



Commonwealth of Pennsylvania
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@pa.gov

Official General
Order No. A-962 (CRO 4)

Posted: June 4, 2014
Effective: July 1, 2014

**COST REPLACEMENT ORDER FOR THE
NORTHEASTERN MILK MARKETING AREA, AREA NO. 3**

NOW, this 4th day of June 2014, 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 July 1, 2014.

**SECTION A
INCORPORATION**

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

**SECTION B
SCOPE**

(a) The processing, packaging, and delivery costs, container costs, ingredient costs, shrinkage and net profit and loss on sales of bulk milk and bulk cream costs, and in-store handling costs adopted by the Board in this order will replace the costs for these cost centers embodied in Official General Order (OGO) A-962 (CRO 3) and will be incorporated into the wholesale and retail prices of Class I price-controlled packaged products sold in Milk Marketing Area 3, as defined in Section B of OGO A-962. Wholesale and retail prices will be adjusted as well by the change in labor, utility, and insurance costs that the Board adopts in this order.

(b) The rate of return for dealers is 3.4%.

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

SECTION C
EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-962

All parts of Official General Order A-962 (CRO 3) not inconsistent with Section B of this order continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

Luke F. Brubaker, Chairman

Richard Kriebel, Member

Lynda J. Bowman, Consumer Member

Date: June 4, 2014

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FINDINGS OF FACT AND CONCLUSIONS OF LAW
COST REPLACEMENT HEARING FOR MILK MARKETING AREA NO. 3
JANUARY 8, 2014
MARCH 5, 2014

I. FINDINGS OF FACT

1. On January 8, 2014, the Pennsylvania Milk Marketing Board (“Board”) held a cost replacement hearing for Milk Marketing Area No. 3. The hearing was continued on March 5, 2014.

2. Notice of the hearing was published at 43 Pennsylvania Bulletin 6621 dated November 2, 2013. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1499, dated October 24, 2013. 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 3 milk dealers (“Dealers”), the only parties to present dealer cost information, consisted of Clover Farms Dairy Company; Guers Dairy; Schneider – Valley Farms, Inc; Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven; Turkey Hill L.P.; Pocono Mountain Dairies; and Swiss Premium Dairy, Inc.

4. Cliff 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 3. 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 3 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 3 and delivered to a range of customers in Area 3 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 3. 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 3.

5. Dave DeSantis testified on behalf of Board Staff as an expert in milk regulation and milk cost accounting. Mr. DeSantis and Mr. Herbein testified that the cross-section dealers incurred a cost of \$0.2478 per point for processing, packaging, and delivering milk in 2012. Based on this uncontradicted and concurring testimony, the Board finds that the cross section dealers incurred a cost of \$0.2478 per point for processing, packaging, and delivery, and further finds that \$0.2478 is the processing, packaging, and delivery cost that should be used in this order.

6. Mr. DeSantis and Mr. Herbein testified to the following 2013 ingredient costs, based on year 2012 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0008/lb; Low Fat Milk - \$0.0008/lb; Non-Fat Milk - \$0.0023/lb; Flavored Milk - \$0.0405/lb; Flavored

Reduced Fat Milk - \$0.0393/lb; Flavored Non-Fat Milk - \$0.0320/lb; Buttermilk - \$0.0363/lb; Egg Nog - \$0.1690/lb. The Board finds that these ingredient costs should be used in this order.

7. Mr. DeSantis and Mr. Herbein presented concurring evidence regarding the cost update for labor, insurance, and utility costs of \$0.0119 per point between the second quarters of 2012 and 2013.

In the context of prior quarterly cost updates in Area 3, as well as other Milk Marketing Areas, the Board was concerned that \$0.0119 per point was not representative of changes in cost over the entire year. Therefore we requested fourth quarter 2012 and 2013 data.

Gary Gojsovich testified for Board Staff as an expert in milk cost accounting at the March 5, 2014, continuation of the hearing. Mr. Gojsovich and Mr. Herbein agreed that the cost update for labor, insurance, and utility costs between the fourth quarters of 2012 and 2013 was \$0.0003 per point.

Given what we believe to be a significant difference between the second quarter and fourth quarter comparisons, we do not believe it is appropriate to use either quarter standing alone to represent the cost update for cost replacement and minimum price-setting purposes. The Board finds that combining the second quarter and fourth quarter cost updates will provide a fair representation of the cost update for cost replacement and minimum price-setting purposes.

Using the quarter to quarter comparison Staff Exhibit 7 as a guide, to combine the quarters we simply added the 2013 fourth quarter expenses to the 2013 second quarter expenses for labor costs, utility costs, and insurance costs. We added the 2012 fourth quarter expenses to the 2012 second quarter expenses for labor costs, utility costs, and insurance costs. We performed the analogous addition of points. We then performed the calculations shown for columns E, F, and G for Staff Exhibit 7 and arrived at a combined second quarter and fourth quarter 2012 to 2013 cost update of \$0.0060 per point. The calculation is demonstrated in Attachment 6.

