



**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@state.pa.us](mailto:ra-pmmb@state.pa.us)

Official General  
Order No. A-954 (CRO 1)

Posted: March 3, 2010  
Effective: April 1, 2010

### **COST REPLACEMENT ORDER FOR THE WESTERN MILK MARKETING AREA, AREA 5**

NOW, this 3<sup>rd</sup> day of March 2010, the Commonwealth of Pennsylvania, Milk Marketing Board, issues this official general order pursuant to the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 – 700j-1204. This order will become effective at 12:01 a.m. on April 1, 2010.

#### **SECTION A INCORPORATION**

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

#### **SECTION B SCOPE**

(a) The costs adopted by the Board in this order shall replace the costs in the appropriate cost centers embodied in Official General Order A-954 and will be incorporated into the wholesale and retail prices of Class I and II price-controlled packaged products sold in Milk Marketing Area No. 5, as defined in Section B of Official General Order A-954. Wholesale and retail prices will be adjusted as well by the increase in labor, insurance, and utility costs that the Board adopts in this order.

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

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

**SECTION C**  
**EFFECTIVENESS OF OFFICIAL GENERAL ORDER A-954**

All parts of Official General Order A-954 not inconsistent with Section B (relating to scope) continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

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Richard Kriebel, Chairman

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Luke F. Brubaker, Member

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Barbara A. Grumbine, Consumer Member

Date: March 3, 2010

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**FINDINGS OF FACT AND CONCLUSIONS OF LAW**  
**COST REPLACEMENT HEARING FOR MILK MARKETING AREA NO. 5**  
**JANUARY 6, 2010**

I. FINDINGS OF FACT

1. On January 6, 2010, the Pennsylvania Milk Marketing Board ("Board") held a cost replacement hearing for Milk Marketing Area No. 5.

2. Notice of the hearing was published at 39 Pennsylvania Bulletin 6310 dated October 24, 2009. It was also mailed to those who have requested mailed notice of Board hearings via Board Bulletin No. 1456, dated October 9, 2009. 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 5 Milk Dealers (Dealers), the only parties to present dealer cost information, consisted of Dean Foods Company – Sharpsville, Dean Foods Company – Erie, Schneider Dairy, Inc., Turner Dairy Farms, United Dairy, Inc., and United/Fike Dairy.

4. Clifford Ackman, appearing on behalf of Board Staff as an expert in milk statistics, testified that the dealer cross section was representative of the dealers doing business in Area 5. 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 5 milk dealers as an expert in milk cost accounting, testified that the dealer cross section processed, packaged, and delivered a majority of the fluid milk products in Area 5 and delivered to a range of customers in Area 5 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 5. 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 5.

5. Ann Asbury testified on behalf of Board Staff as an expert in milk cost accounting. Both Ms. Asbury and Mr. Herbein testified that the cross-section dealers incurred a cost of \$0.2645 per point for processing, packaging, and delivering milk in 2008. Based on this uncontradicted testimony, the Board finds that the cross section dealers incurred a cost of \$0.2645 per point for processing, packaging, and delivery, and further finds that \$0.2645 is the processing, packaging, and delivery cost that should be used in this order.

6. Ms. Asbury and Mr. Herbein testified to the following ingredient costs as of April 2009, based on year 2008 pounds: Standard Milk - \$0.0000/lb; Reduced Fat Milk - \$0.0001/lb; Low Fat Milk - \$0.0003/lb; Non-Fat Milk - \$0.0010/lb; Flavored Milk -

\$0.0289/lb; Flavored Reduced Fat Milk - \$0.0283/lb; Buttermilk - \$0.0198/lb; Egg Nog - \$0.1693/lb. The Board finds that these ingredient costs should be used in this order.

7. Ms. Asbury and Mr. Herbein presented concurring evidence regarding the cost update for labor, insurance, and utility costs of \$0.0024 per point between the third quarters of 2008 and 2009. The Board finds that \$0.0024 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. Ms. Asbury and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Ms. Asbury 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. Ms. Asbury and Mr. Herbein recommended that the adjustment continue. The Board finds that the adjustment should continue, based on the methodology presented by Ms. Asbury in Staff Surrebuttal Exhibit 9 and attached to this order as Attachment 2.

10. Ms. Asbury and Mr. Herbein presented concurring evidence regarding the cost of shrinkage and sales of bulk products of \$0.0005 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 \$0.0005 per pound.

