

# **AREA 4**

## **COST REPLACEMENT HEARING DEALER SUPPLEMENTAL EXHIBITS**

**April 19, 2023**

**PMMB AREA 4**

**MARCH 15, 2023 COST REPLACEMENT HEARING**

**INDEX OF SUPPLEMENTAL EXHIBITS**

**DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

Supplemental Exhibit D1	Alexandra Deimler, CPA Curriculum Vitae
Supplemental Exhibit D2	Processing, Packaging and Delivery Costs/Point
Supplemental Exhibit D2-A	Cost Replacement Adjustments for Processing, Packaging and Delivery Costs
Supplemental Exhibit D3	Summary of Current Container Costs with Adjustments for Shrinkage and Loss and Update to Current Month
Supplemental Exhibit D3-A	Adjusted Container Costs Compared to Current Month Container Costs
Supplemental Exhibit D4	Summary of Current Ingredient Costs
Supplemental Exhibit D4-A	Cost Replacement Adjustments for Ingredients
Supplemental Exhibit D5	Weighted Cost of Shrinkage and Weighted Costs and Revenues from Bulk Cream and Bulk Milk
Supplemental Exhibit D6	Butterfat Content of Price Controlled Products
Supplemental Exhibit D7	Cost Increases (Decreases) for Labor, Insurance and Utility Costs
Supplemental Exhibit D8	Changes in Diesel Fuel Costs
Supplemental Exhibit D9	Changes in Heating Fuel Costs (Natural Gas)
Supplemental Exhibit D10	Adjustments for Container Efficiencies Due to Container Size
Supplemental Exhibit D11A	Calculation of Minimum Wholesale Price Gallon Reduced Fat Milk (2%)
Supplemental 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
- Regulatory issues – PA Milk Marketing Board, Federal Milk Marketing Orders, other state regulatory agencies
- Specialized financial reporting for dairy businesses
- Dairy cost accounting for basic and complex products

**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

**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 4

APRIL 19, 2023 COST REPLACEMENT HEARING

PROCESSING, PACKAGING AND DELIVERY COSTS/POINT  
(WEIGHTED AVERAGE BASED ON SALES IN AREA 4)

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

<u>Cost Center</u>	<u>Total 2021 Points in PMMB Area 4 (1)</u>	<u>Weighted Average 2021 Cost/Point (1)</u>
Receiving, lab and field work	161,698,484	\$ 0.0280
Standardization and pasteurization	315,467,951	0.0185
Bottling	280,522,370	0.0455
Cold room	291,621,035	0.0436
Delivery	120,178,711	0.1063
Selling	138,371,084	0.0302
		<u>\$ 0.2721</u>

(1) Reflects points (and related cost/point) for sales in PMMB Area 4 for the cross-section dealers.

**SUPPLEMENTAL EXHIBIT D2-A**

**PMMB AREA 4**

**APRIL 19, 2023 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

	<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	\$0.0280	\$0.0228	\$0.0052
Standardization and pasteurization	0.0185	0.0161	0.0024
Bottling	0.0455	0.0421	0.0034
Cold room	0.0436	0.0428	0.0008
Delivery	0.1063	0.1049	0.0014
Selling	0.0302	0.0294	0.0008
Sub total	\$0.2721	\$0.2581	\$0.0140
Add:			
2022 Cost increase (decrease) adjustment - Exhibit D7			0.0011
Less:			
2021 Cost (increase) decrease adjustment.			0.0050
Net change			\$0.0201

**PMMB AREA 4  
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 - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

Container Size	Adjust from April		Subtotal	Calculated Shrinkage and Loss (4)	Shrinkage Cost	Total Container Cost
	April 2022 Container Cost (1)	2022 to February 2023 - Current (2)				
Gallon (5)	\$ 0.2299	\$ (0.0178)	\$ 0.2121	1.14%	\$ 0.0024	\$ 0.2145
1/2 gallon - plastic	0.1826					
1/2 gallon - paper	(3)					
2 gallon - blended (5)	<u>0.1826</u>	(0.0079)	0.1747	1.26%	0.0022	0.1769
Quart - plastic	0.2251					
Quart - paper	(3)					
Quart - blended (5)	<u>0.2251</u>	0.0098	0.2349	1.57%	0.0037	0.2386
Pint - plastic	0.1592					
Pint - paper	(3)					
Pint - blended (5)	<u>0.1592</u>	0.0047	0.1639	1.62%	0.0027	0.1666
Twelve ounce	(3)					
Ten ounce	(3)					
1/2 pint - plastic (5)	0.0837	0.0070	0.0907	0.92%	0.0008	0.0915
1/2 pint - paper (5)	0.0288	0.0046	0.0334	0.85%	0.0003	0.0337
Four ounce - paper	0.0293		0.0293	1.53%	0.0004	0.0297
Dispenser	0.0648		0.0648	1.30%	0.0008	0.0656