We find that the appropriate cost update adjustment for this order is \$0.0060 per point.

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. DeSantis and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. DeSantis in Staff Surrebuttal Exhibit 8 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. DeSantis and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Mr. DeSantis in Staff Surrebuttal Exhibit 9 and attached to this order as Attachment 2.

10. Mr. DeSantis and Mr. Herbein presented concurring evidence regarding the cost of shrinkage and sales of bulk products of \$(0.0029) 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 \$(0.0029) per pound.

11. Based on the concurring container costs evidence presented by Mr. DeSantis and Mr. Herbein, the Board finds that the following base container costs should be adopted for this order: Gallon - \$0.1960; Half Gallon (combined) - \$0.1433; Quart (combined) - \$0.1087; Pint (combined) - \$0.0787; Half Pint (paper) - \$0.0285; Half Pint (plastic) - \$0.0654; 12 Ounce - \$0.0630; 10 Ounce - \$0.0548; 4 Ounce - \$0.0272; Bulk Per Quart (Dispenser) - \$0.0398. Both Mr. DeSantis 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 weighted costs and weighted units testified to by Mr. DeSantis and as listed above. 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. DeSantis and Mr. Herbein, we find the plastic add-on is \$0.0369 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. Thomas J. Price testified on behalf of the Pennsylvania Food Merchants Association as an expert in retail store accounting and dairy in-store handling costs. Mr. Price 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 January 8, 2014, cost replacement hearing for Milk Marketing Area No. 3 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

Luke F. Brubaker, Chairman

Richard Kriebel, Member

Lynda J. Bowman, Consumer Member

Date: June 4, 2014

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**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

Diesel Fuel Costs Adjustment

Update of Diesel Fuel Costs from Year 2012 to OCTOBER 2013

1. Weighted Diesel Fuel Costs - YEAR 2012	\$	2,559,662
2. Average On-Highway Diesel Price per Gallon - YEAR 2012 ⁽¹⁾	\$	4.100
3. On-Highway Diesel Price per Gallon - OCTOBER 2013 ⁽¹⁾	\$	3.961
4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)		-3.39%
5. Presumed Diesel Fuel Costs - OCTOBER 2013 ((Line 1 X Line 4) + Line 1)	<u>\$</u>	<u>2,472,884</u>
6. Change in Diesel Fuel Costs from YEAR 2012 to OCTOBER 2013 (Line 5 - Line 1)	\$	(86,779)
7. Weighted Delivery Points - YEAR 2012		<u>127,785,085</u>
8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7)	<u>\$</u>	<u>(0.0007)</u>

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 3**

Heating Fuel Costs Adjustment

Update of Heating Fuel Costs from Year 2012 to AUGUST 2013

1. Weighted Heating Fuel Costs - YEAR 2012	\$	298,853
2. Pennsylvania Average Natural Gas Price - Industrial - YEAR 2012 ⁽¹⁾	\$	8.75
3. Pennsylvania Average Natural Gas Price - Industrial - AUGUST 2013 ⁽¹⁾	\$	9.53
4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		8.91%
5. Presumed Heating Fuel Costs - AUGUST 2013 ((Line 1 X Line 4) + Line 1)	<u>\$</u>	<u>325,481</u>
6. Change in Heating Fuel Costs from YEAR 2012 to AUGUST 2013 (Line 5 - Line 1)	\$	26,628
7. Weighted Standardization & Pasteurization (S&P) Points - YEAR 2012		<u>158,052,799</u>
8. Change in Heating Fuel Costs per S&P Point (Line 6 ÷ Line 7)	<u>\$</u>	<u>0.0002</u>

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 3**

**MILK COSTS BEFORE PACKAGING
DECEMBER 2013 MILK COSTS**

	Class 1
Skim Rate	\$ 20.36
Butterfat Rate	\$ 1.6491

	A	B	C	D	E	F	G	H	I	J	K
			(B ÷ A)	(A - B)	(B X BF Rate)	(D X Skim Rate)	(E + F)	(G ÷ A)	(EX. 4)	(EX. 5)	(H + I + J)
Product Description	Product Pounds	Butterfat		Skim Pounds	Butterfat Value	Skim Value	Total Value	Cost per Pound	Ingredient Cost	Bulk Sale (Profit)/Loss	Total Cost per Pound
		Pounds	Percentage								