11. Based on the concurring container costs evidence presented by Ms. Asbury and Mr. Herbein, the Board finds that the following April 2009 base container costs should be adopted for this order: Gallon - \$0.1217; Half Gallon (combined) - \$0.0994; Quart (combined) - \$0.0986; Pint (combined) - \$0.0894; Half Pint (paper) - \$0.0258; Half Pint (plastic) - \$0.0510; 12 Ounce - \$0.0463; 10 Ounce - \$0.0367; 4 Ounce - \$0.0238; Bulk Per Quart (Dispenser) - \$0.0473. Both Ms. Asbury 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 April 2009 base costs found above.

Ms. Asbury and Mr. Herbein also presented evidence regarding a container shrinkage factor. As containers move through a plant, are packaged, and then delivered, a certain number of the containers are lost, damaged, or become unusable. Board Staff and Dealers both recommended that this previously unrecognized cost should be captured in minimum resale prices. Ms. Asbury and Mr. Herbein agreed on the following container shrinkage factors: Gallon – 1.94%; Half Gallon – 1.60%; Quart – 1.57%; Pint – 1.62%; Half Pint (paper) – 0.85%; Half Pint (plastic) – 0.92%; 4 Ounce – 1.53%; Bulk Per Quart (Dispenser) – 1.30%. The Board finds that milk dealers incur a cost for container shrinkage and that cost should be captured in minimum resale prices. The Board further finds that the shrinkage factors testified to by Board Staff and Dealers listed above should be adopted for this order.

Mr. Herbein testified that a blended (or combined) container cost be used for products sold in containers that are available in both paper and plastic, except for half pint containers. Mr. Herbein recommended 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 for products sold in rigid plastic containers. The Board finds that the blended container concept should continue to be used, except for half pint containers. The Board finds that minimum resale prices for products sold in paper half pint containers should be calculated using the paper container cost and that minimum resale prices for products sold in rigid plastic containers should be calculated by applying a plastic add-on to the paper container cost. The Board further finds that the base plastic add-on is \$0.0252 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. Mr. Herbein recommended that the dealer rate of return remain at 3.5%. No evidence to the contrary was presented. The Board finds that the dealer rate of return should remain at 3.5%.

14. John Liptock, Jr., testified on behalf of the Pennsylvania Food Merchants Association as an expert in retail store accounting and dairy in-store handling costs. Mr. Liptock 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 6, 2010, cost replacement hearing for Milk Marketing Area No. 4 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. The record of the Milk Marketing Area 4 cost replacement hearing held on January 6, 2010, was incorporated into the record of this hearing by reference.

5. In establishing the attached order, the Board has considered the entire record and has concluded that the adoption of this order is supported by a preponderance of the evidence and is reasonable and appropriate under section 801 of the Law, subject to any revisions or amendments the Board may make in the manner set forth in the Law.

PENNSYLVANIA MILK MARKETING BOARD

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Richard Kriebel, Chairman

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Luke F. Brubaker, Member

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Barbara A. Grumbine, Consumer Member

Date: March 3, 2010

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**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 5**

**Diesel Fuel Costs Adjustment**

**Update of Diesel Fuel Costs from Year 2008 to November 2009**

1. Weighted Diesel Fuel Costs - Year 2008	\$	5,497,302
2. Average On-Highway Diesel Price per Gallon - Year 2008 <sup>(1)</sup>	\$	3.9897
3. On-Highway Diesel Price per Gallon - November 2009 <sup>(1)</sup>	\$	2.9170
4. Percent Change In Diesel Fuel Price per Gallon ((Line 3 - Line 2) ÷ Line 2)		-26.89%
5. Presumed Diesel Fuel Costs - November 2009 ((Line 1 X Line 4) + Line 1)	<u>\$</u>	<u>4,019,257</u>
6. Change in Diesel Fuel Costs from Year 2008 to November 2009 (Line 5 - Line 1)	\$	(1,478,045)
7. Weighted Delivery Points - Year 2008		<u>287,450,727</u>
<b>8. Change in Diesel Fuel Costs per Delivery Point (Line 6 ÷ Line 7)</b>	<b><u>\$</u></b>	<b><u>(0.0051)</u></b>

## 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](http://tonto.eia.doe.gov/oog/info/wohdp/diesel_detail_report_combined.asp)

