Commonwealth of PennsyIvania
Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110-9408
717/787-4194
Fax 717/783-6492

WEB SITE: http://www.mmb.state.pa.us
E-mail: ra-pmmb@state.pa.us
Official General
Order No. A-956
Posted: $\quad$ November 5, 2008
Effective: December 1, 2008

## ORDER ESTABLISHING MINIMUM PRICES FOR MILK AND MILK PRODUCTS IN THE WEST CENTRAL MILK MARKETING AREA, AREA NO. 6, AND OTHERWISE REGULATING THE MARKETING AND DISTRIBUTION OF MILK AND MILK PRODUCTS IN AREA NO. 6

The Commonwealth of Pennsylvania, Milk Marketing Board, under the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 - 700j-1204, hereby orders that all parts of Milk Marketing Board official general orders inconsistent with this Official General Order No. A-956 are superseded with respect to the West Central Milk Marketing Area, known as Milk Marketing Area No. 6. This order will become effective at 12:01 a.m. on December 1, 2008.

## SECTION A SCOPE; INCORPORATION

(a) This official general order governs the sale and distribution of milk in Area No. 6, as defined in section B.
(b) The attached Findings of Fact, Conclusions of Law, Schedules I and II, and Attachments are incorporated herein by this reference as though fully set forth in this order.

## SECTION B DEFINITIONS

The following words and terms have the meanings set forth in this section unless the context clearly indicates otherwise:

Area No. 6 - The counties of Bedford, Blair, Cambria, Cameron, Centre, Clearfield, Elk, Forest, Huntingdon, Indiana, Jefferson, McKean, Mifflin, Somerset, and Warren; in Clarion County all municipalities, cities, boroughs, and townships except the townships of Ashland, Beaver, Licking, Madison, Perry, Piney, Richland, Salem, and Toby; in

Westmoreland County the boroughs of Bolivar, Donegal, Ligonier, New Florence, and Seward, and the townships of Cook, Donegal, Fairfield, Ligonier, and St. Clair.

Board - The Pennsylvania Milk Marketing Board.
Bulk Milk/Cream - Milk and/or cream sold in large containers to other milk dealers or manufacturers not subject to resale price control.

Bulk Packaged Milk - Milk and/or cream sold in dispenser type containers ultimately sold and dispensed to consumers exclusively for on-premise consumption and subject to resale price control under the terms of this Order as listed on Schedule I, which is sometimes referred to as dispenser milk.

Consignment Sale - Trading arrangement in which a seller sends goods to a buyer or reseller who pays the seller only as and when the goods are sold. The seller remains the owner (titleholder) of the goods until they are paid for in full.

Consumer - As defined in Section 103 of the Law (31 P. S. §700j-103).
Dealer - As defined in Section 103 of the Law (definition of "'milk dealer' or 'handler'").
Fluid Cream Product - As defined by applicable federal market orders.
Fluid Milk Product - As defined by applicable federal market orders.
Full Service Delivery - Delivery of Class I or II price-controlled packaged products to an individual stop, in connection with which the seller provides one or more of the following services: stocking cases with the delivered products, pricing the delivered products, rotating stock, removing leakers and defective products, and taking inventory.

Law - The Pennsylvania Milk Marketing Law (31 P. S. §§700j-101 - 700j-1204).
Limited Service Delivery - Delivery of Class I or II price-controlled packaged products to one specified point, including the cooler, used normally for the receiving of food products, with the purchaser being responsible for any further handling of the products and the seller providing none of the services associated with full service delivery. The purchaser shall assemble empty cases or containers for convenient pickup by the seller and shall place orders at least one day in advance of delivery.

Multi-Store Group - Three or more stores that satisfy the requirements in Section E, Provision 8.

Person - As defined in Section 103 of the Law.

Price-Controlled Packaged Products - All packaged Class I and Class II milk products listed on Pennsylvania Milk Marketing Area price sheets (Schedules I \& II) issued by the Board, when these products are sold in Pennsylvania.

Primary Supplier - A milk dealer or subdealer making a wholesale sale of Class I or II price-controlled packaged products to a multi-store group for a price that may be discounted under Section E, Provisions 8 and 10, based on the volume of sales by that milk dealer or subdealer to the multi-store group.

Producer - As defined in Section 103 of the Law.

Retail Sale - The sale of Class I or II price-controlled packaged products to a consumer.

Rounding - A uniform method for expressing a price to the fourth decimal place. If the fifth decimal place is five or more, the fourth decimal place is increased by one. If the fifth decimal place is less than five, the fourth decimal place is unchanged. Example: $\$ 1.05655$ becomes $\$ 1.0566$ and $\$ 1.0565499$ becomes $\$ 1.0565$.

School - A public or private educational institution serving any grade levels between kindergarten and grade 12.

Secondary Supplier - A milk dealer or subdealer making a wholesale sale of Class I or II price-controlled packaged products to one or more stores within a multi-store group for a price that may be discounted under Section E, Provisions 8 and 10, based on the volume of sales by the primary supplier to the multi-store group.

Subdealer - As defined in Section 103 of the Law.
Weekly Average Delivery - The total number of quarts of Class I or II price-controlled packaged products, net of returns of defective products, delivered to or picked up by the purchaser at an individual stop for resale in the original package, divided by the number of actual deliveries of price-controlled packaged products made from 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.

Wholesale Sale - The sale of Class I or II price-controlled packaged products by a person other than a producer to a person other than a consumer.

## SECTION C CLASSIFICATION OF MILK

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

## SECTION D SALES IN OTHER PENNSYLVANIA MILK MARKETING AREAS

The minimum wholesale price of the price-controlled packaged product will be determined according to the Official General Order governing the milk marketing area in which the milk is located when it leaves the selling dealer's or subdealer's control. Absent other evidence regarding control, the Board will presume that the milk has left the selling dealer's control upon:
(a) Arrival at the destination point designated by the purchaser if the seller incurs the costs associated with delivery;
(b) Placement on the seller's dock if the purchaser takes possession using:
(1) Equipment owned or leased and personnel employed by the purchaser; or
(2) A trucking company that is independent from the seller.

In determining whether a trucking company is independent from the seller, the Board will consider the totality of the relationship between the seller and the trucking company, including whether the seller:
(A) Owns any interest in the trucking company and, if so, the extent of such interest;
(B) Shares common directors, officers, management personnel or employees with the trucking company;
(C) Uses equipment or facilities in common with the trucking company;
(D) Shares common accounting, purchasing, accounts receivable, or billing operations with the trucking company;
(E) Has common financing or credit arrangements with the trucking company.

## SECTION E RESALE PRICES

## PROVISION 1 - MINIMUM RESALE PRICES

(a) The minimum wholesale prices described in Schedule I of this Order are the prices applicable to a wholesale sale of packaged, including bulk packaged, Class I or Class II fluid milk products and fluid cream products, or both. The selling dealer or subdealer may reduce the minimum prices set forth in Schedule I by an applicable discount set forth in the succeeding provisions of this section, provided that, all such reductions shall be rounded in accordance with the definition of "rounding" in Section B. Return for credit or replacement of non-defective, including out of code or in code, Class I or II price-controlled packaged products and consignment sales are prohibited under any circumstances or pricing scheme.
(b) The minimum retail out-of-store prices prescribed in Schedule II of this Order are the minimum prices to be charged by and paid to a store by a consumer who purchases a Class I or Class II price-controlled packaged product, or both, for offpremises consumption or use.
(c) The minimum retail home-delivered prices prescribed in Schedule II, footnote 4, of this Order are the minimum prices to be charged and paid when the product purchased is delivered by a milk dealer or subdealer to a consumer.
(d) Generally the Board shall build up the wholesale and retail prices by performing the following operations:

1. Undiscounted Wholesale Price Buildup
A. Add together the announced skim and butterfat values, ingredient costs, and the bulk costs, such as shrink, and gain or loss on bulk milk or cream, for each of the products priced by the Board to arrive at a total price per pound;
B. The Board will recognize any special fees, assessments, or other charges imposed on milk dealers by Pennsylvania or the federal government in the computation of resale prices for Area 6, PROVIDED that these fees, assessments, or other charges are based on the amount of Class I milk sold or handled in Pennsylvania by the milk dealers;
C. Multiply the total price per pound for each of the price-controlled products by the appropriate factor for each of the container sizes priced to arrive at a raw product cost per container;
D. Add together the raw product cost per container calculated in (d)1.C., the cost center costs (processing, packaging, and delivery costs), the container cost (including adjustments to container costs), the updated energy adjustments (the diesel fuel adjustment and the heating fuel adjustment), the quarter-to-quarter cost update adjustment, and the container efficiency adjustment to arrive at the average delivered cost;
E. Add together the average delivered cost and the Board defined profit to arrive at a price with profit;
F. Subtract from the price with profit the average cost of delivery before adding the small stop-high cost delivery cost to arrive at the undiscounted minimum wholesale price.
2. Retail Price Buildup
A. Subtract from the undiscounted wholesale price the discount as determined by the Board before adding the in-store handling cost to arrive at a retail price before profit;
B. Add the retail price before profit and the Board defined profit to arrive at the minimum retail price.

