.0059	0.0047
					<u>\$0.2706</u>	<u>\$0.2697</u>	<u>\$0.0009</u>

(1) Weighted based on sales in PMMB Area 6

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**CHANGES IN DIESEL FUEL COSTS**

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

Diesel fuel costs – calendar year 2020 (1)	\$2,055,621
Delivery points – calendar year 2020 (1)	<u>91,300,508</u>
Diesel fuel cost per point delivered	<u><u>\$0.0225</u></u>
Average diesel price – calendar year 2020 (2)	\$2.806
Average diesel price – October 2021 (2) (3)	<u>\$3.730</u>
Increase (decrease) from year 2020 to month December 2021	32.93%
Increase (decrease) in diesel fuel cost per point delivered	<u><u>\$0.0074</u></u>

- (1) Costs of cross-section dealers weighted by sales in Area 6.
- (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 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

Heating fuel costs – calendar year 2020 (1)	\$157,141
Standardization & pasteurization points – calendar year 2020 (1)	<u>84,705,058</u>
Heating fuel cost per point pasteurized	<u>\$0.0019</u>
Average heating fuel costs – calendar year 2020 (2)	\$7.99
Average heating fuel costs – August 2021 (2) (3)	<u>7.58</u>
Increase (decrease) from year 2020 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 6.
- (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 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Sharpville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

<u>Container Size</u>	<u>Container Quantities Sold by Cross-Section Dealers in 2020 in Area 6</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	7,114,162	\$ (0.1013)	\$ (720,665)	\$ (0.1121)	\$ (797,498)
Half Gallon	7,456,899	(0.0424)	(316,173)	(0.0457)	(340,780)
Quart	1,405,517	0.1052	147,860	0.0958	134,649
Pint	2,153,690	0.1319	284,072	0.1260	271,365
Half Pint	25,441,117	0.0241	613,131	0.0226	574,969
4 oz.	760,167	0.0351	26,682	0.0353	26,834
Dispenser (per quart)	1,384,078	(0.0260)	<u>(35,986)</u>	0.0151	<u>20,900</u>
Net impact on cross-section dealer revenues			<u>\$ (1,079)</u>		<u>\$ (109,561)</u>

(1) Per OGO A-956 (CRO 10) as updated.



**REVISED REBUTTAL EXHIBIT D11-A  
PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**CALCULATION OF WHOLESALE MINIMUM PRICE  
GALLON REDUCED FAT MILK (2%) FOR DECEMBER 2021**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	1.9140%	1.9392%	-0.0252%
Butterfat price as announced by PMMB	(1)	\$ 2.1611 per lb.	\$ 2.1611 per lb.	
Extended butterfat value		\$ 0.0414 per lb.	\$ 0.0419 per lb.	
Skim price as announced by PMMB	(1)	\$ 16.92 per cwt.	\$ 16.92 per cwt.	
Extended skim value		\$ 0.1660 per lb.	\$ 0.1659 per lb.	
Total milk value at announced prices		<u>\$ 0.2073</u> per lb.	<u>\$ 0.2078</u> per lb.	<u>\$ (0.0005)</u>
Ingredient cost	D4	0.0001	0.0001	
Cost of shrinkage / bulk milk & cream	D5	0.0043	0.0050	
Total milk cost per pound		<u>\$ 0.2117</u> per lb.	<u>\$ 0.2129</u> per lb.	<u>\$ (0.0012)</u>
Pounds per gallon (conversion)		8.62	8.62	
Total milk cost per gallon		<u>\$ 1.8249</u>	<u>\$ 1.8352</u>	<u>\$ (0.0103)</u>
Container cost (adjusted for shrinkage)	D3	0.2836 each	0.2829 each	0.0007
Cost center costs	D2	1.3396	1.3240	0.0156
1st half 2021 to 1st half 2020 adjustment	D7	0.0036	0.0260	(0.0224)
Container efficiency adjustment	D11	(0.1013)	(0.1121)	0.0108
Percentage discount adjustment	(3)	0.0152	0.0152	-
Diesel fuel adjustment	D8	0.0296	0.0104	0.0192
Heating fuels adjustment	D9	(0.0004)	(0.0004)	-
		<u>\$ 3.3948</u> each	<u>\$ 3.3812</u> each	<u>\$ 0.0136</u>
Dealer profit at 3.4%	(2)	0.1195	0.1190	\$ 0.0005
Subtotal		<u>\$ 3.5143</u> each	<u>\$ 3.5002</u> each	<u>\$ 0.0141</u>
Less: average delivery cost	(2)	(0.5640)	(0.5640)	
Add: high cost delivery	(2)	0.9864	0.9864	
<b>Wholesale minimum price</b>		<u><u>\$ 3.9367</u></u> each	<u><u>\$ 3.9226</u></u> each	<u><u>\$ 0.0141</u></u>

