



**Commonwealth of Pennsylvania**  
Milk Marketing Board  
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Official General  
Order No. A-953 (CRO 9)

Posted: March 7, 2018  
Effective: April 1, 2018

## **COST REPLACEMENT ORDER FOR THE EAST CENTRAL MILK MARKETING AREA, AREA 2**

NOW, this 7<sup>th</sup> day of March 2018, 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 April 1, 2018.

### **SECTION A INCORPORATION**

The attached Findings of Fact, Conclusions of Law, and Attachments are incorporated herein by reference as though fully set forth in this order.

### **SECTION B SCOPE**

(a) The costs adopted by the Board in this order shall replace the costs in the appropriate cost centers embodied in Official General Order A-953 (CRO 8) and will be incorporated into the wholesale and retail prices of Class I and II price-controlled packaged products sold in Milk Marketing Area No. 2, as defined in Section B of Official General Order A-953. Wholesale and retail prices will be adjusted as well by the increase in labor, insurance, and utility costs that the Board adopts in this order.

(b) The rate of return to dealers is 3.5%.

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

**SECTION C**  
**EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-953 (CRO 8)**

All parts of Official General Order A-953 (CRO 8) not inconsistent with Section B (relating to scope) continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

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Luke F. Brubaker, Chairman

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Lynda J. Bowman, Consumer Member

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James A. Van Blarcom, Member

Date: March 7, 2018

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. 2**  
**FEBRUARY 6, 2018**

I. FINDINGS OF FACT

1. On February 6, 2018, the Pennsylvania Milk Marketing Board (“Board”) held a cost replacement hearing for Milk Marketing Area No. 2.

2. Notice of the hearing was published at 47 Pennsylvania Bulletin 7403 dated December 2, 2017. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1540, dated November 14, 2017. 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 2 Milk Dealers (Dealers), the only parties to present dealer cost information, consisted of Clover Farms Dairy Co., Swiss Premium Dairy, Inc., Turkey Hill L.P., and Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven.

4. Clifford 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 2. 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 2 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 2 and delivered to a range of customers in Area 2 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 2. 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 2.

5. Gary Gojsovich testified on behalf of Board Staff as an expert in milk industry cost accounting. Both Mr. Gojsovich and Mr. Herbein testified that the cross-section dealers incurred a cost of \$0.1912 per point for processing, packaging, and delivering milk in 2016. Based on this uncontradicted testimony, the Board finds that the cross section dealers incurred a cost of \$0.1912 per point for processing, packaging, and delivery, and further finds that \$0.1912 is the processing, packaging, and delivery cost that should be used in this order.

6. Mr. Gojsovich and Mr. Herbein testified to the following 2017 ingredient costs, based on year 2016 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0002/lb; Low Fat Milk - \$0.0001/lb; Non-Fat Milk - \$0.0002/lb; Flavored Milk - \$0.0450/lb; Flavored Reduced Fat Milk - \$0.0283/lb; Flavored Non-Fat Milk - \$0.0291; Buttermilk - \$0.0326/lb; Egg Nog - \$0.1475/lb. The Board finds that these ingredient costs should be used in this order.

7. Mr. Gojsovich and Mr. Herbein presented concurring evidence regarding the cost update for labor, insurance, and utility costs of \$0.0040 per point between the first halves of 2016 and 2017. The Board finds that \$0.0040 per point should be used in this order.

8. Mr. Gojsovich and Mr. Herbein recommended that the area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in diesel fuel costs continue in Area 2. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 8 and attached to this order as Attachment 1.

9. Mr. Gojsovich and Mr. Herbein recommended that the area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in heating fuel costs continue in Area 2. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Exhibit 9 and attached to this order as Attachment 2.

10. Mr. Gojsovich and Mr. Herbein presented concurring evidence regarding the cost of shrinkage and sales of bulk products of (\$0.0022) 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 (\$0.0022) per pound.

11. Based on the concurring container costs evidence presented by Mr. Gojsovich and Mr. Herbein, the Board finds that the following base container costs should be adopted for this order: Gallon - \$0.1769; Half Gallon - \$0.1335; Quart - \$0.1160; Pint (combined) - \$0.0855; Half Pint (paper) - \$0.0249; Half Pint (plastic) - \$0.0692; 12 Ounce - \$0.0630; 10 Ounce - \$0.0855; 4 Ounce - \$0.0268; Bulk Per Quart - \$0.0543. Both Mr. Gojsovich 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 units and costs testified to by Mr. Gojsovich. 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. Gojsovich and Mr. Herbein, we find the plastic add-on is \$0.0443 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. Josh Pollett testified on behalf of the Pennsylvania Food Merchants Association as an expert in cost accounting. Mr. Pollett 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 February 6, 2018, cost replacement hearing for Milk Marketing Area No. 2 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 record of the Milk Marketing Area No. 3 hearing held on February 6, 2018, was incorporated by reference into the record of this Area 2 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

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Luke F. Brubaker, Chairman

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Lynda J. Bowman, Consumer Member

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James A. Van Blarcom, Member

Date: March 7, 2018

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**PENNSYLVANIA MILK MARKETING BOARD**  
**MILK MARKETING AREA 2**

**Diesel Fuel Costs Adjustment**

**Update of Diesel Fuel Costs from YEAR 2016 to NOVEMBER 2017**

1. Weighted Diesel Fuel Costs - YEAR 2016	\$	367,011
2. Average On-Highway Diesel Price per Gallon - YEAR 2016 <sup>(1)</sup>	\$	2.437
3. On-Highway Diesel Price per Gallon - NOVEMBER 2017 <sup>(1)</sup>	\$	3.031
4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)		24.37%
5. Presumed Diesel Fuel Costs - NOVEMBER 2017 ((Line 1 X Line 4) + Line 1)	\$	<u>456,467</u>
6. Change in Diesel Fuel Costs from YEAR 2016 to NOVEMBER 2017 (Line 5 - Line 1)	\$	89,456
7. Weighted Delivery Points - YEAR 2016		<u>64,314,042</u>
<b>8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7)</b>	<b>\$</b>	<b><u>0.0014</u></b>