## PROVISION 2 - RESALE PRICE ADJUSTMENTS

(a) The minimum resale prices for all products prescribed in Schedules I and II of this Order will be adjusted upward or downward with movements in the Class I and Class II skim and butterfat price along with other monthly adjustments as called for by Orders of the Board.
(b) In-store handling costs shall be adjusted monthly with changes in the Consumer Price Index.

## PROVISION 3 - PREVAILING AREA MILK COST

Repealed and Reserved. See Official General Order A-903 Amended and subsequent orders.

## PROVISION 4 - PRICING MULTIPLE UNIT PACKAGES

Repealed and Reserved. Obsolete.

## PROVISION 5 - EXEMPTIONS FROM BULK RESALE PRICING PROVISIONS

Sales of bulk milk and bulk cream are exempt from the resale prices on Schedule I of this Order. However, a milk dealer making such a sale, whether cash or credit, shall have readily available for inspection by Board personnel, for a period of two (2) years from the date of sale, the following:
(a) Name and address of buyer and, if different, of the business where the bulk milk or bulk cream was used;
(b) Price and quantity of the bulk milk or bulk cream sold, together with the price and quantity of any other products sold as part of the same transaction; and
(c) A record from which the Board can readily ascertain the method used to determine the price of the bulk milk or bulk cream.

## PROVISION 6 - WHOLESALE DISCOUNTS

(a) A milk dealer or subdealer making a wholesale sale of Class I or II pricecontrolled packaged products may, subject to subsections (b) - (d), reduce the prices on schedule I of this Order by
(1) $4 \%$ if the weekly average delivery to an individual stop is at least 200 quarts, provided that the number of deliveries to that stop does not exceed three per week, or;
(2) $7.5 \%$ if the weekly average delivery to an individual stop is at least 500 quarts, provided that the number of deliveries to that stop does not exceed three per week.
(b) For purposes of this provision, the weekly average delivery shall be the total number of quarts of Class I or II price-controlled packaged products, net of returns of defective products, delivered to or picked up by the buyer at an individual stop for resale in the original package divided by the number of actual deliveries, not to exceed three, of price-controlled packaged products made from 12:01 a.m. on Monday to 12:00 midnight on the following Sunday. Each milk dealer or subdealer making a wholesale sale may consider only its own sales and not sales by other milk dealers or subdealers in determining whether the buyer qualifies for a price reduction under this provision.
(c) This provision shall not apply to schools.
(d) This provision allows for full service deliveries as defined in Section B.
(e) All sales made under this provision are final. Any allowance for returns is prohibited, except for defective products.

## PROVISION 7 - LIMITED SERVICE DISCOUNT

(a) A milk dealer or subdealer making a wholesale sale of Class I or II pricecontrolled packaged products by means of limited service delivery as defined in Section B may reduce the prices on Schedule I of this Order by $10.5 \%$ if the weekly average delivery to an individual stop is at least 1,000 quarts.
(b) For purposes of this provision, the weekly average delivery shall be the total number of quarts of Class I or II price-controlled packaged products, net of returns of defective products, delivered to or picked up by the buyer at an individual stop for resale in the original package divided by the number of actual deliveries of price-controlled packaged products made from 12:01 a.m. on Monday to 12:00 midnight on the following Sunday. Each milk dealer or subdealer making a wholesale sale may consider only its own sales and not sales by other milk dealers or subdealers in determining whether the buyer qualifies for a price reduction under this provision.
(c) All sales made under this provision are final. Any allowance for returns is prohibited except for defective products.
(d) This provision shall also apply to schools.

## PROVISION 8 - MULTI-STORE DISCOUNT: QUALIFICATION

(a) Three or more stores may form a multi-store group provided all of the following are satisfied:
(1) The stores are owned by the same person or persons, are operated under franchises granted by the same franchiser, or purchase Class I or II pricecontrolled packaged products pursuant to a contract with the same contracting entity;
(2) All invoices for Class I or II price-controlled packaged products purchased by the stores are received and processed by the common owner, franchiser, or contracting entity and payment for all Class I or II price-controlled packaged products purchased under a multi-store discount is guaranteed by the common owner, franchiser, or contracting entity;
(3) Each store receives a minimum of 200 quarts of Class I or II price-controlled packaged products per delivery, and;
(4) The primary dealer files with the Board a sworn statement listing the name and address of each store in the multi-store group and the weekly average aggregate volume of purchases of Class I or II price-controlled packaged products for all stores in the multi-store group. The multi-store group may file the information required by this paragraph if the primary dealer fails to do so.
(b) A milk dealer or subdealer making a limited service wholesale sale of Class I or II price-controlled packaged products to a multi-store group whose totally weekly volume exceeds 25,000 quarts may reduce the prices set forth in Schedule I by:
(1) $7.5 \%$ if the weekly average delivery to an individual stop is at least 500 quarts;
(2) $10.5 \%$ if the weekly average delivery to an individual stop is at least 1,000 quarts;
(c) The weekly average aggregate delivery shall be determined by dividing the total number of quarts of Class I or II price-controlled packaged products (net of returns of defective products) delivered to all stores in the multi-store group by the primary supplier, by the number of actual deliveries of Class I or II price-controlled packaged products to all stores in the multi-store group by the primary supplier between 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.
(d) The total weekly volume for the multi-store group as a whole shall be the total number of quarts of Class I and Class II price-controlled packaged products (net of
returns of defective product) delivered to all qualified stores within the group between 12:01 a.m. on Monday to 12:00 midnight on the following Sunday.

## PROVISION 9 - MULTI-STORE GROUP: SECONDARY SUPPLIER

(a) A secondary supplier making a wholesale sale of Class I or II price-controlled packaged products to a store that is a member of a multi-store group may reduce the prices set forth in Schedule I of this Order by the same percentage that the primary supplier is permitted to reduce its prices.
(b) A secondary supplier selling Class I or II price-controlled packaged products to a member of a multi-store group must comply with all the requirements set forth in this Order that apply to the primary supplier except for the volume of purchases.
(c) A secondary supplier may be the exclusive supplier for an individual store within a multi-store group as long as all other requirements specified in Provision 8 of this Section are satisfied.
(d) A secondary supplier must obtain and keep available for inspection and copying by Board personnel a copy of the certification letter provided by the multi-store group's primary dealer as required in Provision 8, Subsection (a), Paragraph (4), to one or more members of the group that the secondary supplier is servicing.

## PROVISION 10 - MULTI-STORE DISCOUNT: ADDITIONAL DISCOUNT

(a) A primary supplier or a secondary supplier making a wholesale sale of Class I or II price-controlled packaged products to a multi-store group on a limited service basis may reduce the prices set forth in Schedule I of this Order by an additional two percent (2\%) of the total amount due after application of the discount set forth in Provision 8 of this Section. The additional discount in this provision may only be granted on volumes of milk where a primary discount was earned pursuant to Provision 8(b) of this Section.
(b) The weekly total deliveries of Class I or II price-controlled packaged products to the multi-store group shall be determined by adding the total number of quarts of Class I or II price-controlled packaged products delivered to each member of the multistore group, net of returns of defective products, between 12:01 a.m. Monday and 12:00 midnight on the following Sunday.
(c) The additional discount permitted by this Provision may be given to the common owner, franchiser, or contracting entity only and not to the individual store members of the multi-store group. A common owner, franchiser, or contracting entity that accepts the additional discount permitted under this Provision guarantees payment to the primary supplier or the secondary supplier or both.