Class 1	Standard (Whole) Milk	50,978,229	1,662,353	3.2609%	49,315,876	\$ 2,741,386	\$ 10,040,712	\$ 12,782,099	\$ 0.2507	\$ -	\$ (0.0029)	\$ 0.2478
	Reduced Fat (2%) Milk	52,832,576	1,034,518	1.9581%	51,798,058	\$ 1,706,024	\$ 10,546,085	\$ 12,252,108	\$ 0.2319	\$ 0.0008	\$ (0.0029)	\$ 0.2298
	Low Fat (1%) Milk	29,551,666	280,399	0.9488%	29,271,267	\$ 462,406	\$ 5,959,630	\$ 6,422,036	\$ 0.2173	\$ 0.0008	\$ (0.0029)	\$ 0.2152
	Non Fat (Skim) Milk	29,711,472	29,415	0.0990%	29,682,057	\$ 48,508	\$ 6,043,267	\$ 6,091,775	\$ 0.2050	\$ 0.0023	\$ (0.0029)	\$ 0.2044
	Flavored Milk	3,124,231	104,620	3.3487%	3,019,611	\$ 172,529	\$ 614,793	\$ 787,322	\$ 0.2520	\$ 0.0405	\$ (0.0029)	\$ 0.2896
	Flavored Reduced Fat Milk	2,858,326	38,514	1.3474%	2,819,812	\$ 63,513	\$ 574,114	\$ 637,627	\$ 0.2231	\$ 0.0393	\$ (0.0029)	\$ 0.2595
	Flavored NONFAT Milk	6,016,745	5,698	0.0947%	6,011,047	\$ 9,397	\$ 1,223,849	\$ 1,233,246	\$ 0.2050	\$ 0.0320	\$ (0.0029)	\$ 0.2341
	Buttermilk	95,434	3,626	3.7995%	91,808	\$ 5,980	\$ 18,692	\$ 24,672	\$ 0.2585	\$ 0.0363	\$ (0.0029)	\$ 0.2919
Egg Nog	1,122,330	71,740	6.3921%	1,050,590	\$ 118,306	\$ 213,900	\$ 332,207	\$ 0.2960	\$ 0.1690	\$ (0.0029)	\$ 0.4621	

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
DECEMBER 2013 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.40%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	
STANDARD (WHOLE) MILK	Gallon	\$ 2.1311	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.2866	\$ 0.1157	\$ 3.4023	\$ (0.4284)	\$ 0.8000	\$ 3.7739
	Half Gallon	\$ 1.0655	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.6838	\$ 0.0593	\$ 1.7431	\$ (0.2142)	\$ 0.4000	\$ 1.9289
	Quart	\$ 0.5328	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.9310	\$ 0.0328	\$ 0.9638	\$ (0.1071)	\$ 0.2000	\$ 1.0567
	Pint	\$ 0.2664	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.5203	\$ 0.0183	\$ 0.5386	\$ (0.0536)	\$ 0.1000	\$ 0.5850
	12 Ounce	\$ 0.1998	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.4020	\$ 0.0141	\$ 0.4161	\$ (0.0402)	\$ 0.0750	\$ 0.4509
	10 Ounce	\$ 0.1665	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3472	\$ 0.0122	\$ 0.3594	\$ (0.0335)	\$ 0.0625	\$ 0.3884
	Half Pint	\$ 0.1332	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2459	\$ 0.0087	\$ 0.2546	\$ (0.0268)	\$ 0.0500	\$ 0.2778
	4 ounce	\$ 0.0666	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1564	\$ 0.0055	\$ 0.1619	\$ (0.0134)	\$ 0.0250	\$ 0.1735
Dispenser	\$ 0.5328	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.8311	\$ 0.0293	\$ 0.8604	\$ (0.1071)	\$ 0.2000	\$ 0.9533	
REDUCED FAT (2%) MILK	Gallon	\$ 1.9809	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.1364	\$ 0.1104	\$ 3.2468	\$ (0.4284)	\$ 0.8000	\$ 3.6184
	Half Gallon	\$ 0.9904	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.6087	\$ 0.0566	\$ 1.6653	\$ (0.2142)	\$ 0.4000	\$ 1.8511
	Quart	\$ 0.4952	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.8934	\$ 0.0314	\$ 0.9248	\$ (0.1071)	\$ 0.2000	\$ 1.0177
	Pint	\$ 0.2476	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.5015	\$ 0.0177	\$ 0.5192	\$ (0.0536)	\$ 0.1000	\$ 0.5656