## Footnote:

1. Source: 'Weekly Retail On-Highway Diesel Prices' per Energy Information Administration website.  
web address = [https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_dcus\\_r1y\\_w.htm](https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r1y_w.htm)

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**Heating Fuel Costs Adjustment**

**Update of Heating Fuel Costs from YEAR 2016 to SEPTEMBER 2017**

1. Weighted Heating Fuel Costs - YEAR 2016	\$	74,404
2. Pennsylvania Average Natural Gas Price - Industrial - YEAR 2016 <sup>(1)</sup>	\$	7.70
3. Pennsylvania Average Natural Gas Price - Industrial - SEPTEMBER 2017 <sup>(1)</sup>	\$	9.09
4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		18.05%
5. Presumed Heating Fuel Costs - SEPTEMBER 2017 ((Line 1 X Line 4) + Line 1)	\$	<u>87,834</u>
6. Change in Heating Fuel Costs from YEAR 2016 to SEPTEMBER 2017 (Line 5 - Line 1)	\$	13,430
7. Weighted Standardization & Pasteurization (S&P) Points - YEAR 2016		<u>93,310,607</u>
<b>8. Change in Heating Fuel Costs per S&amp;P Point (Line 6 ÷ Line 7)</b>	<b>\$</b>	<b><u><u>0.0001</u></u></b>

## 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 2**

**MILK COSTS BEFORE PACKAGING  
JANUARY 2018 MILK COSTS**

	Class I
Skim Rate	\$ 11.60
Butterfat Rate	\$ 2.4949

Product Description	A	B	C	D	E	F	G	H	I	J	K
	Product Pounds	Butterfat Pounds	(B ÷ A)	(A - B)	(B × BF Rate)	(D × Skim Rate)	(E + F)	(G ÷ A)	(EX. 4)	(EX. 5)	(H + I + J)
			Percentage	Skim Pounds	Butterfat Value	Skim Value	Total Value	Cost per Pound	Ingredient Cost	Bulk Sale (Profit)/Loss	Total Cost per Pound
<b>Standard (Whole) Milk</b>	35,897,374	1,171,571	3.2637%	34,725,803	\$ 2,922,952	\$ 4,028,193	\$ 6,951,145	\$ 0.1936	\$ -	\$ (0.0022)	\$ <b>0.1914</b>
<b>Reduced Fat (2%) Milk</b>	33,667,496	664,220	1.9729%	33,003,276	\$ 1,657,162	\$ 3,828,380	\$ 5,485,542	\$ 0.1629	\$ 0.0002	\$ (0.0022)	\$ <b>0.1609</b>
<b>Low Fat (1%) Milk</b>	19,979,351	196,035	0.9812%	19,783,316	\$ 489,088	\$ 2,294,865	\$ 2,783,953	\$ 0.1393	\$ 0.0001	\$ (0.0022)	\$ <b>0.1372</b>
<b>Non Fat (Skim) Milk</b>	11,273,143	7,485	0.0664%	11,265,658	\$ 18,674	\$ 1,306,816	\$ 1,325,490	\$ 0.1176	\$ 0.0002	\$ (0.0022)	\$ <b>0.1156</b>
<b>Flavored Milk</b>	3,213,114	105,024	3.2686%	3,108,090	\$ 262,024	\$ 360,538	\$ 622,562	\$ 0.1938	\$ 0.0450	\$ (0.0022)	\$ <b>0.2366</b>
<b>Flavored Reduced Fat Milk</b>	1,381,035	13,106	0.9490%	1,367,929	\$ 32,698	\$ 158,680	\$ 191,378	\$ 0.1386	\$ 0.0283	\$ (0.0022)	\$ <b>0.1647</b>
<b>Flavored NONFAT Milk</b>	5,971,374	2,973	0.0498%	5,968,401	\$ 7,417	\$ 692,335	\$ 699,752	\$ 0.1172	\$ 0.0291	\$ (0.0022)	\$ <b>0.1441</b>
<b>Buttermilk</b>	35,843	564	1.5735%	35,279	\$ 1,407	\$ 4,092	\$ 5,499	\$ 0.1534	\$ 0.0326	\$ (0.0022)	\$ <b>0.1838</b>
<b>Egg Nog</b>	114,396	8,479	7.4120%	105,917	\$ 21,154	\$ 12,286	\$ 33,440	\$ 0.2923	\$ 0.1475	\$ (0.0022)	\$ <b>0.4376</b>