(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) 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 4

APRIL 19, 2023 COST REPLACEMENT HEARING

ADJUSTED CONTAINER COSTS COMPARED TO CURRENT MONTH  
CONTAINER COSTS – FEBRUARY 2023

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

<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)	\$ 0.2145	\$ 0.2186	\$(0.0041)
Half Gallon (2)	0.1769	0.1701	0.0068
Quart (2)	0.2386	0.2329	0.0057
Pint (2)	0.1666	0.1640	0.0026
1/2 pint - plastic (2)	0.0915	0.0897	0.0018
1/2 pint - paper (2)	0.0337	0.0340	(0.0003)
Four ounce - paper	0.0297	0.0297	-
Dispenser (per quart)	0.0656	0.0553	0.0103

(1) Per General Order No. A-963 (CRO 11) as updated.

(2) These container costs to be updated monthly.

PMMB AREA 4

APRIL 19, 2023 COST REPLACEMENT HEARING

SUMMARY OF INGREDIENT COSTS  
(WEIGHTED AVERAGE BASED ON ACTUAL SALES IN AREA 4)

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

	April 2022 Ingredient Cost Per Pound (1)
Standard	\$.0000
Reduced fat (2%) milk	.0001
Lowfat (1%) milk	.0002
Nonfat (skim) milk	.0034
Flavored milk	.0516
Flavored reduced fat milk	.0448
Flavored nonfat milk	.0289
Buttermilk	.0322
Eggnog	.3817

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



PMMB AREA 4

APRIL 19, 2023 COST REPLACEMENT HEARING

COST REPLACEMENT ADJUSTMENTS FOR INGREDIENTS

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

	<u>April 2022 Weighted Average Cost/Pound</u>	<u>Cost/Pound included in Existing Order (1)</u>	<u>Increase (Decrease)</u>
Standard milk	\$0.0000	\$0.0000	\$0.0000
Reduced fat milk (2%)	0.0001	0.0001	0.0000
Lowfat milk (1%)	0.0002	0.0001	0.0001
Nonfat milk (skim)	0.0034	0.0031	0.0003
Flavored milk (2)	0.0516	0.0542	(0.0026)
Flavored reduced fat milk (2)	0.0448	0.0482	(0.0034)
Flavored nonfat milk (2)	0.0289	0.0324	(0.0035)
Buttermilk	0.0322	0.0284	0.0038
Eggnog	0.3817	0.2339	0.1478

(1) Per General Order OGO A-963 (CRO 11) 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 4**  
**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 - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,**  
**Rutter Brothers Dairy, Inc., Turkey Hill LP**

<u>PMMB Area 4</u>	<u>Costs</u>	<u>Revenues</u>	<u>Weighted Net Cost (Revenue)</u>	<u>Weighted Pounds</u>	<u>Weighted Cost (Revenue) Per</u>
Shrinkage	\$706,265		\$ 706,265		
Bulk milk revenue minus milk costs		(100,711)			
Bulk milk cost center costs & freight	8,412				
Net bulk milk cost (revenue)			109,123		
Bulk cream revenue minus milk costs		1,039,545			
Bulk cream cost center costs	\$321,683				
Net bulk cream cost (revenue)			(717,862)		
<b>Total</b>	<b><u>\$ 1,036,360</u></b>	<b><u>\$ 938,834</u></b>			
Net cost (net revenue) - calendar year 2021			\$ 97,526	298,177,051	\$ 0.0003
Net cost (net revenue) in current order - calendar year 2020			<u>\$ 238,766</u>	319,856,348	<u>0.0007</u>
Net change - cost increase (cost reduction)			<u>\$ (141,240)</u>		<u>\$ (0.0004)</u>