	12 Ounce	\$ 0.1857	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.3879	\$ 0.0137	\$ 0.4016	\$ (0.0402)	\$ 0.0750	\$ 0.4364
	10 Ounce	\$ 0.1548	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3355	\$ 0.0118	\$ 0.3473	\$ (0.0357)	\$ 0.0667	\$ 0.3783
	Half Pint	\$ 0.1238	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2365	\$ 0.0083	\$ 0.2448	\$ (0.0268)	\$ 0.0500	\$ 0.2680
	4 ounce	\$ 0.0619	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1517	\$ 0.0053	\$ 0.1570	\$ (0.0134)	\$ 0.0250	\$ 0.1686
Dispenser	\$ 0.4952	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.7935	\$ 0.0279	\$ 0.8214	\$ (0.1071)	\$ 0.2000	\$ 0.9143	
LOWFAT (1%) MILK	Gallon	\$ 1.8550	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.0105	\$ 0.1060	\$ 3.1165	\$ (0.4284)	\$ 0.8000	\$ 3.4881
	Half Gallon	\$ 0.9275	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.5458	\$ 0.0544	\$ 1.6002	\$ (0.2142)	\$ 0.4000	\$ 1.7860
	Quart	\$ 0.4638	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.8620	\$ 0.0303	\$ 0.8923	\$ (0.1071)	\$ 0.2000	\$ 0.9852
	Pint	\$ 0.2319	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.4858	\$ 0.0171	\$ 0.5029	\$ (0.0536)	\$ 0.1000	\$ 0.5493
	12 Ounce	\$ 0.1739	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.3761	\$ 0.0132	\$ 0.3893	\$ (0.0402)	\$ 0.0750	\$ 0.4241
	10 Ounce	\$ 0.1449	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3256	\$ 0.0115	\$ 0.3371	\$ (0.0357)	\$ 0.0667	\$ 0.3681
	Half Pint	\$ 0.1159	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2286	\$ 0.0080	\$ 0.2366	\$ (0.0268)	\$ 0.0500	\$ 0.2598
	4 ounce	\$ 0.0580	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1478	\$ 0.0052	\$ 0.1530	\$ (0.0134)	\$ 0.0250	\$ 0.1646
Dispenser	\$ 0.4638	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.7621	\$ 0.0268	\$ 0.7889	\$ (0.1071)	\$ 0.2000	\$ 0.8818	
NONFAT (SKIM) MILK	Gallon	\$ 1.7640	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 2.9195	\$ 0.1028	\$ 3.0223	\$ (0.4284)	\$ 0.8000	\$ 3.3939
	Half Gallon	\$ 0.8820	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.5003	\$ 0.0528	\$ 1.5531	\$ (0.2142)	\$ 0.4000	\$ 1.7389
	Quart	\$ 0.4410	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.8392	\$ 0.0295	\$ 0.8687	\$ (0.1071)	\$ 0.2000	\$ 0.9616
	Pint	\$ 0.2205	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.4744	\$ 0.0167	\$ 0.4911	\$ (0.0536)	\$ 0.1000	\$ 0.5375
	12 Ounce	\$ 0.1654	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.3676	\$ 0.0129	\$ 0.3805	\$ (0.0402)	\$ 0.0750	\$ 0.4153
	10 Ounce	\$ 0.1378	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3185	\$ 0.0112	\$ 0.3297	\$ (0.0357)	\$ 0.0667	\$ 0.3607
	Half Pint	\$ 0.1102	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2229	\$ 0.0078	\$ 0.2307	\$ (0.0268)	\$ 0.0500	\$ 0.2539
	4 ounce	\$ 0.0551	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1449	\$ 0.0051	\$ 0.1500	\$ (0.0134)	\$ 0.0250	\$ 0.1616
Dispenser	\$ 0.4410	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.7393	\$ 0.0260	\$ 0.7653	\$ (0.1071)	\$ 0.2000	\$ 0.8582	