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**WHOLESALE PRICE BUILDUP  
JANUARY 2018 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 <sup>(1)</sup>	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)	
STANDARD (WHOLE) MILK	GALLON	\$ 1.6460	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.5596	\$ 0.0928	\$ 2.6524	\$ (0.3356)	\$ 0.9364	\$ 3.2532	\$ 3.2569	\$ (0.0037)
	1/2 GALLON	\$ 0.8230	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.3321	\$ 0.0483	\$ 1.3804	\$ (0.1678)	\$ 0.4682	\$ 1.6808	\$ 1.6845	\$ (0.0037)
	QUART	\$ 0.4115	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.7535	\$ 0.0273	\$ 0.7808	\$ (0.0839)	\$ 0.2341	\$ 0.9310	\$ 0.9228	\$ 0.0082
	PINT	\$ 0.2058	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.4336	\$ 0.0157	\$ 0.4493	\$ (0.0420)	\$ 0.1171	\$ 0.5244	\$ 0.5197	\$ 0.0047
	12 OUNCE	\$ 0.1543	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.3251	\$ 0.0118	\$ 0.3369	\$ (0.0315)	\$ 0.0878	\$ 0.3932	\$ 0.3936	\$ (0.0004)
	10 OUNCE	\$ 0.1286	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.3081	\$ 0.0112	\$ 0.3193	\$ (0.0262)	\$ 0.0732	\$ 0.3663	\$ 0.3666	\$ (0.0003)
	1/2 PINT	\$ 0.1029	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.2084	\$ 0.0076	\$ 0.2160	\$ (0.0210)	\$ 0.0585	\$ 0.2535	\$ 0.2520	\$ 0.0015
	4 OUNCE	\$ 0.0514	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1436	\$ 0.0052	\$ 0.1488	\$ (0.0105)	\$ 0.0293	\$ 0.1676	\$ 0.1671	\$ 0.0005
	Bulk per Quart	\$ 0.4115	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.6932	\$ 0.0251	\$ 0.7183	\$ (0.0839)	\$ 0.2341	\$ 0.8685	\$ 0.8625	\$ 0.0060
REDUCED FAT (2%) MILK	GALLON	\$ 1.3870	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.3006	\$ 0.0834	\$ 2.3840	\$ (0.3356)	\$ 0.9364	\$ 2.9848	\$ 2.9857	\$ (0.0009)
	1/2 GALLON	\$ 0.6935	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.2026	\$ 0.0436	\$ 1.2462	\$ (0.1678)	\$ 0.4682	\$ 1.5466	\$ 1.5489	\$ (0.0023)
	QUART	\$ 0.3467	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.6887	\$ 0.0250	\$ 0.7137	\$ (0.0839)	\$ 0.2341	\$ 0.8639	\$ 0.8551	\$ 0.0088
	PINT	\$ 0.1734	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.4012	\$ 0.0146	\$ 0.4158	\$ (0.0420)	\$ 0.1171	\$ 0.4909	\$ 0.4858	\$ 0.0051
	12 OUNCE	\$ 0.1300	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.3008	\$ 0.0109	\$ 0.3117	\$ (0.0315)	\$ 0.0878	\$ 0.3680	\$ 0.3681	\$ (0.0001)
	10 OUNCE	\$ 0.1084	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.2879	\$ 0.0104	\$ 0.2983	\$ (0.0262)	\$ 0.0732	\$ 0.3453	\$ 0.3453	\$ -
	1/2 PINT	\$ 0.0867	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.1922	\$ 0.0070	\$ 0.1992	\$ (0.0210)	\$ 0.0585	\$ 0.2367	\$ 0.2350	\$ 0.0017
	4 OUNCE	\$ 0.0433	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1355	\$ 0.0049	\$ 0.1404	\$ (0.0105)	\$ 0.0293	\$ 0.1592	\$ 0.1586	\$ 0.0006
	Bulk per Quart	\$ 0.3467	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.6284	\$ 0.0228	\$ 0.6512	\$ (0.0839)	\$ 0.2341	\$ 0.8014	\$ 0.7948	\$ 0.0066
LOW FAT (1%) MILK	GALLON	\$ 1.1827	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.0963	\$ 0.0760	\$ 2.1723	\$ (0.3356)	\$ 0.9364	\$ 2.7731	\$ 2.7749	\$ (0.0018)
	1/2 GALLON	\$ 0.5913	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.1004	\$ 0.0399	\$ 1.1403	\$ (0.1678)	\$ 0.4682	\$ 1.4407	\$ 1.4435	\$ (0.0028)
	QUART	\$ 0.2957	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.6377	\$ 0.0231	\$ 0.6608	\$ (0.0839)	\$ 0.2341	\$ 0.8110	\$ 0.8023	\$ 0.0087
	PINT	\$ 0.1478	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.3756	\$ 0.0136	\$ 0.3892	\$ (0.0420)	\$ 0.1171	\$ 0.4643	\$ 0.4595	\$ 0.0048
	12 OUNCE	\$ 0.1109	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.2817	\$ 0.0102	\$ 0.2919	\$ (0.0315)	\$ 0.0878	\$ 0.3482	\$ 0.3484	\$ (0.0002)
	10 OUNCE	\$ 0.0924	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.2719	\$ 0.0099	\$ 0.2818	\$ (0.0262)	\$ 0.0732	\$ 0.3288	\$ 0.3289	\$ (0.0001)
	1/2 PINT	\$ 0.0739	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.1794	\$ 0.0065	\$ 0.1859	\$ (0.0210)	\$ 0.0585	\$ 0.2234	\$ 0.2219	\$ 0.0015
	4 OUNCE	\$ 0.0370	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1292	\$ 0.0047	\$ 0.1339	\$ (0.0105)	\$ 0.0293	\$ 0.1527	\$ 0.1521	\$ 0.0006
	Bulk per Quart	\$ 0.2957	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.5774	\$ 0.0209	\$ 0.5983	\$ (0.0839)	\$ 0.2341	\$ 0.7485	\$ 0.7420	\$ 0.0065
NON FAT (SKIM) MILK	GALLON	\$ 0.9976	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 1.9112	\$ 0.0693	\$ 1.9805	\$ (0.3356)	\$ 0.9364	\$ 2.5813	\$ 2.5849	\$ (0.0036)
	1/2 GALLON	\$ 0.4988	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.0079	\$ 0.0366	\$ 1.0445	\$ (0.1678)	\$ 0.4682	\$ 1.3449	\$ 1.3486	\$ (0.0037)
	QUART	\$ 0.2494	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.5914	\$ 0.0214	\$ 0.6128	\$ (0.0839)	\$ 0.2341	\$ 0.7630	\$ 0.7549	\$ 0.0081
	PINT	\$ 0.1247	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.3525	\$ 0.0128	\$ 0.3653	\$ (0.0420)	\$ 0.1171	\$ 0.4404	\$ 0.4357	\$ 0.0047
	12 OUNCE	\$ 0.0935	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.2643	\$ 0.0096	\$ 0.2739	\$ (0.0315)	\$ 0.0878	\$ 0.3302	\$ 0.3306	\$ (0.0004)
	10 OUNCE	\$ 0.0779	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.2574	\$ 0.0093	\$ 0.2667	\$ (0.0262)	\$ 0.0732	\$ 0.3137	\$ 0.3140	\$ (0.0003)
	1/2 PINT	\$ 0.0624	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.1679	\$ 0.0061	\$ 0.1740	\$ (0.0210)	\$ 0.0585	\$ 0.2115	\$ 0.2099	\$ 0.0016
	4 OUNCE	\$ 0.0312	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1234	\$ 0.0045	\$ 0.1279	\$ (0.0105)	\$ 0.0293	\$ 0.1467	\$ 0.1461	\$ 0.0006
	Bulk per Quart	\$ 0.2494	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.5311	\$ 0.0193	\$ 0.5504	\$ (0.0839)	\$ 0.2341	\$ 0.7006	\$ 0.6946	\$ 0.0060