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 5**

**Heating Fuel Costs Adjustment**

**Update of Heating Fuel Costs from Year 2008 to September 2009**

1. Weighted Heating Fuel Costs - Year 2008	\$	848,027
2. Pennsylvania Average Natural Gas Price - Industrial - Year 2008 <sup>(1)</sup>	\$	13.54
3. Pennsylvania Average Natural Gas Price - Industrial - September 2009 <sup>(1)</sup>	\$	6.67
4. Percent Change In Natural Gas Price ((Line 3 - Line 2) ÷ Line 2)		-50.74%
5. Presumed Heating Fuel Costs - September 2009 ((Line 1 X Line 4) + Line 1)	<u>\$</u>	<u>417,738</u>
6. Change in Heating Fuel Costs from Year 2008 to September 2009 (Line 5 - Line 1)	\$	(430,289)
7. Weighted Standardization & Pasteurization (S&P) Points - Year 2008		<u>270,465,989</u>
<b>8. Change in Heating Fuel Costs per S&amp;P Point (Line 6 ÷ Line 7)</b>	<b><u>\$</u></b>	<b><u>(0.0016)</u></b>

## Footnote:

1. Source: Pennsylvania Natural Gas Industrial Price per Energy Information Administration website.  
web address = <http://tonto.eia.doe.gov/dnav/ng/hist/n3035pa3m.htm>

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 5**

**MILK COSTS BEFORE PACKAGING  
JANUARY 2010 MILK COSTS**

	Class I
Skim Rate	\$ 15.55
Butterfat Rate	\$ 1.6447

Product Description	A	B	C	D	E	F	G	H	I	J	K
	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								
		(B ÷ A)	(A - B)	(B × BF Rate)	(D × Skim Rate)	(E + F)	(G ÷ A)	(EX. 4)	(EX. 5)	(H + I + J)	
<b>Standard Milk</b>	95,480,910	3,087,710	3.2339%	92,393,200	\$ 5,078,357	\$ 14,367,143	\$ 19,445,500	\$ 0.2037	\$ -	\$ 0.0005	\$ 0.2042
<b>Reduced Fat (2%) Milk</b>	181,735,844	3,493,836	1.9225%	178,242,008	\$ 5,746,312	\$ 27,716,632	\$ 33,462,944	\$ 0.1841	\$ 0.0001	\$ 0.0005	\$ 0.1847
<b>Low Fat (1%) Milk</b>	50,593,998	484,911	0.9584%	50,109,087	\$ 797,533	\$ 7,791,963	\$ 8,589,496	\$ 0.1698	\$ 0.0003	\$ 0.0005	\$ 0.1706
<b>Non Fat (Skim) Milk</b>	76,653,887	88,064	0.1149%	76,565,823	\$ 144,839	\$ 11,905,985	\$ 12,050,824	\$ 0.1572	\$ 0.0010	\$ 0.0005	\$ 0.1587
<b>Flavored Milk</b>	11,376,048	382,430	3.3617%	10,993,618	\$ 628,983	\$ 1,709,508	\$ 2,338,491	\$ 0.2056	\$ 0.0289	\$ 0.0005	\$ 0.2350
<b>Flavored Reduced Fat Milk</b>	41,499,391	415,398	1.0010%	41,083,993	\$ 683,205	\$ 6,388,561	\$ 7,071,766	\$ 0.1704	\$ 0.0283	\$ 0.0005	\$ 0.1992
<b>Buttermilk</b>	4,084,363	101,957	2.4963%	3,982,406	\$ 167,689	\$ 619,264	\$ 786,953	\$ 0.1927	\$ 0.0198	\$ 0.0005	\$ 0.2130
<b>Egg Nog</b>	1,304,171	89,955	6.8975%	1,214,216	\$ 147,949	\$ 188,811	\$ 336,760	\$ 0.2582	\$ 0.1693	\$ 0.0005	\$ 0.4280