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0020 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
DECEMBER 2013 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.40%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	
FLAVORED MILK	Gallon	\$ 2.3168	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.4723	\$ 0.1222	\$ 3.5945	\$ (0.4284)	\$ 0.8000	\$ 3.9661
	Half Gallon	\$ 1.1584	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.7767	\$ 0.0625	\$ 1.8392	\$ (0.2142)	\$ 0.4000	\$ 2.0250
	Quart	\$ 0.5792	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.9774	\$ 0.0344	\$ 1.0118	\$ (0.1071)	\$ 0.2000	\$ 1.1047
	Pint	\$ 0.2896	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.5435	\$ 0.0191	\$ 0.5626	\$ (0.0536)	\$ 0.1000	\$ 0.6090
	12 Ounce	\$ 0.2172	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.4194	\$ 0.0148	\$ 0.4342	\$ (0.0402)	\$ 0.0750	\$ 0.4690
	10 Ounce	\$ 0.1810	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3617	\$ 0.0127	\$ 0.3744	\$ (0.0357)	\$ 0.0667	\$ 0.4054
	Half Pint	\$ 0.1448	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2575	\$ 0.0091	\$ 0.2666	\$ (0.0268)	\$ 0.0500	\$ 0.2898
	4 ounce	\$ 0.0724	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1622	\$ 0.0057	\$ 0.1679	\$ (0.0134)	\$ 0.0250	\$ 0.1795
Dispenser	\$ 0.5792	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.8775	\$ 0.0309	\$ 0.9084	\$ (0.1071)	\$ 0.2000	\$ 1.0013	
FLAVORED REDUCED FAT MILK	Gallon	\$ 2.0760	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.2315	\$ 0.1137	\$ 3.3452	\$ (0.4284)	\$ 0.8000	\$ 3.7168
	Half Gallon	\$ 1.0380	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.6563	\$ 0.0583	\$ 1.7146	\$ (0.2142)	\$ 0.4000	\$ 1.9004
	Quart	\$ 0.5190	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.9172	\$ 0.0323	\$ 0.9495	\$ (0.1071)	\$ 0.2000	\$ 1.0424
	Pint	\$ 0.2595	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.5134	\$ 0.0181	\$ 0.5315	\$ (0.0536)	\$ 0.1000	\$ 0.5779
	12 Ounce	\$ 0.1946	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.3968	\$ 0.0140	\$ 0.4108	\$ (0.0402)	\$ 0.0750	\$ 0.4456
	10 Ounce	\$ 0.1622	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3429	\$ 0.0121	\$ 0.3550	\$ (0.0357)	\$ 0.0667	\$ 0.3860
	Half Pint	\$ 0.1298	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2425	\$ 0.0085	\$ 0.2510	\$ (0.0268)	\$ 0.0500	\$ 0.2742
	4 ounce	\$ 0.0649	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1547	\$ 0.0054	\$ 0.1601	\$ (0.0134)	\$ 0.0250	\$ 0.1717
Dispenser	\$ 0.5190	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.8173	\$ 0.0288	\$ 0.8461	\$ (0.1071)	\$ 0.2000	\$ 0.9390	
FLAVORED NONFAT MILK	Gallon	\$ 1.8728	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.0283	\$ 0.1066	\$ 3.1349	\$ (0.4284)	\$ 0.8000	\$ 3.5065
	Half Gallon	\$ 0.9364	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.5547	\$ 0.0547	\$ 1.6094	\$ (0.2142)	\$ 0.4000	\$ 1.7952
	Quart	\$ 0.4682	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 0.8664	\$ 0.0305	\$ 0.8969	\$ (0.1071)	\$ 0.2000	\$ 0.9898
	Pint	\$ 0.2341	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.4880	\$ 0.0172	\$ 0.5052	\$ (0.0536)	\$ 0.1000	\$ 0.5516
	12 Ounce	\$ 0.1756	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.3778	\$ 0.0133	\$ 0.3911	\$ (0.0402)	\$ 0.0750	\$ 0.4259
	10 Ounce	\$ 0.1463	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3270	\$ 0.0115	\$ 0.3385	\$ (0.0357)	\$ 0.0667	\$ 0.3695
	Half Pint	\$ 0.1171	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2298	\$ 0.0081	\$ 0.2379	\$ (0.0268)	\$ 0.0500	\$ 0.2611
	4 ounce	\$ 0.0585	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1483	\$ 0.0052	\$ 0.1535	\$ (0.0134)	\$ 0.0250	\$ 0.1651
Dispenser	\$ 0.4682	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.7665	\$ 0.0270	\$ 0.7935	\$ (0.1071)	\$ 0.2000	\$ 0.8864	
BUTTERMILK	Gallon	\$ 2.5103	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 3.6658	\$ 0.1290	\$ 3.7948	\$ (0.4284)	\$ 0.8000	\$ 4.1664
	Half Gallon	\$ 1.2552	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 1.8735	\$ 0.0659	\$ 1.9394	\$ (0.2142)	\$ 0.4000	\$ 2.1252
	Quart	\$ 0.6276	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 1.0258	\$ 0.0361	\$ 1.0619	\$ (0.1071)	\$ 0.2000	\$ 1.1548
	Pint	\$ 0.3138	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.5677	\$ 0.0200	\$ 0.5877	\$ (0.0536)	\$ 0.1000	\$ 0.6341
	12 Ounce	\$ 0.2353	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.4375	\$ 0.0154	\$ 0.4529	\$ (0.0402)	\$ 0.0750	\$ 0.4877
	10 Ounce	\$ 0.1961	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.3768	\$ 0.0133	\$ 0.3901	\$ (0.0357)	\$ 0.0667	\$ 0.4211
	Half Pint	\$ 0.1569	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.2696	\$ 0.0095	\$ 0.2791	\$ (0.0268)	\$ 0.0500	\$ 0.3023
	4 ounce	\$ 0.0784	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.1682	\$ 0.0059	\$ 0.1741	\$ (0.0134)	\$ 0.0250	\$ 0.1857
Dispenser	\$ 0.6276	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 0.9259	\$ 0.0326	\$ 0.9585	\$ (0.1071)	\$ 0.2000	\$ 1.0514	