Footnote:  
1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of +\$0.0045 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**WHOLESALE PRICE BUILDUP  
JANUARY 2018 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 <sup>(1)</sup>	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)	
<b>FLAVORED MILK</b>	GALLON	\$ 1.8928	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.8064	\$ 0.1018	\$ 2.9082	\$ (0.3356)	\$ 0.9364	\$ 3.5090	\$ 3.5310	\$ (0.0220)
	1/2 GALLON	\$ 0.9464	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.4555	\$ 0.0528	\$ 1.5083	\$ (0.1678)	\$ 0.4682	\$ 1.8087	\$ 1.8215	\$ (0.0128)
	QUART	\$ 0.4732	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.8152	\$ 0.0296	\$ 0.8448	\$ (0.0839)	\$ 0.2341	\$ 0.9950	\$ 0.9913	\$ 0.0037
	PINT	\$ 0.2366	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.4644	\$ 0.0168	\$ 0.4812	\$ (0.0420)	\$ 0.1171	\$ 0.5563	\$ 0.5540	\$ 0.0023
	12 OUNCE	\$ 0.1775	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.3483	\$ 0.0126	\$ 0.3609	\$ (0.0315)	\$ 0.0878	\$ 0.4172	\$ 0.4193	\$ (0.0021)
	10 OUNCE	\$ 0.1479	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.3274	\$ 0.0119	\$ 0.3393	\$ (0.0262)	\$ 0.0732	\$ 0.3863	\$ 0.3879	\$ (0.0016)
	1/2 PINT	\$ 0.1183	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.2238	\$ 0.0081	\$ 0.2319	\$ (0.0210)	\$ 0.0585	\$ 0.2694	\$ 0.2691	\$ 0.0003
	4 OUNCE	\$ 0.0592	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1514	\$ 0.0055	\$ 0.1569	\$ (0.0105)	\$ 0.0293	\$ 0.1757	\$ 0.1757	\$ -
	Bulk per Quart	\$ 0.4732	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.7549	\$ 0.0274	\$ 0.7823	\$ (0.0839)	\$ 0.2341	\$ 0.9325	\$ 0.9310	\$ 0.0015
<b>FLAVORED REDUCED FAT MILK</b>	GALLON	\$ 1.3176	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.2312	\$ 0.0809	\$ 2.3121	\$ (0.3356)	\$ 0.9364	\$ 2.9129	\$ 2.9548	\$ (0.0419)
	1/2 GALLON	\$ 0.6588	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.1679	\$ 0.0424	\$ 1.2103	\$ (0.1678)	\$ 0.4682	\$ 1.5107	\$ 1.5335	\$ (0.0228)
	QUART	\$ 0.3294	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.6714	\$ 0.0244	\$ 0.6958	\$ (0.0839)	\$ 0.2341	\$ 0.8460	\$ 0.8473	\$ (0.0013)
	PINT	\$ 0.1647	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.3925	\$ 0.0142	\$ 0.4067	\$ (0.0420)	\$ 0.1171	\$ 0.4818	\$ 0.4819	\$ (0.0001)
	12 OUNCE	\$ 0.1235	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.2943	\$ 0.0107	\$ 0.3050	\$ (0.0315)	\$ 0.0878	\$ 0.3613	\$ 0.3652	\$ (0.0039)
	10 OUNCE	\$ 0.1029	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.2824	\$ 0.0102	\$ 0.2926	\$ (0.0262)	\$ 0.0732	\$ 0.3396	\$ 0.3430	\$ (0.0034)
	1/2 PINT	\$ 0.0824	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.1879	\$ 0.0068	\$ 0.1947	\$ (0.0210)	\$ 0.0585	\$ 0.2322	\$ 0.2331	\$ (0.0009)
	4 OUNCE	\$ 0.0412	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1334	\$ 0.0048	\$ 0.1382	\$ (0.0105)	\$ 0.0293	\$ 0.1570	\$ 0.1577	\$ (0.0007)
	Bulk per Quart	\$ 0.3294	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.6111	\$ 0.0222	\$ 0.6333	\$ (0.0839)	\$ 0.2341	\$ 0.7835	\$ 0.7870	\$ (0.0035)
<b>FLAVORED NONFAT MILK</b>	GALLON	\$ 1.1528	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.0664	\$ 0.0749	\$ 2.1413	\$ (0.3356)	\$ 0.9364	\$ 2.7421	\$ 2.7707	\$ (0.0286)
	1/2 GALLON	\$ 0.5764	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.0855	\$ 0.0394	\$ 1.1249	\$ (0.1678)	\$ 0.4682	\$ 1.4253	\$ 1.4414	\$ (0.0161)
	QUART	\$ 0.2882	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.6302	\$ 0.0229	\$ 0.6531	\$ (0.0839)	\$ 0.2341	\$ 0.8033	\$ 0.8013	\$ 0.0020
	PINT	\$ 0.1441	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.3719	\$ 0.0135	\$ 0.3854	\$ (0.0420)	\$ 0.1171	\$ 0.4605	\$ 0.4589	\$ 0.0016
	12 OUNCE	\$ 0.1081	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.2789	\$ 0.0101	\$ 0.2890	\$ (0.0315)	\$ 0.0878	\$ 0.3453	\$ 0.3480	\$ (0.0027)
	10 OUNCE	\$ 0.0901	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.2696	\$ 0.0098	\$ 0.2794	\$ (0.0262)	\$ 0.0732	\$ 0.3264	\$ 0.3286	\$ (0.0022)
	1/2 PINT	\$ 0.0721	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.1776	\$ 0.0064	\$ 0.1840	\$ (0.0210)	\$ 0.0585	\$ 0.2215	\$ 0.2216	\$ (0.0001)
	4 OUNCE	\$ 0.0360	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1282	\$ 0.0047	\$ 0.1329	\$ (0.0105)	\$ 0.0293	\$ 0.1517	\$ 0.1519	\$ (0.0002)
	Bulk per Quart	\$ 0.2882	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.5699	\$ 0.0207	\$ 0.5906	\$ (0.0839)	\$ 0.2341	\$ 0.7408	\$ 0.7410	\$ (0.0002)
<b>BUTTERMILK</b>	GALLON	\$ 1.5844	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 2.4980	\$ 0.0906	\$ 2.5886	\$ (0.3356)	\$ 0.9364	\$ 3.1894	\$ 3.1921	\$ (0.0027)
	1/2 GALLON	\$ 0.7922	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 1.3013	\$ 0.0472	\$ 1.3485	\$ (0.1678)	\$ 0.4682	\$ 1.6489	\$ 1.6521	\$ (0.0032)
	QUART	\$ 0.3961	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 0.7381	\$ 0.0268	\$ 0.7649	\$ (0.0839)	\$ 0.2341	\$ 0.9151	\$ 0.9066	\$ 0.0085
	PINT	\$ 0.1980	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.4258	\$ 0.0154	\$ 0.4412	\$ (0.0420)	\$ 0.1171	\$ 0.5163	\$ 0.5116	\$ 0.0047
	12 OUNCE	\$ 0.1485	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.3193	\$ 0.0116	\$ 0.3309	\$ (0.0315)	\$ 0.0878	\$ 0.3872	\$ 0.3875	\$ (0.0003)
	10 OUNCE	\$ 0.1238	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.3033	\$ 0.0110	\$ 0.3143	\$ (0.0262)	\$ 0.0732	\$ 0.3613	\$ 0.3615	\$ (0.0002)
	1/2 PINT	\$ 0.0990	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.2045	\$ 0.0074	\$ 0.2119	\$ (0.0210)	\$ 0.0585	\$ 0.2494	\$ 0.2480	\$ 0.0014
	4 OUNCE	\$ 0.0495	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.1417	\$ 0.0051	\$ 0.1468	\$ (0.0105)	\$ 0.0293	\$ 0.1656	\$ 0.1650	\$ 0.0006
	Bulk per Quart	\$ 0.3961	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 0.6778	\$ 0.0246	\$ 0.7024	\$ (0.0839)	\$ 0.2341	\$ 0.8526	\$ 0.8463	\$ 0.0063