PMMB AREA 4

APRIL 19, 2023 COST REPLACEMENT HEARING

BUTTERFAT CONTENT OF PRICE CONTROLLED PRODUCTS

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

	<b>2021 Weighted Average Butterfat Test</b>	<b>Butterfat Test included in Existing Order (1)</b>	<b>Increase (Decrease)</b>
Standard milk	3.2989%	3.2964%	0.0025%
Reduced fat milk (2%)	1.9424%	1.9727%	-0.0303%
Lowfat milk (1%)	0.9331%	0.9917%	-0.0586%
Nonfat milk (skim)	0.0787%	0.0970%	-0.0183%
Flavored milk	3.3593%	3.3912%	-0.0319%
Flavored reduced fat milk	1.1508%	1.1754%	-0.0246%
Flavored nonfat milk	0.0646%	0.0257%	0.0389%
Buttermilk	1.0008%	1.0008%	0.0000%
Eggnog	7.0803%	7.1040%	-0.0237%

(1) Per General Order No. A-963 (CRO 11)

PMMB AREA 4

APRIL 19, 2023 COST REPLACEMENT HEARING

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

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

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
	2022	2021	2022	2021	2022	2021	
Labor and fringe benefits	\$18,076,832	\$18,238,585	139,854,105	139,961,466	\$ 0.1293	\$ 0.1303	(\$0.0010)
Utilities	\$1,226,775	\$784,116	139,854,105	139,961,466	0.0088	0.0056	0.0032
Insurance	\$718,201	\$871,830	139,854,105	139,961,466	0.0051	0.0062	(0.0011)
					<u>\$0.1432</u>	<u>\$0.1421</u>	<u>\$0.0011</u>

(1) Weighted based on sales in PMMB Area 4

PMMB AREA 4

APRIL 19, 2023 COST REPLACEMENT HEARING

CHANGES IN DIESEL FUEL COSTS

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

Diesel fuel costs – calendar year 2021 (1)	\$1,366,728
Delivery points – calendar year 2021 (1)	<u>120,178,711</u>
Diesel fuel cost per point delivered	<u><u>\$0.0114</u></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><u>\$0.0067</u></u>

- (1) Costs of cross-section dealers weighted by sales in Area 4.
- (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 4

APRIL 19, 2023 COST REPLACEMENT HEARING

CHANGES IN HEATING FUEL COSTS (NATURAL GAS)

DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP

Heating fuel costs – calendar year 2021 (1)	\$252,223
Standardization & pasteurization points – calendar year 2021 (1)	<u>315,467,953</u>
Heating fuel cost per point pasteurized	<u><u>\$0.0008</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>\$0.0004</u></u>

- (1) Costs of cross-section dealers weighted by sales in Area 4.
- (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 4  
APRIL 19, 2023 COST REPLACEMENT HEARING**

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

**DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

<u>Container Size</u>	<u>Container Quantities Sold by Cross-Section Dealers in 2021 in Area 4</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	18,989,362	\$ (0.0814)	\$ (1,545,734)	\$ (0.0655)	\$ (1,243,803)
Half gallon	12,801,906	(0.0473)	(605,530)	(0.0344)	(440,386)
Quart	1,598,649	0.0391	62,507	0.0453	72,419
Pint	8,678,552	0.1068	926,869	0.0996	864,384
Half pint - plastic	2,228,992	0.0289	64,418	0.0303	67,538
Half pint - paper	36,067,918	0.0289	1,042,363	0.0303	1,092,858
4 oz.	584,402	0.0410	23,960	0.0425	24,837
Dispenser (per quart)	494,602	0.0613	<u>30,319</u>	0.0567	<u>28,044</u>
Net impact on cross-section dealer revenues			<u>\$ (828)</u>		<u>\$ 465,891</u>

(1) Per OGO A-963 (CRO 11) as updated.

SUPPLEMENTAL EXHIBIT D11-A

**PMMB AREA 4  
APRIL 19, 2023 COST REPLACEMENT HEARING  
CALCULATION OF WHOLESALE MINIMUM PRICE  
GALLON REDUCED FAT MILK (2%) FOR FEBRUARY 2023**