## PROVISION 11 -SCHOOL DISCOUNT

(a) A person making a wholesale sale of Class I or II price-controlled packaged products to a school may, when the products are delivered on a limited service basis, reduce the prices set forth in Schedule I of this Order by four percent (4\%) if the weekly average delivery to individual schools is at least 200 quarts.
(b) For purposes of this provision, the weekly average delivery shall be the total number of quarts of Class I or II price-controlled packaged products, net of returns of defective products, delivered to or picked up by the buyer at an individual stop for resale in the original package divided by the number of actual deliveries of price-controlled packaged products made from 12:01 a.m. on Monday to 12:00 midnight on the following Sunday. Each milk dealer or subdealer making a wholesale sale may consider only its own sales and not sales by other milk dealers or subdealers in determining whether the buyer qualifies for a price reduction under this provision.
(c) Each seller making a wholesale sale may consider only that seller's own sales and not sales by other sellers in determining whether the purchasing school qualifies for a price reduction under this Provision.
(d) The price reductions provided for in this Provision are subject to the same restrictions and limitations of service outlined in the definition of Limited Service Delivery as defined in Section B.
(e) This Provision is applicable to any sales of dispenser milk as priced in the dispenser section of Schedule I.

## PROVISION 12 - LICENSEE TO LICENSEE DISCOUNTS

(a) A licensed milk dealer selling Class I or II price-controlled packaged products to a licensed milk dealer or licensed milk subdealer may reduce the prices set forth in Schedule I of this Order by:
(1) $10 \%$ for sales to dealers and subdealers servicing schools, the selling dealer may apply the discount if delivery is made only on a one delivery per day basis at each school district, intermediate unit, college, or university being serviced. The subdealer must carry out all redistribution of delivered milk.
(2) $15 \%$ if the buyer takes possession of fewer than 1,000 quarts per delivery of price-controlled packaged products at a single location owned or rented by the subdealer and used to receive products for redistribution to numerous customers per dealer as designated by the purchaser.
(3) $22 \%$ if the buyer takes possession of at least 1,000 quarts per delivery of price-controlled packaged products at a single location owned or rented by the subdealer and used to receive products for redistribution to numerous customers per dealer as designated by the purchaser.
(b) The price reductions set forth in Subsection (a) may be made only if:
(1) The selling dealer does not pay consideration of any type to the purchaser for services rendered; and
(2) The selling dealer does not provide to the purchaser, directly or indirectly, any labor or other personal service in connection with the transportation for resale of the products purchased. In implementing this paragraph, the Board will use the criteria in Section D, Subsection (b), to determine whether a trucking company is independent from the seller.
(c) The price reductions set forth in Subsection (a) Paragraphs (2) and (3) are applicable only on a single drop basis where the selling dealer is not delivering to multiple school districts on behalf of the purchasing dealer or subdealer.

## PROVISION 13 - APPLICATION OF DISCOUNTS

A milk dealer or subdealer shall apply wholesale discounts on price-controlled packaged products to each line item on an invoice or bid to find the discounted unit prices. The dealer or subdealer shall then round the discounted unit price in accordance with the rounding procedure set forth in Section B before multiplying by the number of units sold or bid. For bulk-packaged milk priced on a per-quart basis, the milk dealer or subdealer shall apply the discount to the per-quart price before multiplying by the number of quarts in the container. Dealers or subdealers bidding or billing Commonwealth institutions using SAP accounting programs, consult Bulletin 1430 or its successor. A milk dealer or subdealer may not charge a customer a belowminimum price on a particular product even if the total price for all products is at or above minimum.

## PROVISION 14 - NEW TYPES OF MILK OR MILK CONTAINERS

No product or type of milk or cream or size of container for which a price is not specifically prescribed and listed on Schedules I and II shall be used or sold within the Commonwealth until authority is granted by the Board for its use or sale.

## PROVISION 15 - RETURNABLE REUSABLE CONTAINER DEPOSIT

A deposit shall be charged and collected on each returnable, reusable container as follows:

|  | Gallon | Half Gallon |
| :--- | :--- | :--- |
|  |  |  |
| Dealer to Wholesale Customer | $\$ 0.50$ | $\$ 0.40$ |
| Store to Consumer | $\$ 0.50$ | $\$ 0.40$ |
| Dealer to Consumer | $\$ 0.50$ | $\$ 0.40$ |

## SECTION F COST REPLACEMENT

Annually, after submission of the Milk Dealer's Financial Statement, the Board will schedule a cost replacement hearing to receive evidence of appropriate costs including but not limited to annualized and current costs for then deemed relevant cost components for processing, packaging, and delivery costs for Class I and II pricecontrolled packaged products, as well as in-store handling costs. The foregoing evidence shall be based on the audited costs of a cross-section of milk dealers and stores doing business in Area No. 6. In addition, the Board will receive evidence bearing on a reasonable rate of return for milk dealers and retailers.

## SECTION G SEVERABILITY

If any section, provision, subsection, paragraph, or clause of this order is determined to be unconstitutional or otherwise contrary to law, the remainder of the order shall be given effect as though that section, provision, subsection, paragraph, or clause has not been included.

PENNSYLVANIA MILK MARKETING BOARD

Richard Kriebel, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Date: November 5, 2008

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# FINDINGS OF FACT AND CONCLUSIONS OF LAW GENERAL PRICE HEARING FOR MILK MARKETING AREA NO. 6 OCTOBER 1, 2008 

## I. FINDINGS OF FACT

## A. Procedural History

1. On October 1, 2008, the Pennsylvania Milk Marketing Board ("Board") held a general price hearing for Milk Marketing Area No. 6.
2. Notice of the hearing was published at 38 Pennsylvania Bulletin 4051 dated July 26, 2008. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1435, dated July 16, 2008. The hearing notice enumerated the scope of evidence that the Board would receive.

## B. Validity of Dealer Cross-Section

3. The dealer cross-section used by both Board Staff and the Area 6 Milk Dealers (Dealers), the only parties to present dealer cost information, consisted of Dean Foods Company - Sharpsville, Dean Foods Company - Erie, Galliker Dairy, and Schneider - Valley Farms.
4. Carl Herbein, appearing on behalf of the Area 6 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 6 and delivered to a range of customers in Area 6 which included supermarkets, convenience stores, schools and institutions, and small retail outlets. Mr. Herbein opined that the cross-section was representative of the dealers selling in Area 6. 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 6. 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. 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 6.

## C. Dealer Costs and Rate of Return

5. Gary Gojsovich testified on behalf of Board Staff as an expert in milk cost accounting. Both Mr. Gojsovich and Mr. Herbein testified that the cross-section dealers incurred a cost of $\$ 0.2391$ per point for processing, packaging, and delivering milk in 2007. Based on this uncontradicted testimony, the Board finds that the cross section dealers incurred a cost of $\$ 0.2391$ per point for processing, packaging, and delivery,
and further finds that $\$ 0.2391$ is the processing, packaging, and delivery cost that should be used in this order.
6. Mr. Gojsovich and Mr. Herbein testified to the following ingredient costs as of April 2008, based on year 2007 pounds: Standard Milk - $\$ 0.0000 / \mathrm{lb}$; Reduced Fat Milk - \$0.0002/lb; Low Fat Milk - \$0.0001/lb; Non-Fat Milk - \$0.0015/lb; Flavored Milk \$0.0269/lb; Flavored Reduced Fat Milk - \$0.0287/lb; Buttermilk - \$0.0329/lb; Egg Nog $\$ 0.1512 / \mathrm{lb}$. 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 second quarters of 2007 and 2008. The Board finds that $\$ 0.0040$ per point should be used in this order.
8. Official General Order A-939 established area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in diesel fuel costs. Mr. Gojsovich recommended that the adjustment continue, based on a somewhat simplified calculation that yielded the same results. Mr. Herbein agreed that the adjustment should continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Surrebuttal Exhibit 6 and attached to this order as Attachment 1.
9. Official General Order A-937 established area-specific adjustments to minimum wholesale and retail prices to account for monthly changes in heating fuel costs. Mr. Gojsovich recommended that the adjustment continue, based on a simplified calculation similar to the one recommended for diesel fuel costs. The new methodology recommended by Mr. Gojsovich would use only the most current announced price for heating fuels to update the 2007 average heating cost. Mr. Herbein agreed that the adjustment should continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. Gojsovich in Staff Surrebuttal Exhibit 7 and attached to this order as Attachment 2.
10. Mr. Herbein testified regarding a container efficiency adjustment. The purpose of the adjustment is to account for different levels of efficiency filling and handling the various sizes of containers. Larger containers are more efficient to fill and handle in the plant, while smaller containers are less efficient.