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0020 per quart equivalent.

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**WHOLESALE PRICE BUILDUP
DECEMBER 2013 MILK PRICES**

	A EX. 6	B EX. 3	C EXS. 7, 8 & 9 ⁽¹⁾	D	E EX. 2	F (A+B+C+D+E)	G	H (F + G)	I	J	K (H + I + J)	
Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Profit at 3.40%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price	
EGG NOG	Gallon	\$ 3.6968	\$ 0.2155	\$ 0.0300	\$ (0.0812)	\$ 0.9912	\$ 4.8523	\$ 0.1708	\$ 5.0231	\$ (0.4284)	\$ 0.8000	\$ 5.3947
	Half Gallon	\$ 1.8484	\$ 0.1549	\$ 0.0150	\$ (0.0472)	\$ 0.4956	\$ 2.4667	\$ 0.0868	\$ 2.5535	\$ (0.2142)	\$ 0.4000	\$ 2.7393
	Quart	\$ 0.9242	\$ 0.1209	\$ 0.0075	\$ 0.0220	\$ 0.2478	\$ 1.3224	\$ 0.0465	\$ 1.3689	\$ (0.1071)	\$ 0.2000	\$ 1.4618
	Pint	\$ 0.4621	\$ 0.0840	\$ 0.0038	\$ 0.0422	\$ 0.1239	\$ 0.7160	\$ 0.0252	\$ 0.7412	\$ (0.0536)	\$ 0.1000	\$ 0.7876
	12 Ounce	\$ 0.3466	\$ 0.0630	\$ 0.0028	\$ 0.0435	\$ 0.0929	\$ 0.5488	\$ 0.0193	\$ 0.5681	\$ (0.0402)	\$ 0.0750	\$ 0.6029
	10 Ounce	\$ 0.2888	\$ 0.0548	\$ 0.0023	\$ 0.0462	\$ 0.0774	\$ 0.4695	\$ 0.0165	\$ 0.4860	\$ (0.0357)	\$ 0.0667	\$ 0.5170
	Half Pint	\$ 0.2311	\$ 0.0286	\$ 0.0019	\$ 0.0202	\$ 0.0620	\$ 0.3438	\$ 0.0121	\$ 0.3559	\$ (0.0268)	\$ 0.0500	\$ 0.3791
	4 ounce	\$ 0.1155	\$ 0.0276	\$ 0.0009	\$ 0.0303	\$ 0.0310	\$ 0.2053	\$ 0.0072	\$ 0.2125	\$ (0.0134)	\$ 0.0250	\$ 0.2241
Dispenser	\$ 0.9242	\$ 0.0403	\$ 0.0075	\$ 0.0027	\$ 0.2478	\$ 1.2225	\$ 0.0430	\$ 1.2655	\$ (0.1071)	\$ 0.2000	\$ 1.3584	

Footnote:

1, per O.G.O. A-972, also includes an adjustment for the 'Discount Effect' in the amount of \$0.0020 per quart equivalent.

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3

RETAIL PRICE BUILDUP
DECEMBER 2013 MILK PRICES

	A EX. 10	B	C	D	E (A+B+C+D)
Container Size	Proposed Wholesale Price	Deepest Discount 13.00%	In-Store Handling \$ 0.1261	Store Profit 2.7%	Proposed Retail Price

STANDARD (WHOLE) MILK	Gallon	\$ 3.7739	\$ (0.4906)	\$ 0.5044	\$ 0.1051	\$ 3.89
	Half Gallon	\$ 1.9289	\$ (0.2508)	\$ 0.2522	\$ 0.0536	\$ 1.98
	Quart	\$ 1.0567	\$ (0.1374)	\$ 0.1261	\$ 0.0290	\$ 1.07
	Pint	\$ 0.5850	\$ (0.0761)	\$ 0.0631	\$ 0.0159	\$ 0.59
	12 Ounce	\$ 0.4509	\$ (0.0586)	\$ 0.0473	\$ 0.0122	\$ 0.46
	10 Ounce	\$ 0.3884	\$ (0.0505)	\$ 0.0394	\$ 0.0105	\$ 0.39
	Half Pint	\$ 0.2778	\$ (0.0361)	\$ 0.0315	\$ 0.0076	\$ 0.28
	4 ounce	\$ 0.1735	\$ (0.0226)	\$ 0.0158	\$ 0.0046	\$ 0.18
	Dispenser	\$ 0.9533	\$ (0.1239)	\$ 0.1261	\$ 0.0265	\$ 0.98

REDUCED FAT (2%) MILK	Gallon	\$ 3.6184	\$ (0.4704)	\$ 0.5044	\$ 0.1014	\$ 3.75
	Half Gallon	\$ 1.8511	\$ (0.2406)	\$ 0.2522	\$ 0.0517	\$ 1.91
	Quart	\$ 1.0177	\$ (0.1323)	\$ 0.1261	\$ 0.0281	\$ 1.04
	Pint	\$ 0.5656	\$ (0.0735)	\$ 0.0631	\$ 0.0154	\$ 0.57
	12 Ounce	\$ 0.4364	\$ (0.0567)	\$ 0.0473	\$ 0.0118	\$ 0.44
	10 Ounce	\$ 0.3783	\$ (0.0492)	\$ 0.0394	\$ 0.0102	\$ 0.38
	Half Pint	\$ 0.2680	\$ (0.0348)	\$ 0.0315	\$ 0.0073	\$ 0.27
	4 ounce	\$ 0.1686	\$ (0.0219)	\$ 0.0158	\$ 0.0045	\$ 0.17
	Dispenser	\$ 0.9143	\$ (0.1189)	\$ 0.1261	\$ 0.0256	\$ 0.95