(1) As announced for December 2020 by PMMB on November 19, 2020.

(2) Per OGO A-956 (CRO 10) as updated.

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

**REVISED REBUTTAL EXHIBIT D11-B**

**PMMB AREA 6**

**FEBRUARY 2, 2022 COST REPLACEMENT HEARING**

**CALCULATION OF WHOLESALE MINIMUM PRICE  
HALF PINT FLAVORED NONFAT MILK (SKIM) FOR DECEMBER 2021**

**DFA Dairy Brands Fluid, LLC - Sharpsville, Galliker Dairy Company,  
Ritchey's Dairy, Inc., Turner Dairy Farms, Valley Farms Dairy LLC**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	0.1529%	0.1369%	0.0161%
Butterfat price as announced by PMMB	(1)	\$ 2.1611 per lb.	\$ 2.1611 per lb.	
Extended butterfat value		\$ 0.0033 per lb.	\$ 0.0030 per lb.	
Skim price as announced by PMMB	(1)	\$ 16.92 per cwt.	\$ 16.92 per cwt.	
Extended skim value		\$ 0.1689 per lb.	\$ 0.1690 per lb.	
Total milk value at announced prices		<u>\$ 0.1722 per lb.</u>	<u>\$ 0.1720 per lb.</u>	<u>\$ 0.0002</u>
Ingredient cost	D4	0.0325	0.0345	
Cost of shrinkage / bulk milk & cream	D5	0.0043	0.0050	
Total milk cost per pound		<u>\$ 0.2090 per lb.</u>	<u>\$ 0.2115 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>\$ 0.1045</u>	<u>\$ 0.1058</u>	<u>\$(0.0013)</u>
Container cost (adjusted for shrinkage)	D3	0.0304 each	0.0310 each	(0.0006)
Cost center costs	D2	0.0837	0.0828	0.0009
1st half 2021 to 1st half 2020 adjustment	D7	0.0002	0.0016	(0.0014)
Container efficiency adjustment	(2)	0.0241	0.0226	0.0015
Percentage discount adjustment	(3)	0.0010	0.0010	0.0001
Diesel fuel adjustment	D8	0.0019	0.0006	0.0013
Heating fuels adjustment	D9	-	0.0000	(0.0000)
		<u>\$ 0.2458 each</u>	<u>\$ 0.2454 each</u>	<u>\$ 0.0004</u>
Dealer profit at 3.4%	(2)	<u>0.0087</u>	<u>0.0086</u>	<u>\$ 0.0001</u>
Subtotal		<u>\$ 0.2545 each</u>	<u>\$ 0.2540 each</u>	<u>\$ 0.0005</u>
Less: average delivery cost	(2)	(0.0353)	(0.0353)	
Add: high cost delivery	(2)	0.0617	0.0617	
<b>Wholesale minimum price</b>		<u><u>\$ 0.2809 each</u></u>	<u><u>\$ 0.2804 each</u></u>	<u><u>\$ 0.0005</u></u>

(1) As announced for December 2020 by PMMB on November 19, 2020.

(2) Per OGO A-956 (CRO 10) as updated.

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