**PENNSYLVANIA MILK MARKETING BOARD**  
**MILK MARKETING AREA 5**

**WHOLESALE PRICE BUILDUP**  
**JANUARY 2010 MILK PRICES**

	Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Dealer Profit 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price
STANDARD (WHOLE) MILK	Gallon	\$ 1.7561	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.8241	\$ 0.1024	\$ 2.9265	(0.4664)	\$ 0.8536	\$ 3.3137
	1/2 Gallon	\$ 0.8781	0.1073	(0.0086)	(0.0419)	0.5290	1.4639	0.0531	1.5170	(0.2332)	0.4268	1.7106
	Quart	\$ 0.4390	0.0957	(0.0043)	0.0330	0.2645	0.8279	0.0300	0.8579	(0.1166)	0.2134	0.9547
	Pint	\$ 0.2195	0.0934	(0.0022)	0.0755	0.1323	0.5185	0.0188	0.5373	(0.0583)	0.1067	0.5857
	12 Ounce	\$ 0.1646	0.0463	(0.0016)	0.0124	0.0992	0.3209	0.0116	0.3325	(0.0437)	0.0800	0.3688
	10 Ounce	\$ 0.1372	0.0367	(0.0013)	0.0103	0.0827	0.2655	0.0096	0.2751	(0.0389)	0.0711	0.3073
	1/2 Pint	\$ 0.1098	0.0265	(0.0011)	0.0367	0.0661	0.2380	0.0086	0.2466	(0.0292)	0.0534	0.2708
	4 Ounce	\$ 0.0549	0.0242	(0.0005)	0.0373	0.0331	0.1490	0.0054	0.1544	(0.0146)	0.0267	0.1665
	Bulk per Quart	\$ 0.4390	0.0479	(0.0043)	0.1058	0.2645	0.8529	0.0309	0.8838	(0.1166)	0.2134	0.9806
REDUCED FAT (2%) MILK	Gallon	\$ 1.5921	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.6601	\$ 0.0965	\$ 2.7566	(0.4664)	\$ 0.8536	\$ 3.1438
	1/2 Gallon	\$ 0.7961	0.1073	(0.0086)	(0.0419)	0.5290	1.3819	0.0501	1.4320	(0.2332)	0.4268	1.6256
	Quart	\$ 0.3980	0.0957	(0.0043)	0.0330	0.2645	0.7869	0.0285	0.8154	(0.1166)	0.2134	0.9122
	Pint	\$ 0.1990	0.0934	(0.0022)	0.0755	0.1323	0.4980	0.0181	0.5161	(0.0583)	0.1067	0.5645
	12 Ounce	\$ 0.1493	0.0463	(0.0016)	0.0345	0.0992	0.3277	0.0119	0.3396	(0.0437)	0.0800	0.3759
	10 Ounce	\$ 0.1244	0.0367	(0.0013)	0.0103	0.0827	0.2527	0.0092	0.2619	(0.0389)	0.0711	0.2941
	1/2 Pint	\$ 0.0995	0.0265	(0.0011)	0.0367	0.0661	0.2277	0.0083	0.2360	(0.0292)	0.0534	0.2602
	4 Ounce	\$ 0.0498	0.0242	(0.0005)	0.0373	0.0331	0.1439	0.0052	0.1491	(0.0146)	0.0267	0.1612
	Bulk per Quart	\$ 0.3980	0.0479	(0.0043)	0.1058	0.2645	0.8119	0.0294	0.8413	(0.1166)	0.2134	0.9381
LOWFAT (1%) MILK	Gallon	\$ 1.4706	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.5386	\$ 0.0921	\$ 2.6307	(0.4664)	\$ 0.8536	\$ 3.0179
	1/2 Gallon	\$ 0.7353	0.1073	(0.0086)	(0.0419)	0.5290	1.3211	0.0479	1.3690	(0.2332)	0.4268	1.5626
	Quart	\$ 0.3676	0.0957	(0.0043)	0.0330	0.2645	0.7565	0.0274	0.7839	(0.1166)	0.2134	0.8807
	Pint	\$ 0.1838	0.0934	(0.0022)	0.0755	0.1323	0.4828	0.0175	0.5003	(0.0583)	0.1067	0.5487
	12 Ounce	\$ 0.1379	0.0463	(0.0016)	0.0345	0.0992	0.3163	0.0115	0.3278	(0.0437)	0.0800	0.3641
	10 Ounce	\$ 0.1149	0.0367	(0.0013)	0.0103	0.0827	0.2432	0.0088	0.2520	(0.0389)	0.0711	0.2842
	1/2 Pint	\$ 0.0919	0.0265	(0.0011)	0.0367	0.0661	0.2201	0.0080	0.2281	(0.0292)	0.0534	0.2523
	4 Ounce	\$ 0.0460	0.0242	(0.0005)	0.0373	0.0331	0.1401	0.0051	0.1452	(0.0146)	0.0267	0.1573
	Bulk per Quart	\$ 0.3676	0.0479	(0.0043)	0.1058	0.2645	0.7815	0.0283	0.8098	(0.1166)	0.2134	0.9066
NONFAT (SKIM) MILK	Gallon	\$ 1.3696	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.4376	\$ 0.0884	\$ 2.5260	(0.4664)	\$ 0.8536	\$ 2.9132
	1/2 Gallon	\$ 0.6848	0.1073	(0.0086)	(0.0419)	0.5290	1.2706	0.0461	1.3167	(0.2332)	0.4268	1.5103
	Quart	\$ 0.3424	0.0957	(0.0043)	0.0330	0.2645	0.7313	0.0265	0.7578	(0.1166)	0.2134	0.8546
	Pint	\$ 0.1712	0.0934	(0.0022)	0.0755	0.1323	0.4702	0.0171	0.4873	(0.0583)	0.1067	0.5357
	12 Ounce	\$ 0.1284	0.0463	(0.0016)	0.0345	0.0992	0.3068	0.0111	0.3179	(0.0437)	0.0800	0.3542
	10 Ounce	\$ 0.1070	0.0367	(0.0013)	0.0103	0.0827	0.2353	0.0085	0.2438	(0.0389)	0.0711	0.2760
	1/2 Pint	\$ 0.0856	0.0265	(0.0011)	0.0367	0.0661	0.2138	0.0078	0.2216	(0.0292)	0.0534	0.2458
	4 Ounce	\$ 0.0428	0.0242	(0.0005)	0.0373	0.0331	0.1369	0.0050	0.1419	(0.0146)	0.0267	0.1540
	Bulk per Quart	\$ 0.3424	0.0479	(0.0043)	0.1058	0.2645	0.7563	0.0274	0.7837	(0.1166)	0.2134	0.8805