**DFA Dairy Brands Fluid, LLC - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	1.9424%	1.9727%	-0.0303%
Butterfat price as announced by PMMB	(1)	\$ 2.7650 per lb.	\$ 2.7650 per lb.	
Extended butterfat value		\$ 0.0537 per lb.	\$ 0.0545 per lb.	
Skim price as announced by PMMB	(1)	\$16.38 per cwt.	\$ 16.38 per cwt.	
Extended skim value		\$ 0.1606 per lb.	\$ 0.1606 per lb.	
Total milk value at announced prices		<u>\$ 0.2143 per lb.</u>	<u>\$ 0.2151 per lb.</u>	<u>\$(0.0008)</u>
Ingredient cost	D4	0.0001	0.0001	
Cost of shrinkage / bulk milk & cream	D5	<u>0.0003</u>	<u>0.0007</u>	
Total milk cost per pound		<u>\$ 0.2147 per lb.</u>	<u>\$ 0.2159 per lb.</u>	<u>\$(0.0012)</u>
Pounds per gallon (conversion)		<u>8.62</u>	<u>8.62</u>	
Total milk cost per gallon		<u>\$ 1.8507</u>	<u>\$ 1.8611</u>	<u>\$(0.0104)</u>
Container cost (adjusted for shrinkage)	D3	0.2145 each	0.2186 each	(0.0041)
Cost center costs	D2	1.0884	1.0324	0.0560
1st half 2022 to 1st half 2021 adjustment	D7	0.0044	(0.0200)	0.0244
Container efficiency adjustment	D10	(0.0814)	(0.0655)	(0.0159)
Percentage discount adjustment	(3)	0.0040	0.0040	-
Diesel fuel adjustment	D8	0.0268	0.0348	(0.0080)
Heating fuels adjustment	D9	<u>0.0016</u>	<u>0.0012</u>	<u>0.0004</u>
		<u>\$ 3.1090 each</u>	<u>\$ 3.0666 each</u>	<u>\$ 0.0424</u>
Dealer profit at 3.5%	(2)	<u>0.1128</u>	<u>0.1112</u>	<u>\$ 0.0016</u>
Subtotal		<u>\$ 3.2218 each</u>	<u>\$ 3.1778 each</u>	<u>\$ 0.0440</u>
Less: average delivery cost	(2)	(0.4352)	(0.4352)	
Add: high cost delivery	(2)	0.9664	0.9664	
<b>Wholesale minimum price</b>		<u><b>\$ 3.7530 each</b></u>	<u><b>\$ 3.7090 each</b></u>	<u><b>\$ 0.0440</b></u>

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

(2) Per OGO A-963 (CRO 11) as updated.

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



SUPPLEMENTAL EXHIBIT D11-B

PMMB AREA 4  
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 - Lebanon, Galliker Dairy (Johnstown), Harrisburg Dairies Inc.,  
Rutter Brothers Dairy, Inc., Turkey Hill LP**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D6	0.0646%	0.0257%	0.0389%
Butterfat price as announced by PMMB	(1)	\$ 2.7650 per lb.	\$ 2.7650 per lb.	
Extended butterfat value		\$ 0.0018 per lb.	\$ 0.0007 per lb.	
Skim price as announced by PMMB	(1)	\$16.38 per cwt.	\$ 16.38 per cwt.	
Extended skim value		\$ 0.1637 per lb.	\$ 0.1638 per lb.	
Total milk value at announced prices		<u>\$ 0.1655 per lb.</u>	<u>\$ 0.1645 per lb.</u>	<u>\$ 0.0010</u>
Ingredient cost	D4	0.0289	0.0324	
Cost of shrinkage / bulk milk & cream	D5	0.0003	0.0007	
Total milk cost per pound		<u>\$ 0.1947 per lb.</u>	<u>\$ 0.1976 per lb.</u>	<u>\$(0.0029)</u>
Pounds per gallon (conversion)		0.50	0.50	
Total milk cost per half pint		<u>\$ 0.0974</u>	<u>\$ 0.0988</u>	<u>\$(0.0014)</u>
Container cost (adjusted for shrinkage)	D3	0.0337 each	0.0340 each	(0.0003)
Cost center costs	D2	0.0680	0.0645	0.0035
1st half 2022 to 1st half 2021 adjustment	D7	0.0003	(0.0013)	0.0016
Container efficiency adjustment	D10	0.0289	0.0303	(0.0014)
Percentage discount adjustment	(3)	0.0003	0.0002	0.0001
Diesel fuel adjustment	D8	0.0017	0.0022	(0.0005)
Heating fuels adjustment	D9	-	0.0001	(0.0001)
		<u>\$ 0.2303 each</u>	<u>\$ 0.2288 each</u>	<u>\$ 0.0016</u>
Dealer profit at 3.5%	(2)	0.0084	0.0083	\$ 0.0001
Subtotal		<u>\$ 0.2387 each</u>	<u>\$ 0.2371 each</u>	<u>\$ 0.0016</u>
Less: average delivery cost	(2)	(0.0272)	(0.0272)	
Add: high cost delivery	(2)	0.0604	0.0604	
<b>Wholesale minimum price</b>		<u><b>\$ 0.2719 each</b></u>	<u><b>\$ 0.2703 each</b></u>	<u><b>\$ 0.0016</b></u>

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

(2) Per OGO A-963 (CRO 11) as updated.

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