Mr. Herbein testified that the following container efficiency adjustments should be used in this order: Gallon - \$(0.0936); Half Gallon - \$(0.0324); Quart \$0.0264; Pint - \$0.0249; Half Pint - \$0.0139; Four Ounce - \$0.0200; Bulk Per Quart \$0.1078; 12 ounce - \$0.0194; 10 ounce - \$0.0139.

Based on Mr. Herbein's testimony, the Board finds that the container efficiency adjustments that he recommended should be adopted for this order.
11. Mr. Herbein testified regarding dealer delivery costs and discounts. The Board has provided for discounts from minimum wholesale prices in recognition of the efficiencies of various delivery sizes and amounts of service provided by milk dealers to their wholesale accounts. Mr. Herbein recommended that the discounts at the percentages and qualifying volumes currently in place remain in place.

Based on Mr. Herbein's uncontradicted testimony, the Board finds that the current discount percentages and qualifying volumes should be adopted for use in this order.
12. Mr. Herbein testified regarding the small delivery cost. Mr. Herbein testified that the small delivery cost was \$0.2096 per point for deliveries of less than 200 quarts.

Based on Mr. Herbein's uncontradicted testimony, the Board finds that the small delivery cost to be used in this order is $\$ 0.2096$ per point.
13. No testimony was given regarding the dealers' rate of return. Therefore, the Board finds that the dealer rate of return should remain at 3.4\%.
14. Daniel Bazylak testified on behalf of The Nutrition Group. Mr. Bazylak requested that the Board adopt a licensee to licensee discount for one drop per school district per day at a rate of $15 \%$, as is provided for in Area 5. Mr. Herbein testified that he conducted a cost study and determined that $10 \%$ was the highest level of discount that could be cost justified.

Based on Mr. Herbein's analysis of the costs and marketing conditions in Area 6, the Board finds that the licensee to licensee discount for dealers and subdealers servicing schools should be 10\%.
15. Neither Board Staff nor Mr. Herbein 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.

## D. Retailer Costs and Rate of Return

16. No testimony or evidence was provided regarding retailer in-store handling costs, rate of return, or the current adjustment based on changes in the Consumer Price Index. Prior to the hearing, the Pennsylvania Food Merchants Association moved to bifurcate the hearing to allow retailer issues to be addressed at a later date. The Board granted the motion and held that the in-store handling costs and other minimum retail price provisions of Official General Order A-907 (CRO 8) would remain in effect.

## II. CONCLUSIONS OF LAW

1. The October 1, 2008, general price hearing for Milk Marketing Area No. 6 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 hearing was held following adequate notice, and all interested persons were given a reasonable opportunity to be heard.
3. The cross-section used to establish dealer costs met the requirement of representativeness of section 801 of the Law.
4. 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

Richard Kriebel, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Date: November 5, 2008

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## PENNSYLVANIA MILK MARKETING BOARD MILK MARKETING AREA 6

## Diesel Fuel Costs Adjustment

## Update of Diesel Fuel Costs from Year 2007 to August 2008

| 1. Weighted Diesel Fuel Costs - Year 2007 | \$ | 1,899,202 |
| :---: | :---: | :---: |
| 2. Average On-Highway Diesel Price per Gallon - Year $2007{ }^{(1)}$ | \$ | 2.9654 |
| 3. On-Highway Diesel Price per Gallon - August $2008{ }^{(1)}$ | \$ | 4.5023 |
| 4. Percent Increase In Diesel Fuel Price per Gallon ((Line 3 - Line 2) - Line 2) |  | 51.83\% |
| 5. Presumed Diesel Fuel Costs - August 2008 ((Line $1 \times$ Line 4) + Line 1) | \$ | 2,883,516 |
| 6. Increase in Diesel Fuel Costs from Year 2007 to August 2008 (Line 5-Line 1) | \$ | 984,314 |
| 7. Weighted Delivery Points - Year 2007 |  | 1,163,547 |
| 8. Diesel Fuel Costs Increase per Delivery Point (Line $6 \div$ Line 7) | \$ | 0.0097 |

Footnote:

1. Source: 'Weekly Retail On-Highway Diesel Prices' per Energy Information Administration website.
web address = http://tonto.eia.doe.gov/oog/info/wohdp/diesel_detail_report_combined.asp

## PENNSYLVANIA MILK MARKETING BOARD MILK MARKETING AREA 6

## Heating Fuel Costs Adjustment

## Update of Heating Fuel Costs from Year 2007 to June 2008

| 1. Weighted Heating Fuel Costs - Year 2007 | \$ | 228,467 |
| :---: | :---: | :---: |
| 2. Pennsylvania Average Natural Gas Price - Industrial - Year $2007{ }^{(1)}$ | \$ | 11.80 |
| 3. Pennsylvania Average Natural Gas Price - Industrial - June $2008{ }^{(1)}$ | \$ | 12.50 |
| 4. Percent Decrease In Natural Gas Price ((Line 3 - Line 2) $\div$ Line 2) |  | 5.93\% |
| 5. Presumed Heating Fuel Costs - June 2008 ((Line $1 \times$ Line 4) + Line 1) | \$ | 242,015 |
| 6. Decrease in Heating Fuel Costs from Year 2007 to June 2008 (Line 5-Line 1) | \$ | 13,548 |
| 7. Weighted Standardization \& Pasteurization (S\&P) Points - Year 2007 |  | 404,835 |
| 8. Heating Fuel Costs Increase per S\&P Point (Line $6 \div$ Line 7) | \$ | 0.0001 |

## 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

WEST CENTRAL MILK MARKETING AREA, AREA NO. 6
OGO A-956
Nov-2008 <
Class I Skim Value
Class I Butterfat Value
Adv. Adjusted Class II Skim Price Adv. Adjusted Class II Butterfat Price Consumer Price Index Energy Add-on

| $\$$ | 17.22 | $<$ |
| :--- | ---: | :--- |
| $\$$ | 1.8981 | $<$ |
| $\$$ | 8.52 | $<$ |
| $\$$ | 1.9831 | $<$ |
|  | 218.79 | $<$ |
| $\$$ | 0.0157 | $<$ |

Plastic Container Addon
Gallon
Half Gallon
Quart
Pint
Half Pint - ADD-ON

| $\$$ | 0.0548 |
| :--- | :--- |

PROCESSING COST

CONTAINER COSTS
GALLON
HALFGALLON
QUART
PINT
12 OUNCE
10 OUNCE
HALF PINT - paper only
4oz
DISPENSER

| $\$$ | 0.0309 |
| :--- | :--- |
| $\$$ | 0.0230 |
| $\$$ | 0.0186 |
| $\$$ | 0.0163 |

MILK CRATE ADD-ON
COST UPDATE

INGREDIENT COST
STANDARD
TWO PERCENT
ONE PERCENT
SKIM
FLAVORED MILK
FLAVORED MILK DRINK BUTTERMILK
EGG NOG

| $\$$ | - |
| :--- | :---: |
| $\$$ | 0.0002 |
| $\$$ | 0.0001 |
|  | $<$ |
| $\$$ | 0.0015 |
| $\$$ | 0.0269 |
| $\$$ | 0.0287 |
| $\$$ | 0.0329 |$<$

CREAM ADD-ONS
HALF \& HALF
HALF \& HALF - CREAMER
CREAMS
SOUR CREAM

| $\$$ | 0.1909 |
| :--- | ---: |
| $\$$ | 0.0273 |
| $\$$ | 0.1868 |
| $\$$ | 0.7001 |