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of +\$0.0045 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**WHOLESALE PRICE BUILDUP  
JANUARY 2018 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 <sup>(1)</sup>	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	L	M (K - L)
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	Current Wholesale Price	Increase (Decrease)

<b>EGG NOG</b>	<b>GALLON</b>	\$ 3.5008	\$ 0.1882	\$ 0.0400	\$ (0.0794)	\$ 0.7648	\$ 4.4144	\$ 0.1601	\$ 4.5745	\$ (0.3356)	\$ 0.9364	\$ 5.1753	\$ 6.1084	\$ (0.9331)
	<b>1/2 GALLON</b>	\$ 1.7504	\$ 0.1381	\$ 0.0200	\$ (0.0314)	\$ 0.3824	\$ 2.2595	\$ 0.0819	\$ 2.3414	\$ (0.1678)	\$ 0.4682	\$ 2.6418	\$ 3.1102	\$ (0.4684)
	<b>QUART</b>	\$ 0.8752	\$ 0.1232	\$ 0.0100	\$ 0.0176	\$ 0.1912	\$ 1.2172	\$ 0.0441	\$ 1.2613	\$ (0.0839)	\$ 0.2341	\$ 1.4115	\$ 1.6357	\$ (0.2242)
	<b>PINT</b>	\$ 0.4376	\$ 0.0909	\$ 0.0050	\$ 0.0363	\$ 0.0956	\$ 0.6654	\$ 0.0241	\$ 0.6895	\$ (0.0420)	\$ 0.1171	\$ 0.7646	\$ 0.8761	\$ (0.1115)
	<b>12 OUNCE</b>	\$ 0.3282	\$ 0.0630	\$ 0.0038	\$ 0.0323	\$ 0.0717	\$ 0.4990	\$ 0.0181	\$ 0.5171	\$ (0.0315)	\$ 0.0878	\$ 0.5734	\$ 0.6609	\$ (0.0875)
	<b>10 OUNCE</b>	\$ 0.2735	\$ 0.0855	\$ 0.0031	\$ 0.0311	\$ 0.0598	\$ 0.4530	\$ 0.0164	\$ 0.4694	\$ (0.0262)	\$ 0.0732	\$ 0.5164	\$ 0.5893	\$ (0.0729)
	<b>1/2 PINT</b>	\$ 0.2188	\$ 0.0319	\$ 0.0025	\$ 0.0233	\$ 0.0478	\$ 0.3243	\$ 0.0118	\$ 0.3361	\$ (0.0210)	\$ 0.0585	\$ 0.3736	\$ 0.4302	\$ (0.0566)
	<b>4 OUNCE</b>	\$ 0.1094	\$ 0.0272	\$ 0.0013	\$ 0.0398	\$ 0.0239	\$ 0.2016	\$ 0.0073	\$ 0.2089	\$ (0.0105)	\$ 0.0293	\$ 0.2277	\$ 0.2562	\$ (0.0285)
	<b>Bulk per Quart</b>	\$ 0.8752	\$ 0.0550	\$ 0.0100	\$ 0.0255	\$ 0.1912	\$ 1.1569	\$ 0.0420	\$ 1.1989	\$ (0.0839)	\$ 0.2341	\$ 1.3491	\$ 1.5754	\$ (0.2263)

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of +\$0.0045 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD**  
**MILK MARKETING AREA 2**

**RETAIL PRICE BUILDUP**  
**JANUARY 2018 PRICES**

	A EX. 10	B	C	D	E (A+B+C+D)	F	G (E - F)	
Container Size	Proposed Wholesale Price	Deepest Discount 13.50%	In-Store Handling \$ 0.1578	Store Profit 2.7%	Proposed Retail Price	Current Retail Price	Increase (Decrease)	
STANDARD (WHOLE) MILK	GALLON	\$ 3.2532	\$ (0.4392)	\$ 0.6312	\$ 0.0956	\$ 3.54	\$ 3.54	\$ -
	1/2 GALLON	\$ 1.6808	\$ (0.2269)	\$ 0.3156	\$ 0.0491	\$ 1.82	\$ 1.82	\$ -
	QUART	<b>\$ 0.9310</b>	<b>\$ (0.1257)</b>	<b>\$ 0.1578</b>	<b>\$ 0.0267</b>	<b>\$ 0.99</b>	<b>\$ 0.98</b>	<b>\$ 0.01</b>