LOWFAT (1%) MILK	Gallon	\$ 3.4881	\$ (0.4535)	\$ 0.5044	\$ 0.0982	\$ 3.64
	Half Gallon	\$ 1.7860	\$ (0.2322)	\$ 0.2522	\$ 0.0501	\$ 1.86
	Quart	\$ 0.9852	\$ (0.1281)	\$ 0.1261	\$ 0.0273	\$ 1.01
	Pint	\$ 0.5493	\$ (0.0714)	\$ 0.0631	\$ 0.0150	\$ 0.56
	12 Ounce	\$ 0.4241	\$ (0.0551)	\$ 0.0473	\$ 0.0116	\$ 0.43
	10 Ounce	\$ 0.3681	\$ (0.0479)	\$ 0.0394	\$ 0.0100	\$ 0.37
	Half Pint	\$ 0.2598	\$ (0.0338)	\$ 0.0315	\$ 0.0071	\$ 0.26
	4 ounce	\$ 0.1646	\$ (0.0214)	\$ 0.0158	\$ 0.0044	\$ 0.17
	Dispenser	\$ 0.8818	\$ (0.1146)	\$ 0.1261	\$ 0.0248	\$ 0.92

NONFAT (SKIM) MILK	Gallon	\$ 3.3939	\$ (0.4412)	\$ 0.5044	\$ 0.0959	\$ 3.55
	Half Gallon	\$ 1.7389	\$ (0.2261)	\$ 0.2522	\$ 0.0490	\$ 1.81
	Quart	\$ 0.9616	\$ (0.1250)	\$ 0.1261	\$ 0.0267	\$ 0.99
	Pint	\$ 0.5375	\$ (0.0699)	\$ 0.0631	\$ 0.0147	\$ 0.55
	12 Ounce	\$ 0.4153	\$ (0.0540)	\$ 0.0473	\$ 0.0113	\$ 0.42
	10 Ounce	\$ 0.3607	\$ (0.0469)	\$ 0.0394	\$ 0.0098	\$ 0.37
	Half Pint	\$ 0.2539	\$ (0.0330)	\$ 0.0315	\$ 0.0070	\$ 0.26
	4 ounce	\$ 0.1616	\$ (0.0210)	\$ 0.0158	\$ 0.0043	\$ 0.17
	Dispenser	\$ 0.8582	\$ (0.1116)	\$ 0.1261	\$ 0.0242	\$ 0.90

PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3

RETAIL PRICE BUILDUP
DECEMBER 2013 MILK PRICES

	A EX. 10	B	C	D	E (A+B+C+D)	
Container Size	Proposed Wholesale Price	Deepest Discount 13.00%	In-Store Handling \$ 0.1261	Store Profit 2.7%	Proposed Retail Price	
FLAVORED MILK	Gallon	\$ 3.9661	\$ (0.5156)	\$ 0.5044	\$ 0.1097	\$ 4.06
	Half Gallon	\$ 2.0250	\$ (0.2633)	\$ 0.2522	\$ 0.0559	\$ 2.07
	Quart	\$ 1.1047	\$ (0.1436)	\$ 0.1261	\$ 0.0302	\$ 1.12
	Pint	\$ 0.6090	\$ (0.0792)	\$ 0.0631	\$ 0.0165	\$ 0.61
	12 Ounce	\$ 0.4690	\$ (0.0610)	\$ 0.0473	\$ 0.0126	\$ 0.47
	10 Ounce	\$ 0.4054	\$ (0.0527)	\$ 0.0394	\$ 0.0109	\$ 0.42
	Half Pint	\$ 0.2898	\$ (0.0377)	\$ 0.0315	\$ 0.0079	\$ 0.29
	4 ounce	\$ 0.1795	\$ (0.0233)	\$ 0.0158	\$ 0.0048	\$ 0.18
	Dispenser	\$ 1.0013	\$ (0.1302)	\$ 0.1261	\$ 0.0277	\$ 1.02
FLAVORED REDUCED FAT MILK	Gallon	\$ 3.7168	\$ (0.4832)	\$ 0.5044	\$ 0.1037	\$ 3.84
	Half Gallon	\$ 1.9004	\$ (0.2471)	\$ 0.2522	\$ 0.0529	\$ 1.96
	Quart	\$ 1.0424	\$ (0.1355)	\$ 0.1261	\$ 0.0287	\$ 1.06
	Pint	\$ 0.5779	\$ (0.0751)	\$ 0.0631	\$ 0.0157	\$ 0.58
	12 Ounce	\$ 0.4456	\$ (0.0579)	\$ 0.0473	\$ 0.0121	\$ 0.45
	10 Ounce	\$ 0.3860	\$ (0.0502)	\$ 0.0394	\$ 0.0104	\$ 0.39
	Half Pint	\$ 0.2742	\$ (0.0356)	\$ 0.0315	\$ 0.0075	\$ 0.28
	4 ounce	\$ 0.1717	\$ (0.0223)	\$ 0.0158	\$ 0.0046	\$ 0.18
	Dispenser	\$ 0.9390	\$ (0.1221)	\$ 0.1261	\$ 0.0262	\$ 0.97
FLAVORED NONFAT MILK	Gallon	\$ 3.5065	\$ (0.4558)	\$ 0.5044	\$ 0.0987	\$ 3.65
	Half Gallon	\$ 1.7952	\$ (0.2334)	\$ 0.2522	\$ 0.0503	\$ 1.86
	Quart	\$ 0.9898	\$ (0.1287)	\$ 0.1261	\$ 0.0274	\$ 1.01
	Pint	\$ 0.5516	\$ (0.0717)	\$ 0.0631	\$ 0.0151	\$ 0.56
	12 Ounce	\$ 0.4259	\$ (0.0554)	\$ 0.0473	\$ 0.0116	\$ 0.43
	10 Ounce	\$ 0.3695	\$ (0.0480)	\$ 0.0394	\$ 0.0100	\$ 0.37
	Half Pint	\$ 0.2611	\$ (0.0339)	\$ 0.0315	\$ 0.0072	\$ 0.27
	4 ounce	\$ 0.1651	\$ (0.0215)	\$ 0.0158	\$ 0.0044	\$ 0.18
	Dispenser	\$ 0.8864	\$ (0.1152)	\$ 0.1261	\$ 0.0249	\$ 0.92
BUTTERMILK	Gallon	\$ 4.1664	\$ (0.5416)	\$ 0.5044	\$ 0.1146	\$ 4.24
	Half Gallon	\$ 2.1252	\$ (0.2763)	\$ 0.2522	\$ 0.0583	\$ 2.16
	Quart	\$ 1.1548	\$ (0.1501)	\$ 0.1261	\$ 0.0314	\$ 1.16
	Pint	\$ 0.6341	\$ (0.0824)	\$ 0.0631	\$ 0.0171	\$ 0.64
	12 Ounce	\$ 0.4877	\$ (0.0634)	\$ 0.0473	\$ 0.0131	\$ 0.50
	10 Ounce	\$ 0.4211	\$ (0.0547)	\$ 0.0394	\$ 0.0113	\$ 0.43
	Half Pint	\$ 0.3023	\$ (0.0393)	\$ 0.0315	\$ 0.0082	\$ 0.31
	4 ounce	\$ 0.1857	\$ (0.0241)	\$ 0.0158	\$ 0.0049	\$ 0.20
	Dispenser	\$ 1.0514	\$ (0.1367)	\$ 0.1261	\$ 0.0289	\$ 1.07
EGG NOG	Gallon	\$ 5.3947	\$ (0.7013)	\$ 0.5044	\$ 0.1442	\$ 5.40
	Half Gallon	\$ 2.7393	\$ (0.3561)	\$ 0.2522	\$ 0.0731	\$ 2.75
	Quart	\$ 1.4618	\$ (0.1900)	\$ 0.1261	\$ 0.0388	\$ 1.47
	Pint	\$ 0.7876	\$ (0.1024)	\$ 0.0631	\$ 0.0208	\$ 0.80
	12 Ounce	\$ 0.6029	\$ (0.0784)	\$ 0.0473	\$ 0.0159	\$ 0.61
	10 Ounce	\$ 0.5170	\$ (0.0672)	\$ 0.0394	\$ 0.0136	\$ 0.53
	Half Pint	\$ 0.3791	\$ (0.0493)	\$ 0.0315	\$ 0.0100	\$ 0.39
	4 ounce	\$ 0.2241	\$ (0.0291)	\$ 0.0158	\$ 0.0058	\$ 0.23
	Dispenser	\$ 1.3584	\$ (0.1766)	\$ 0.1261	\$ 0.0363	\$ 1.37

**PENNSYLVANIA MILK MARKETING BOARD
MILK MARKETING AREA 3**

**COST UPDATE ADJUSTMENT
COMBINED 2nd AND 4th QUARTER COMPARISON (Year 2013 vs. Year 2012)**

A	B	C	D	E	F	G
				(A ÷ C)	(B ÷ D)	(E - F)
COMBINED EXPENSES		COMBINED POINTS		COMBINED COST/POINT		INCREASE (DECREASE)
2013	2012	2013	2012	2013	2012	

WEIGHTED LABOR COSTS	\$ 10,507,213	\$ 10,608,132	78,633,358	82,436,917	\$ 0.1336	\$ 0.1287	\$ 0.0049
WEIGHTED UTILITY COSTS	\$ 670,386	\$ 616,316	78,633,358	82,436,917	\$ 0.0085	\$ 0.0075	\$ 0.0010
WEIGHTED INSURANCE COSTS	\$ 341,033	\$ 349,140	78,633,358	82,436,917	\$ 0.0043	\$ 0.0042	\$ 0.0001

COST UPDATE ADJUSTMENT per BOTTLING POINT

\$ 0.0060