DEALER PROFIT
w/o Add-On

| $\$$ | 0.1761 |
| :--- | ---: |
| $\$$ | 0.1124 |
| $\$$ | 0.1357 |
| $\$$ | $<$ |
| $\$$ | 0.1282 |
| $\$$ | 0.0376 |
| $\$$ | 0.0310 |
| $\$$ | 0.0213 |
| $\$$ | 0.0215 |
|  | $<$ |
| $\$$ | 0.1185 |$<$


| $\$ 0.0040$ |
| :--- |

0.1185
$<$

PENNSYLVANIA MILK MARKETING BOARD
COMPUTATION OF RAW PRODUCT COST AREA 6 RESALE PRICE BUILD-UP

|  |  |  |  |
| :--- | :--- | :--- | :--- |
|  | CLASS I | CLASS II |  |
| SKIM RATE | $\$$ | 17.22 | $\$$ |


|  | Product Pounds | BUTTERFAT POUNDS | SKIM POUNDS | BUTTERFAT VALUE | $\begin{gathered} \text { SKIM } \\ \text { VALUE } \end{gathered}$ | TOTAL VALUE | COST PER POUND | BULK MILK ADJUSTMENT | $\begin{gathered} \text { INGREDIENT } \\ \text { COST } \\ \hline \end{gathered}$ | COST PER POUND |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| STANDARD | 26,362,267 | 843,039 | 25,519,228 | 1,600,172 | 4,394,411 | 5,994,583 | 0.2274 | 0.0080 | 0.0000 | 0.2354 |
| REDUCED FAT MILK, 2\% MILKFAT | 42,642,081 | 804,865 | 41,837,216 | 1,527,714 | 7,204,369 | 8,732,083 | 0.2048 | 0.0080 | 0.0002 | 0.2130 |
| LOW FAT MILK, 1\% MILKFAT | 12,996,037 | 117,793 | 12,878,244 | 223,583 | 2,217,634 | 2,441,217 | 0.1878 | 0.0080 | 0.0001 | 0.1959 |
| NONFAT MILK | 19,996,817 | 16,204 | 19,980,613 | 30,757 | 3,440,662 | 3,471,419 | 0.1736 | 0.0080 | 0.0015 | 0.1831 |
| FLAVORED MILK | 8,687,227 | 279,366 | 8,407,861 | 530,265 | 1,447,834 | 1,978,099 | 0.2277 | 0.0080 | 0.0269 | 0.2626 |
| FLAVORED REDUCED FAT MILK | 12,451,938 | 113,101 | 12,338,837 | 214,677 | 2,124,748 | 2,339,425 | 0.1879 | 0.0080 | 0.0287 | 0.2246 |
| BUTTERMILK | 609,260 | 9,952 | 599,308 | 18,890 | 103,201 | 122,091 | 0.2004 | 0.0080 | 0.0329 | 0.2413 |
| EGG NOG | 286,725 | 18,195 | 268,530 | 34,536 | 46,241 | 80,777 | 0.2817 | 0.0080 | 0.1512 | 0.4409 |
| HALF \& HALF (MIXED MILK) | 100,000 | 10,500 | 89,500 | 20,823 | 7,625 | 28,448 | 0.2845 |  |  | 0.2845 |
| SOUR CREAM | 100,000 | 18,000 | 82,000 | 35,696 | 6,986 | 42,682 | 0.4268 |  |  | 0.4268 |
| LIGHT CREAM | 100,000 | 18,000 | 82,000 | 35,696 | 6,986 | 42,682 | 0.4268 |  |  | 0.4268 |
| MEDIUM CREAM | 100,000 | 30,000 | 70,000 | 59,493 | 5,964 | 65,457 | 0.6546 |  |  | 0.6546 |
| HEAVY CREAM | 100,000 | 36,000 | 64,000 | 71,392 | 5,453 | 76,845 | 0.7685 |  |  | 0.7685 |

PENNSYLVANIA MILK MARKETING BOARD
AREA 6 PRICE BUILD-UP

| 1 | 2 | 3 | 4 |  | 5 | 6 | 7 | 8 | 9 | 10 | 12 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| average | CREAM FIXED | SMALL |  |  |  | 3.40\% | PRICE | average | SMALL |  | RETAIL |
| DELIVERED | ADD-ON | CONTAINER | Cost update | ENERGY | WhSLE | PROFIT | WITH | DELIVERY | DELIVERY | Wholesale | PRICE@ |
| COST | ADJUSTMENT | ADJUST. | ADJUSTMENT | ADD-ON | PRICE | FACTOR | PROFIT | ADJUST. | ADJUST. | PRICE | 2.70\% |


|  | GALLON | \$ | 3.1878 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 3.1730 | \$ | 0.1117 | \$ | 3.2847 | \$ | (0.4876) | \$ | 0.8384 | \$ | 3.6355 | \$3.78 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1/2 GALLON | \$ | 1.6258 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 1.6328 | \$ | 0.0575 | \$ | 1.6903 | \$ | (0.2438) | \$ | 0.4192 | \$ | 1.8657 | \$1.93 |
|  | QUART | \$ | 0.8995 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.9456 | \$ | 0.0333 | \$ | 0.9789 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.0666 | \$1.09 |
|  | PINT | \$ | 0.5172 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.5520 | \$ | 0.0194 | \$ | 0.5714 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.6152 | \$0.62 |
|  | 12 OUNCE | \$ | 0.3171 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.3439 | \$ | 0.0121 | \$ | 0.3560 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.3889 | \$0.40 |
|  | 10 OUNCE | \$ | 0.2639 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.2840 | \$ | 0.0100 | \$ | 0.2940 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.3214 | \$0.33 |
|  | $1 / 2$ PINT | \$ | 0.2076 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.2264 | \$ | 0.0080 | \$ | 0.2344 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.2563 | \$0.26 |
|  | 4 OUNCE | \$ | 0.1147 | 0 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1372 | \$ | 0.0048 | \$ | 0.1420 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1530 | \$0.16 |
|  | DISP.IQT. | \$ | 0.8637 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.9912 | \$ | 0.0349 | \$ | 1.0261 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.1138 | \$1.13 |



|  | GALLON | \$ | 2.8521 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 2.8373 | \$ | 0.0999 | \$ | 2.9372 | \$ | (0.4876) | \$ | 0.8384 | \$ | 3.2880 | \$3.46 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1/2 GALLON | \$ | 1.4579 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 1.4649 | \$ | 0.0516 | \$ | 1.5165 | \$ | (0.2438) | \$ | 0.4192 | \$ | 1.6919 | \$1.77 |
|  | QUART | \$ | 0.8156 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.8617 | \$ | 0.0303 | \$ | 0.8920 | \$ | (0.1219) | \$ | 0.2096 | \$ | 0.9797 | \$1.01 |
|  | PINT | \$ | 0.4752 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.5100 | \$ | 0.0180 | \$ | 0.5280 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.5718 | \$0.58 |
|  | 12 OUNCE | \$ | 0.2856 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.3124 | \$ | 0.0110 | \$ | 0.3234 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.3563 | \$0.37 |
|  | 10 OUNCE | \$ | 0.2376 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.2577 | \$ | 0.0091 | \$ | 0.2668 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.2942 | \$0.30 |
|  | $1 / 2$ PINT | \$ | 0.1866 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.2054 | \$ | 0.0072 | \$ | 0.2126 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.2345 | \$0.24 |
|  | 4 OUNCE | \$ | 0.1042 | 0 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1267 | \$ | 0.0045 | \$ | 0.1312 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1422 | \$0.15 |
|  | DISP./QT. | \$ | 0.7798 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.9073 | \$ | 0.0319 | \$ | 0.9392 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.0269 | \$1.05 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | GALLON | \$ | 2.7436 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 2.7288 | \$ | 0.0960 | \$ | 2.8248 | \$ | (0.4876) | \$ | 0.8384 | \$ | 3.1756 | \$3.36 |
|  | 1/2 GALLON | \$ | 1.4037 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 1.4107 | \$ | 0.0497 | \$ | 1.4604 | \$ | (0.2438) | \$ | 0.4192 | \$ | 1.6358 | \$1.72 |
|  | QUART | \$ | 0.7884 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.8345 | \$ | 0.0294 | \$ | 0.8639 | \$ | (0.1219) | \$ | 0.2096 | \$ | 0.9516 | \$0.98 |
|  | PINT | \$ | 0.4616 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.4964 | \$ | 0.0175 | \$ | 0.5139 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.5577 | \$0.56 |
|  | 12 OUNCE | \$ | 0.2754 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.3022 | \$ | 0.0106 | \$ | 0.3128 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.3457 | \$0.36 |
|  | 10 OUNCE | \$ | 0.2291 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.2492 | \$ | 0.0088 | \$ | 0.2580 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.2854 | \$0.30 |
|  | $1 / 2$ PINT | \$ | 0.1799 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.1987 | \$ | 0.0070 | \$ | 0.2057 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.2276 | \$0.24 |
|  | 4 OUNCE | \$ | 0.1008 | 0 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1233 | \$ | 0.0043 | \$ | 0.1276 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1386 | \$0.14 |
|  | DISP./QT. | \$ | 0.7526 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.8801 | \$ | 0.0310 | \$ | 0.9111 | \$ | (0.1219) | \$ | 0.2096 | \$ | 0.9988 | \$1.02 |