	PINT	\$ 0.5244	\$ (0.0708)	\$ 0.0789	\$ 0.0148	\$ 0.55	\$ 0.54	\$ 0.01
	12 OUNCE	\$ 0.3932	\$ (0.0531)	\$ 0.0592	\$ 0.0111	\$ 0.41	\$ 0.41	\$ -
	10 OUNCE	\$ 0.3663	\$ (0.0495)	\$ 0.0493	\$ 0.0102	\$ 0.38	\$ 0.38	\$ -
	1/2 PINT	\$ 0.2535	\$ (0.0342)	\$ 0.0395	\$ 0.0072	\$ 0.27	\$ 0.26	\$ 0.01
	4 OUNCE	\$ 0.1676	\$ (0.0226)	\$ 0.0197	\$ 0.0046	\$ 0.17	\$ 0.17	\$ -
	Bulk per Quart	\$ 0.8685	\$ (0.1172)	\$ 0.1578	\$ 0.0252	\$ 0.93	\$ 0.93	\$ -
REDUCED FAT (2%) MILK	GALLON	\$ 2.9848	\$ (0.4029)	\$ 0.6312	\$ 0.0892	\$ 3.30	\$ 3.30	\$ -
	1/2 GALLON	\$ 1.5466	\$ (0.2088)	\$ 0.3156	\$ 0.0459	\$ 1.70	\$ 1.70	\$ -
	QUART	\$ 0.8639	\$ (0.1166)	\$ 0.1578	\$ 0.0251	\$ 0.93	\$ 0.92	\$ 0.01
	PINT	\$ 0.4909	\$ (0.0663)	\$ 0.0789	\$ 0.0140	\$ 0.52	\$ 0.51	\$ 0.01
	12 OUNCE	\$ 0.3680	\$ (0.0497)	\$ 0.0592	\$ 0.0105	\$ 0.39	\$ 0.39	\$ -
	10 OUNCE	\$ 0.3453	\$ (0.0466)	\$ 0.0493	\$ 0.0097	\$ 0.36	\$ 0.36	\$ -
	1/2 PINT	\$ 0.2367	\$ (0.0320)	\$ 0.0395	\$ 0.0068	\$ 0.25	\$ 0.25	\$ -
	4 OUNCE	\$ 0.1592	\$ (0.0215)	\$ 0.0197	\$ 0.0044	\$ 0.16	\$ 0.16	\$ -
	Bulk per Quart	\$ 0.8014	\$ (0.1082)	\$ 0.1578	\$ 0.0236	\$ 0.87	\$ 0.87	\$ -
LOW FAT (1%) MILK	GALLON	\$ 2.7731	\$ (0.3744)	\$ 0.6312	\$ 0.0841	\$ 3.11	\$ 3.12	\$ (0.01)
	1/2 GALLON	\$ 1.4407	\$ (0.1945)	\$ 0.3156	\$ 0.0433	\$ 1.61	\$ 1.61	\$ -
	QUART	\$ 0.8110	\$ (0.1095)	\$ 0.1578	\$ 0.0238	\$ 0.88	\$ 0.88	\$ -
	PINT	\$ 0.4643	\$ (0.0627)	\$ 0.0789	\$ 0.0133	\$ 0.49	\$ 0.49	\$ -
	12 OUNCE	\$ 0.3482	\$ (0.0470)	\$ 0.0592	\$ 0.0100	\$ 0.37	\$ 0.37	\$ -
	10 OUNCE	\$ 0.3288	\$ (0.0444)	\$ 0.0493	\$ 0.0093	\$ 0.34	\$ 0.34	\$ -
	1/2 PINT	\$ 0.2234	\$ (0.0302)	\$ 0.0395	\$ 0.0065	\$ 0.24	\$ 0.24	\$ -
	4 OUNCE	\$ 0.1527	\$ (0.0206)	\$ 0.0197	\$ 0.0042	\$ 0.16	\$ 0.16	\$ -
	Bulk per Quart	\$ 0.7485	\$ (0.1010)	\$ 0.1578	\$ 0.0223	\$ 0.83	\$ 0.82	\$ 0.01
NON FAT (SKIM) MILK	GALLON	\$ 2.5813	\$ (0.3485)	\$ 0.6312	\$ 0.0795	\$ 2.94	\$ 2.95	\$ (0.01)
	1/2 GALLON	\$ 1.3449	\$ (0.1816)	\$ 0.3156	\$ 0.0410	\$ 1.52	\$ 1.52	\$ -
	QUART	\$ 0.7630	\$ (0.1030)	\$ 0.1578	\$ 0.0227	\$ 0.84	\$ 0.83	\$ 0.01
	PINT	\$ 0.4404	\$ (0.0595)	\$ 0.0789	\$ 0.0128	\$ 0.47	\$ 0.47	\$ -
	12 OUNCE	\$ 0.3302	\$ (0.0446)	\$ 0.0592	\$ 0.0096	\$ 0.35	\$ 0.35	\$ -
	10 OUNCE	\$ 0.3137	\$ (0.0423)	\$ 0.0493	\$ 0.0089	\$ 0.33	\$ 0.33	\$ -
	1/2 PINT	\$ 0.2115	\$ (0.0286)	\$ 0.0395	\$ 0.0062	\$ 0.23	\$ 0.23	\$ -
	4 OUNCE	\$ 0.1467	\$ (0.0198)	\$ 0.0197	\$ 0.0041	\$ 0.15	\$ 0.15	\$ -
	Bulk per Quart	\$ 0.7006	\$ (0.0946)	\$ 0.1578	\$ 0.0212	\$ 0.79	\$ 0.78	\$ 0.01