**PENNSYLVANIA MILK MARKETING BOARD**  
**MILK MARKETING AREA 5**

**WHOLESALE PRICE BUILDUP**  
**JANUARY 2010 MILK PRICES**

	Container Size	Milk Cost	Container Cost	Cost Update & Energy Add-On Adjustments	Container Efficiency Adjustment	Processing Cost	Average Delivered Cost	Dealer Profit 3.50%	Price with Profit	Less: Average Delivery	Plus: High Cost Delivery	Proposed Wholesale Price
<b>STANDARD (WHOLE) FLAVORED MILK</b>	Gallon	\$ 1.8800	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.9480	\$ 0.1069	\$ 3.0549	(0.4664)	\$ 0.8536	\$ 3.4421
	1/2 Gallon	\$ 0.9400	0.1073	(0.0086)	(0.0419)	0.5290	1.5258	0.0553	1.5811	(0.2332)	0.4268	1.7747
	Quart	\$ 0.4700	0.0957	(0.0043)	0.0330	0.2645	0.8589	0.0312	0.8901	(0.1166)	0.2134	0.9869
	Pint	\$ 0.2350	0.0934	(0.0022)	0.0755	0.1323	0.5340	0.0194	0.5534	(0.0583)	0.1067	0.6018
	12 Ounce	\$ 0.1763	0.0463	(0.0016)	0.0345	0.0992	0.3547	0.0129	0.3676	(0.0437)	0.0800	0.4039
	10 Ounce	\$ 0.1469	0.0367	(0.0013)	0.0103	0.0827	0.2752	0.0100	0.2852	(0.0389)	0.0711	0.3174
	1/2 Pint	\$ 0.1175	0.0265	(0.0011)	0.0367	0.0661	0.2457	0.0089	0.2546	(0.0292)	0.0534	0.2788
	4 Ounce	\$ 0.0588	0.0242	(0.0005)	0.0373	0.0331	0.1529	0.0055	0.1584	(0.0146)	0.0267	0.1705
	Bulk per Quart	\$ 0.4700	0.0479	(0.0043)	0.1058	0.2645	0.8839	0.0321	0.9160	(0.1166)	0.2134	1.0128
<b>REDUCED FAT FLAVORED MILK</b>	Gallon	\$ 1.5936	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.6616	\$ 0.0965	\$ 2.7581	(0.4664)	\$ 0.8536	\$ 3.1453
	1/2 Gallon	\$ 0.7968	0.1073	(0.0086)	(0.0419)	0.5290	1.3826	0.0501	1.4327	(0.2332)	0.4268	1.6263
	Quart	\$ 0.3984	0.0957	(0.0043)	0.0330	0.2645	0.7873	0.0286	0.8159	(0.1166)	0.2134	0.9127
	Pint	\$ 0.1992	0.0934	(0.0022)	0.0755	0.1323	0.4982	0.0181	0.5163	(0.0583)	0.1067	0.5647
	12 Ounce	\$ 0.1494	0.0463	(0.0016)	0.0345	0.0992	0.3278	0.0119	0.3397	(0.0437)	0.0800	0.3760
	10 Ounce	\$ 0.1245	0.0367	(0.0013)	0.0103	0.0827	0.2528	0.0092	0.2620	(0.0389)	0.0711	0.2942