PENNSYLVANIA MILK MARKETING BOARD
AREA 6 PRICE BUILD-UP


|  | GALLON | \$ | 2.9602 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 2.9454 | \$ | 0.1037 | \$ | 3.0491 | \$ | (0.4876) | \$ | 0.8384 | \$ | 3.3999 | \$3.56 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1/2 GALLON | \$ | 1.5120 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 1.5190 | \$ | 0.0535 | \$ | 1.5725 | \$ | (0.2438) | \$ | 0.4192 | \$ | 1.7479 | \$1.83 |
|  | QUART | \$ | 0.8426 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.8887 | \$ | 0.0313 | \$ | 0.9200 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.0077 | \$1.03 |
|  | PINT | \$ | 0.4887 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.5235 | \$ | 0.0184 | \$ | 0.5419 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.5857 | \$0.59 |
|  | 12 OUNCE | \$ | 0.2958 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.3226 | \$ | 0.0114 | \$ | 0.3340 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.3669 | \$0.38 |
|  | 10 OUNCE | \$ | 0.2461 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.2662 | \$ | 0.0094 | \$ | 0.2756 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.3030 | \$0.31 |
|  | 1/2 PINT | \$ | 0.1934 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.2122 | \$ | 0.0075 | \$ | 0.2197 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.2416 | \$0.25 |
|  | 4 OUNCE | \$ | 0.1076 | 0 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1301 | \$ | 0.0046 | \$ | 0.1347 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1457 | \$0.15 |
|  | DISP.IQT. | \$ | 0.8068 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.9343 | \$ | 0.0329 | \$ | 0.9672 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.0549 | \$1.08 |


|  | GALLON | \$ | 3.2434 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 3.2286 | \$ | 0.1136 | \$ | 3.3422 | \$ | (0.4876) | \$ | 0.8384 | \$ | 3.6930 | \$3.83 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1/2 GALLON | \$ | 1.6536 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 1.6606 | \$ | 0.0584 | \$ | 1.7190 | \$ | (0.2438) | \$ | 0.4192 | \$ | 1.8944 | \$1.96 |
|  | QUART | \$ | 0.9134 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 0.9595 | \$ | 0.0338 | \$ | 0.9933 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.0810 | \$1.10 |
|  | PINT | \$ | 0.5241 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 |  | 0.5589 | \$ | 0.0197 | \$ | 0.5786 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.6224 | \$0.63 |
|  | 12 OUNCE | \$ | 0.3223 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.3491 | \$ | 0.0123 | \$ | 0.3614 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.3943 | \$0.40 |
|  | 10 OUNCE | \$ | 0.2682 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.2883 | \$ | 0.0101 | \$ | 0.2984 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.3258 | \$0.33 |
|  | 1/2 PINT | \$ | 0.2111 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.2299 | \$ | 0.0081 | \$ | 0.2380 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.2599 | \$0.27 |
|  | 4 OUNCE | \$ | 0.1164 |  | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1389 | \$ | 0.0049 | \$ | 0.1438 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1548 | \$0.16 |
|  | DISP./QT. | \$ | 0.8776 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.0051 | \$ | 0.0354 | \$ | 1.0405 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.1282 | \$1.14 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { O} \\ & \text { O } \\ & \text { O } \\ & \text { U } \end{aligned}$ | GALLON | \$ | 4.6906 | 0 | \$ | (0.0936) | \$ | 0.0160 | \$ | 0.0628 | \$ | 4.6758 | \$ | 0.1646 | \$ | 4.8404 | \$ | (0.4876) | \$ | 0.8384 | \$ | 5.1912 | \$5.20 |
|  | 1/2 GALLON | \$ | 2.3772 | 0 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 2.3842 | \$ | 0.0839 | \$ | 2.4681 | \$ | (0.2438) | \$ | 0.4192 | \$ | 2.6435 | \$2.65 |
|  | QUART | \$ | 1.2752 | 0 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.3213 | \$ | 0.0465 | \$ | 1.3678 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.4555 | \$1.47 |
|  | PINT | \$ | 0.7050 | 0 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.7398 | \$ | 0.0260 | \$ | 0.7658 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.8096 | \$0.82 |
|  | 12 OUNCE | \$ | 0.4580 | 0 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.4848 | \$ | 0.0171 | \$ | 0.5019 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.5348 | \$0.54 |
|  | 10 OUNCE | \$ | 0.3813 | 0 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.4014 | \$ | 0.0141 | \$ | 0.4155 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.4429 | \$0.45 |
|  | 1/2 PINT | \$ | 0.3016 | 0 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.3204 | \$ | 0.0113 | \$ | 0.3317 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.3536 | \$0.36 |
|  | 4 OUNCE | \$ | 0.1616 | 0 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1841 | \$ | 0.0065 | \$ | 0.1906 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.2016 | \$0.21 |
|  | DISP./QT. | \$ | 1.2394 | 0 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.3669 | \$ | 0.0481 | \$ | 1.4150 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.5027 | \$1.51 |

PENNSYLVANIA MILK MARKETING BOARD
AREA 6 PRICE BUILD-UP

|  |  | ber-2008 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1 <br> AVERAGE DELIVERED COST |  | 2 <br> CREAM FIXED ADD-ON ADJUSTMENT |  | 3 <br> SMALL CONTAINER ADJUST. |  | 4 <br> COST UPDATE ADJUSTMENT |  | ENERGY ADD-ON |  | 5 <br> WHSLE PRICE |  | $\begin{gathered} 6 \\ \text { 3.40\% } \\ \text { PROFIT } \\ \text { FACTOR } \end{gathered}$ |  | $\begin{gathered} 7 \\ \text { PRICE } \\ \text { WITH } \\ \text { PROFIT } \end{gathered}$ |  | 8 <br> AVERAGE DELIVERY ADJUST. |  | 9 <br> SMALL DELIVERY ADJUST. |  | 10 <br> WHOLESALE PRICE |  | 12 <br> RETAIL <br> PRICE@ <br> $2.70 \%$ <br> $\$ 2.48$ |
| $\begin{aligned} & \stackrel{u}{\vec{x}} \\ & \stackrel{\rightharpoonup}{x} \\ & \underset{\sim}{*} \\ & \stackrel{\rightharpoonup}{x} \end{aligned}$ | 1/2 GALLON | \$ | 1.8298 | \$ | 0.3818 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 2.2186 | \$ | 0.0781 | \$ | 2.2967 | \$ | (0.2438) | \$ | 0.4192 | \$ | 2.4721 |  |
|  | QUART | \$ | 1.0015 | \$ | 0.1909 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.2385 | \$ | 0.0436 | \$ | 1.2821 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.3698 | \$1.38 |
|  | PINT | \$ | 0.5682 | \$ | 0.0955 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.6985 | \$ | 0.0246 | \$ | 0.7231 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.7669 | \$0.78 |
|  | 12 OUNCE | \$ | 0.3554 | \$ | 0.0716 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.4538 | \$ | 0.0160 | \$ | 0.4698 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.5027 | \$0.51 |
|  | 10 OUNCE | \$ | 0.2957 | \$ | 0.0597 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.3755 | \$ | 0.0132 | \$ | 0.3887 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.4161 | \$0.43 |
|  | 1/2 PINT | \$ | 0.2331 | \$ | 0.0477 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.2996 | \$ | 0.0105 | \$ | 0.3101 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.3320 | \$0.3 |
|  | 4 OUNCE | \$ | 0.1274 | \$ | 0.0239 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.1738 | \$ | 0.0061 | \$ | 0.1799 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.1909 | \$0.20 |
|  | DISP./QT. | \$ | 0.9657 | \$ | 0.1909 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.2841 | \$ | 0.0452 | + | 1.3293 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.4170 | \$1.43 |
|  | $3 / 8 \mathrm{OZ}$ | \$ | 0.0099 | \$ | 0.0102 |  |  | \$ |  | \$ | 0.0002 | \$ | 0.0203 | \$ | 0.0007 | \$ | 0.0210 | \$ | (0.0014) | \$ | 0.0025 | \$ | 0.0221 |  |
|  | 1/2 OZ | \$ | 0.0132 | \$ | 0.0137 |  |  | \$ | 0.0001 | \$ | 0.0002 | \$ | 0.0272 | \$ | 0.0010 | \$ | 0.0282 | \$ | (0.0019) | \$ | 0.0033 | \$ | 0.0296 |  |
|  | 3/4 OZ | \$ | 0.0199 | \$ | 0.0205 |  |  | \$ | 0.0001 | \$ | 0.0004 | \$ | 0.0409 | \$ | 0.0014 | \$ | 0.0423 | \$ | (0.0029) | \$ | 0.0049 | \$ | 0.0443 |  |