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**RETAIL PRICE BUILDUP  
JANUARY 2018 PRICES**

	A EX. 10	B	C	D	E (A+B+C+D)	F	G (E - F)	
Container Size	Proposed Wholesale Price	Deepest Discount 13.50%	In-Store Handling \$ 0.1578	Store Profit 2.7%	Proposed Retail Price	Current Retail Price	Increase (Decrease)	
FLAVORED MILK	GALLON	\$ 3.5090	\$ (0.4737)	\$ 0.6312	\$ 0.1017	\$ 3.77	\$ 3.79	\$ (0.02)
	1/2 GALLON	\$ 1.8087	\$ (0.2442)	\$ 0.3156	\$ 0.0522	\$ 1.93	\$ 1.94	\$ (0.01)
	QUART	\$ 0.9950	\$ (0.1343)	\$ 0.1578	\$ 0.0283	\$ 1.05	\$ 1.04	\$ 0.01
	PINT	\$ 0.5563	\$ (0.0751)	\$ 0.0789	\$ 0.0155	\$ 0.58	\$ 0.57	\$ 0.01
	12 OUNCE	\$ 0.4172	\$ (0.0563)	\$ 0.0592	\$ 0.0117	\$ 0.43	\$ 0.43	\$ -
	10 OUNCE	\$ 0.3863	\$ (0.0522)	\$ 0.0493	\$ 0.0106	\$ 0.39	\$ 0.40	\$ (0.01)
	1/2 PINT	\$ 0.2694	\$ (0.0364)	\$ 0.0395	\$ 0.0076	\$ 0.28	\$ 0.28	\$ -
	4 OUNCE	\$ 0.1757	\$ (0.0237)	\$ 0.0197	\$ 0.0048	\$ 0.18	\$ 0.18	\$ -
	Bulk per Quart	\$ 0.9325	\$ (0.1259)	\$ 0.1578	\$ 0.0268	\$ 0.99	\$ 0.99	\$ -
FLAVORED REDUCED FAT MILK	GALLON	\$ 2.9129	\$ (0.3932)	\$ 0.6312	\$ 0.0874	\$ 3.24	\$ 3.28	\$ (0.04)
	1/2 GALLON	\$ 1.5107	\$ (0.2039)	\$ 0.3156	\$ 0.0450	\$ 1.67	\$ 1.69	\$ (0.02)
	QUART	\$ 0.8460	\$ (0.1142)	\$ 0.1578	\$ 0.0247	\$ 0.91	\$ 0.92	\$ (0.01)
	PINT	\$ 0.4818	\$ (0.0650)	\$ 0.0789	\$ 0.0138	\$ 0.51	\$ 0.51	\$ -
	12 OUNCE	\$ 0.3613	\$ (0.0488)	\$ 0.0592	\$ 0.0103	\$ 0.38	\$ 0.39	\$ (0.01)
	10 OUNCE	\$ 0.3396	\$ (0.0458)	\$ 0.0493	\$ 0.0095	\$ 0.35	\$ 0.36	\$ (0.01)
	1/2 PINT	\$ 0.2322	\$ (0.0313)	\$ 0.0395	\$ 0.0067	\$ 0.25	\$ 0.25	\$ -
	4 OUNCE	\$ 0.1570	\$ (0.0212)	\$ 0.0197	\$ 0.0043	\$ 0.16	\$ 0.16	\$ -
	Bulk per Quart	\$ 0.7835	\$ (0.1058)	\$ 0.1578	\$ 0.0232	\$ 0.86	\$ 0.86	\$ -
FLAVORED NONFAT MILK	GALLON	\$ 2.7421	\$ (0.3702)	\$ 0.6312	\$ 0.0833	\$ 3.09	\$ 3.11	\$ (0.02)
	1/2 GALLON	\$ 1.4253	\$ (0.1924)	\$ 0.3156	\$ 0.0430	\$ 1.59	\$ 1.61	\$ (0.02)
	QUART	\$ 0.8033	\$ (0.1084)	\$ 0.1578	\$ 0.0237	\$ 0.88	\$ 0.87	\$ 0.01
	PINT	\$ 0.4605	\$ (0.0622)	\$ 0.0789	\$ 0.0132	\$ 0.49	\$ 0.49	\$ -
	12 OUNCE	\$ 0.3453	\$ (0.0466)	\$ 0.0592	\$ 0.0099	\$ 0.37	\$ 0.37	\$ -