|  | 1/2 GALLON | \$ | 2.4232 | \$ | 0.3736 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 2.8038 | \$ | 0.0987 | \$ | 2.9025 | \$ | (0.2438) | \$ | 0.4192 | \$ | 3.0779 | \$3.09 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | QUART | \$ | 1.2982 | \$ | 0.1868 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.5311 | \$ | 0.0539 | \$ | 1.5850 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.6727 | \$1.68 |
|  | PINT | \$ | 0.7165 | \$ | 0.0934 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.8447 | \$ | 0.0297 | \$ | 0.8744 | \$ | (0.0610) | \$ | 0.1048 | \$ | 0.9182 | \$0.93 |
|  | 12 OUNCE | \$ | 0.4666 | \$ | 0.0701 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.5635 | \$ | 0.0198 | \$ | 0.5833 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.6162 | \$0.63 |
|  | 10 OUNCE | \$ | 0.3885 | \$ | 0.0584 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.4670 | \$ | 0.0164 | \$ | 0.4834 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.5108 | \$0.52 |
|  | $1 / 2$ PINT | \$ | 0.3073 | \$ | 0.0467 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.3728 | \$ | 0.0131 | \$ | 0.3859 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.4078 | \$0.42 |
|  | 4 OUNCE | \$ | 0.1645 | \$ | 0.0234 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.2104 | \$ | 0.0074 | \$ | 0.2178 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.2288 | \$0.24 |
|  | DISP.IQT. | \$ | 1.2624 | \$ | 0.1868 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.5767 | \$ | 0.0555 | \$ | 1.6322 | \$ | (0.1219) | \$ | 0.2096 | \$ | 1.7199 | \$1.73 |


| $\begin{aligned} & \sum \sum \\ & \overline{\bar{L}} \end{aligned}$ | 1/2 GALLON | \$ | 3.3662 | \$ | 0.3736 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 3.7468 | \$ | 0.1319 | \$ | 3.8787 | \$ | (0.2438) | \$ | 0.4192 | \$ | 4.0541 | \$4.06 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | QUART | \$ | 1.7697 | \$ | 0.1868 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 2.0026 | \$ | 0.0705 | \$ | 2.0731 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.1608 | \$2.17 |
|  | PINT | \$ | 0.9522 | \$ | 0.0934 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 1.0804 | \$ | 0.0380 | \$ | 1.1184 | \$ | (0.0610) | \$ | 0.1048 | \$ | 1.1622 | \$1.17 |
|  | 12 OUNCE | \$ | 0.6434 | \$ | 0.0701 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.7403 | \$ | 0.0261 | \$ | 0.7664 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.7993 | \$0.81 |
|  | 10 OUNCE | \$ | 0.5358 | \$ | 0.0584 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.6143 | \$ | 0.0216 | \$ | 0.6359 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.6633 | \$0.67 |
|  | 1/2 PINT | \$ | 0.4252 | \$ | 0.0467 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.4907 | \$ | 0.0173 | \$ | 0.5080 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.5299 | \$0.54 |
|  | 4 OUNCE | \$ | 0.2234 | \$ | 0.0234 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.2693 | \$ | 0.0095 | \$ | 0.2788 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.2898 | \$0.30 |
|  | DISP./QT. | \$ | 1.7339 | \$ | 0.1868 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 2.0482 | \$ | 0.0721 | \$ | 2.1203 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.2080 | \$2.22 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 1/2 GALLON | \$ | 3.8221 | \$ | 0.3736 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 4.2027 | \$ | 0.1479 | \$ | 4.3506 | \$ | (0.2438) | \$ | 0.4192 | \$ | 4.5260 | \$4.54 |
|  | QUART | \$ | 1.9976 | \$ | 0.1868 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 2.2305 | \$ | 0.0785 | \$ | 2.3090 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.3967 | \$2.41 |
|  | PINT | \$ | 1.0662 | \$ | 0.0934 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 1.1944 | \$ | 0.0420 | \$ | 1.2364 | \$ | (0.0610) | \$ | 0.1048 | \$ | 1.2802 | \$1.29 |
|  | 12 OUNCE | \$ | 0.7289 | \$ | 0.0701 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.8258 | \$ | 0.0291 | \$ | 0.8549 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.8878 | \$0.90 |
|  | 10 OUNCE | \$ | 0.6070 | \$ | 0.0584 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.6855 | \$ | 0.0241 | \$ | 0.7096 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.7370 | \$0.75 |
|  | $1 / 2$ PINT | \$ | 0.4822 | \$ | 0.0467 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.5477 | \$ | 0.0193 | \$ | 0.5670 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.5889 | \$0.60 |
|  | 4 OUNCE | \$ | 0.2519 | \$ | 0.0234 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.2978 | \$ | 0.0105 | \$ | 0.3083 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.3193 | \$0.33 |
|  | DISP.IQT. | \$ | 1.9618 | \$ | 0.1868 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 2.2761 | \$ | 0.0801 | \$ | 2.3562 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.4439 | \$2.45 |


|  | 5 | 6 | 7 | 8 | 9 | 10 | 12 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 3.40\% | PRICE | AVERAGE | SmALL |  | RETAIL |
| ENERGY | WHSLE | PROFIT | WITH | DELIVERY | DELIVERY | wholesale | PRICE@ |
| ADD-ON | PRICE | FACTOR | PROFIT | ADJUST. | ADJUST. | PRICE | 2.70\% |


|  | 1/2 GALLON | \$ | 2.2942 | \$ | 1.4002 | \$ | (0.0324) | \$ | 0.0080 | \$ | 0.0314 | \$ | 3.7014 | \$ | 0.1303 | \$ | 3.8317 | \$ | (0.2438) | \$ | 0.4192 | \$ | 4.0071 | \$4.02 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | QUART | \$ | 1.1471 | \$ | 0.7001 | \$ | 0.0264 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.8933 | \$ | 0.0666 | \$ | 1.9599 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.0476 | \$2.06 |
|  | PINT | \$ | 0.5736 | \$ | 0.3501 | \$ | 0.0249 | \$ | 0.0020 | \$ | 0.0079 | \$ | 0.9585 | \$ | 0.0337 | \$ | 0.9922 | \$ | (0.0610) | \$ | 0.1048 | \$ | 1.0360 | \$1.05 |
|  | 12 OUNCE | \$ | 0.4302 | \$ | 0.2625 | \$ | 0.0194 | \$ | 0.0015 | \$ | 0.0059 | \$ | 0.7195 | \$ | 0.0253 | \$ | 0.7448 | \$ | (0.0457) | \$ | 0.0786 | \$ | 0.7777 | \$0.79 |
|  | 10 OUNCE | \$ | 0.3585 | \$ | 0.2188 | \$ | 0.0139 | \$ | 0.0013 | \$ | 0.0049 | \$ | 0.5974 | \$ | 0.0210 | \$ | 0.6184 | \$ | (0.0381) | \$ | 0.0655 | \$ | 0.6458 | \$0.66 |
|  | 1/2 PINT | \$ | 0.2868 | \$ | 0.1750 | \$ | 0.0139 | \$ | 0.0010 | \$ | 0.0039 | \$ | 0.4806 | \$ | 0.0169 | \$ | 0.4975 | \$ | (0.0305) | \$ | 0.0524 | \$ | 0.5194 | \$0.53 |
|  | 4 OUNCE | \$ | 0.1434 | \$ | 0.0875 | \$ | 0.0200 | \$ | 0.0005 | \$ | 0.0020 | \$ | 0.2534 | \$ | 0.0089 | \$ | 0.2623 | \$ | (0.0152) | \$ | 0.0262 | \$ | 0.2733 | \$0.28 |
|  | DISP.IQT. | \$ | 1.1471 | \$ | 0.7001 | \$ | 0.1078 | \$ | 0.0040 | \$ | 0.0157 | \$ | 1.9747 | \$ | 0.0695 | \$ | 2.0442 | \$ | (0.1219) | \$ | 0.2096 | \$ | 2.1319 | \$2.14 |

## AREA 6

PENNSYLVANIA MILK MARKETING BOARD WEST CENTRAL MILK MARKETING AREA MINIMUM WHOLESALE PRICES

## SCHEDULE

|  | CLASS I | CLASS II |
| :---: | ---: | ---: |
| SKIM RATE | $\$ 17.22$ | $\$ 8.52$ |
| BUTTERFAT RATE | \$ 1.8981 | $\$ 1.9831$ |

November-2008 OGO A-956


| /1/ | DEDUCT \$0.06 IF SOLD IN REUSABLE CONTAINER WITH A 50 CENT DEPOSIT. |  |
| :--- | :--- | :--- |
| /2/ | DEDUCT \$0.04 IF SOLD IN REUSABLE CONTAINER WITH A 40 CENT DEPOSIT. |  |
| /3/ | CREAMER PRICES: | $3 / 8$ OZ. - |
|  | $\$ 0.0221$ Case of $400=\$ 8.84$ |  |
| I4/ | SOUR CREAM | $1 / 2$ OZ. - |
|  | 50.0296 | Case of $300=\$ 8.88$ |
| /5/ | ADD $\$$ | 10 LB - |
| $\$ 5.0103$ |  |  |

## AREA 6

PENNSYLVANIA MILK MARKETING BOARD WEST CENTRAL MILK MARKETING AREA

## MINIMUM RETAIL OUT-OF-STORE (CASH AND CARRY)

SCHEDULE II /4/
November-2008
OGO A-956

| DESCRIPTION | PRODUCTCODE | BUTTERFAT \% RANGE |  | BULK PER QT. EQUIV. |  | NON-RETURNABLE |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | $\begin{gathered} \hline 1 / 1 \\ \text { GAL. } \end{gathered}$ |  | /2/ <br> 1/2 GAL. |  | QUART |  | PINT |  | 12 OZ. |  | 10 OZ. |  | $\begin{gathered} \hline / 5 / \\ 1 / 2 \mathrm{PT} . \end{gathered}$ |  | 4 OZ. |  |
|  |  | LOW | HIGH |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| STANDARD MILK | 400 | 3.10 | 6.00 | \$ | 1.13 | \$ | 3.78 | \$ | 1.93 | \$ | 1.09 | \$ | 0.62 | \$ | 0.40 | \$ | 0.33 | \$ | 0.26 | \$ | 0.16 |
| REDUCED FAT MILK, 2\% MILKFAT LOWFAT MILK, $1 \%$ MILKFAT | $\begin{aligned} & 800 \\ & 900 \\ & \hline \end{aligned}$ | $\begin{aligned} & 1.50 \\ & 0.50 \\ & \hline \end{aligned}$ | $\begin{array}{r} 3.09 \\ 1.49 \\ \hline \end{array}$ |  | $\begin{aligned} & 1.08 \\ & 1.05 \\ & \hline \end{aligned}$ | $\begin{aligned} & \$ \\ & \$ \\ & \hline \end{aligned}$ | $\begin{array}{r} 3.60 \\ 3.46 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 1.84 \\ & 1.77 \\ & \hline \end{aligned}$ | \$ | $\begin{array}{r} 1.04 \\ 1.01 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 0.60 \\ 0.58 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 0.38 \\ 0.37 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 0.31 \\ & 0.30 \\ & \hline \end{aligned}$ | \$ | $\begin{array}{r} 0.25 \\ 0.24 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 0.15 \\ 0.15 \\ \hline \end{array}$ |
| NONFAT MILK | 1200 | 0.00 | 0.49 | \$ | 1.02 | \$ | 3.36 | \$ | 1.72 | \$ | 0.98 | \$ | 0.56 | \$ | 0.36 | \$ | 0.30 | \$ | 0.24 | \$ | 0.14 |
| FLAVORED MILK <br> FLAVORED REDUCED FAT MILK | $\begin{array}{r} 500 \\ 600 \\ \hline \end{array}$ | $\begin{aligned} & 3.10 \\ & 0.00 \\ & \hline \end{aligned}$ | $\begin{aligned} & 6.00 \\ & 3.09 \\ & \hline \end{aligned}$ |  | $\begin{array}{r} 1.15 \\ 1.08 \\ \hline \end{array}$ |  | $\begin{array}{r} 3.85 \\ 3.56 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 1.97 \\ & 1.83 \\ & \hline \end{aligned}$ | \$ | $\begin{aligned} & 1.10 \\ & 1.03 \\ & \hline \end{aligned}$ | \$ | $\begin{array}{r} 0.63 \\ 0.59 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 0.40 \\ 0.38 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 0.33 \\ & 0.31 \\ & \hline \end{aligned}$ | \$ | $\begin{aligned} & 0.27 \\ & 0.25 \\ & \hline \end{aligned}$ | \$ | $\begin{array}{r} 0.16 \\ 0.15 \\ \hline \end{array}$ |
| BUTTERMILK EGG NOG | $\begin{gathered} 1000 \\ 510 \\ \hline \end{gathered}$ | $\begin{aligned} & 0.00 \\ & 0.00 \\ & \hline \end{aligned}$ | $\begin{gathered} 6.00 \\ 17.99 \\ \hline \end{gathered}$ |  | $\begin{aligned} & 1.14 \\ & 1.51 \\ & \hline \end{aligned}$ | $\begin{aligned} & \$ \\ & \$ \\ & \hline \end{aligned}$ | $\begin{array}{r} 3.83 \\ 5.20 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 1.96 \\ 2.65 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 1.10 \\ & 1.47 \\ & \hline \end{aligned}$ | \$ | $\begin{aligned} & 0.63 \\ & 0.82 \\ & \hline \end{aligned}$ | \$ | $\begin{array}{r} 0.40 \\ 0.54 \\ \hline \end{array}$ | \$ | $\begin{aligned} & 0.33 \\ & 0.45 \\ & \hline \end{aligned}$ | \$ | $\begin{aligned} & 0.27 \\ & 0.36 \\ & \hline \end{aligned}$ | $\begin{aligned} & \$ \\ & \$ \\ & \hline \end{aligned}$ | $\begin{array}{r} 0.16 \\ 0.21 \\ \hline \end{array}$ |
| MIXED MILK | 1500 | 6.01 | 17.99 | \$ | 1.43 |  |  | \$ | 2.48 | \$ | 1.38 | \$ | 0.78 | \$ | 0.51 | \$ | 0.43 | \$ | 0.34 |  |  |
| $\begin{aligned} & \text { LIGHT CREAM } \\ & \text { MEDIUM CREAM } \\ & \text { HEAVY CREAM } \\ & \hline \end{aligned}$ | $\begin{aligned} & 1700 \\ & 1800 \\ & 1900 \\ & \hline \end{aligned}$ | $\begin{aligned} & 18.00 \\ & 30.00 \\ & 36.00 \end{aligned}$ | $\begin{aligned} & 29.99 \\ & 35.99 \\ & 50.00 \end{aligned}$ | \$ \$ \$ | $\begin{aligned} & 1.73 \\ & 2.22 \\ & 2.45 \\ & \hline \end{aligned}$ |  |  | \$ | $\begin{aligned} & 3.09 \\ & 4.06 \\ & 4.54 \end{aligned}$ | \$ | $\begin{aligned} & 1.68 \\ & 2.17 \\ & 2.41 \end{aligned}$ | \$ | $\begin{aligned} & 0.93 \\ & 1.17 \\ & 1.29 \end{aligned}$ | \$ | $\begin{aligned} & 0.63 \\ & 0.81 \\ & 0.90 \end{aligned}$ | \$ | $\begin{aligned} & 0.52 \\ & 0.67 \\ & 0.75 \\ & \hline \end{aligned}$ | \$ | $\begin{aligned} & 0.42 \\ & 0.54 \\ & 0.60 \end{aligned}$ |  |  |
| SOUR CREAM /3/ | 1600 | 0.00 | 29.99 | \$ | 2.14 |  |  | \$ | 4.02 | \$ | 2.06 | \$ | 1.05 | \$ | 0.79 | \$ | 0.66 | \$ | 0.53 |  |  |

/1/ DEDUCT \$0.06 IF SOLD IN REUSABLE CONTAINER WITH A 50 CENT DEPOSIT.
/2/ DEDUCT \$0.04 IF SOLD IN REUSABLE CONTAINER WITH A 40 CENT DEPOSIT.
/3/ SOUR CREAM

$$
\begin{array}{rr}
5 \text { LB - } & 5.09 \\
10 \text { LB }-\$ & 10.17
\end{array}
$$

/4/ ADD \$0.0425 PER QUART FOR HOME-DELIVERED MILK.