	10 OUNCE	\$ 0.3264	\$ (0.0441)	\$ 0.0493	\$ 0.0092	\$ 0.34	\$ 0.34	\$ -
	1/2 PINT	\$ 0.2215	\$ (0.0299)	\$ 0.0395	\$ 0.0064	\$ 0.24	\$ 0.24	\$ -
	4 OUNCE	\$ 0.1517	\$ (0.0205)	\$ 0.0197	\$ 0.0042	\$ 0.16	\$ 0.16	\$ -
	Bulk per Quart	\$ 0.7408	\$ (0.1000)	\$ 0.1578	\$ 0.0222	\$ 0.82	\$ 0.82	\$ -
BUTTERMILK	GALLON	\$ 3.1894	\$ (0.4306)	\$ 0.6312	\$ 0.0941	\$ 3.48	\$ 3.49	\$ (0.01)
	1/2 GALLON	\$ 1.6489	\$ (0.2226)	\$ 0.3156	\$ 0.0483	\$ 1.79	\$ 1.79	\$ -
	QUART	\$ 0.9151	\$ (0.1235)	\$ 0.1578	\$ 0.0263	\$ 0.98	\$ 0.97	\$ 0.01
	PINT	\$ 0.5163	\$ (0.0697)	\$ 0.0789	\$ 0.0146	\$ 0.54	\$ 0.54	\$ -
	12 OUNCE	\$ 0.3872	\$ (0.0523)	\$ 0.0592	\$ 0.0109	\$ 0.41	\$ 0.41	\$ -
	10 OUNCE	\$ 0.3613	\$ (0.0488)	\$ 0.0493	\$ 0.0100	\$ 0.37	\$ 0.37	\$ -
	1/2 PINT	\$ 0.2494	\$ (0.0337)	\$ 0.0395	\$ 0.0071	\$ 0.26	\$ 0.26	\$ -
	4 OUNCE	\$ 0.1656	\$ (0.0224)	\$ 0.0197	\$ 0.0045	\$ 0.17	\$ 0.17	\$ -
	Bulk per Quart	\$ 0.8526	\$ (0.1151)	\$ 0.1578	\$ 0.0248	\$ 0.92	\$ 0.91	\$ 0.01

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 2**

**RETAIL PRICE BUILDUP  
JANUARY 2018 PRICES**

	A EX. 10	B	C	D	E (A+B+C+D)	F	G (E - F)	
Container Size	Proposed Wholesale Price	Deepest Discount 13.50%	In-Store Handling \$ 0.1578	Store Profit 2.7%	Proposed Retail Price	Current Retail Price	Increase (Decrease)	
<b>EGG NOG</b>	<b>GALLON</b>	\$ 5.1753	\$ (0.6987)	\$ 0.6312	\$ 0.1417	\$ 5.25	\$ 6.11	\$ (0.86)
	<b>1/2 GALLON</b>	\$ 2.6418	\$ (0.3566)	\$ 0.3156	\$ 0.0722	\$ 2.67	\$ 3.12	\$ (0.45)
	<b>QUART</b>	\$ 1.4115	\$ (0.1906)	\$ 0.1578	\$ 0.0383	\$ 1.42	\$ 1.64	\$ (0.22)
	<b>PINT</b>	\$ 0.7646	\$ (0.1032)	\$ 0.0789	\$ 0.0205	\$ 0.77	\$ 0.88	\$ (0.11)
	<b>12 OUNCE</b>	\$ 0.5734	\$ (0.0774)	\$ 0.0592	\$ 0.0154	\$ 0.58	\$ 0.67	\$ (0.09)
	<b>10 OUNCE</b>	\$ 0.5164	\$ (0.0697)	\$ 0.0493	\$ 0.0138	\$ 0.53	\$ 0.59	\$ (0.06)
	<b>1/2 PINT</b>	\$ 0.3736	\$ (0.0504)	\$ 0.0395	\$ 0.0101	\$ 0.38	\$ 0.44	\$ (0.06)
	<b>4 OUNCE</b>	\$ 0.2277	\$ (0.0307)	\$ 0.0197	\$ 0.0060	\$ 0.24	\$ 0.26	\$ (0.02)
	<b>Bulk per Quart</b>	\$ 1.3491	\$ (0.1821)	\$ 0.1578	\$ 0.0368	\$ 1.36	\$ 1.58	\$ (0.22)