	1/2 Pint	\$ 0.0996	0.0265	(0.0011)	0.0367	0.0661	0.2278	0.0083	0.2361	(0.0292)	0.0534	0.2603
	4 Ounce	\$ 0.0498	0.0242	(0.0005)	0.0373	0.0331	0.1439	0.0052	0.1491	(0.0146)	0.0267	0.1612
	Bulk per Quart	\$ 0.3984	0.0479	(0.0043)	0.1058	0.2645	0.8123	0.0295	0.8418	(0.1166)	0.2134	0.9386
<b>BUTTERMILK</b>	Gallon	\$ 1.8361	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 2.9041	\$ 0.1053	\$ 3.0094	(0.4664)	\$ 0.8536	\$ 3.3966
	1/2 Gallon	\$ 0.9180	0.1073	(0.0086)	(0.0419)	0.5290	1.5038	0.0545	1.5583	(0.2332)	0.4268	1.7519
	Quart	\$ 0.4590	0.0957	(0.0043)	0.0330	0.2645	0.8479	0.0308	0.8787	(0.1166)	0.2134	0.9755
	Pint	\$ 0.2295	0.0934	(0.0022)	0.0755	0.1323	0.5285	0.0192	0.5477	(0.0583)	0.1067	0.5961
	12 Ounce	\$ 0.1721	0.0463	(0.0016)	0.0345	0.0992	0.3505	0.0127	0.3632	(0.0437)	0.0800	0.3995
	10 Ounce	\$ 0.1434	0.0367	(0.0013)	0.0103	0.0827	0.2717	0.0099	0.2816	(0.0389)	0.0711	0.3138
	1/2 Pint	\$ 0.1148	0.0265	(0.0011)	0.0367	0.0661	0.2430	0.0088	0.2518	(0.0292)	0.0534	0.2760
	4 Ounce	\$ 0.0574	0.0242	(0.0005)	0.0373	0.0331	0.1515	0.0055	0.1570	(0.0146)	0.0267	0.1691
	Bulk per Quart	\$ 0.4590	0.0479	(0.0043)	0.1058	0.2645	0.8729	0.0317	0.9046	(0.1166)	0.2134	1.0014
<b>EGG NOG</b>	Gallon	\$ 3.4240	\$ 0.1339	(0.0172)	(0.1067)	\$ 1.0580	\$ 4.4920	\$ 0.1629	\$ 4.6549	(0.4664)	\$ 0.8536	\$ 5.0421
	1/2 Gallon	\$ 1.7120	0.1073	(0.0086)	(0.0419)	0.5290	2.2978	0.0833	2.3811	(0.2332)	0.4268	2.5747
	Quart	\$ 0.8560	0.0957	(0.0043)	0.0330	0.2645	1.2449	0.0452	1.2901	(0.1166)	0.2134	1.3869
	Pint	\$ 0.4280	0.0934	(0.0022)	0.0755	0.1323	0.7270	0.0264	0.7534	(0.0583)	0.1067	0.8018
	12 Ounce	\$ 0.3210	0.0463	(0.0016)	0.0345	0.0992	0.4994	0.0181	0.5175	(0.0437)	0.0800	0.5538
	10 Ounce	\$ 0.2675	0.0367	(0.0013)	0.0103	0.0827	0.3958	0.0144	0.4102	(0.0389)	0.0711	0.4424
	1/2 Pint	\$ 0.2140	0.0265	(0.0011)	0.0367	0.0661	0.3422	0.0124	0.3546	(0.0292)	0.0534	0.3788
	4 Ounce	\$ 0.1070	0.0242	(0.0005)	0.0373	0.0331	0.2011	0.0073	0.2084	(0.0146)	0.0267	0.2205
	Bulk per Quart	\$ 0.8560	0.0479	(0.0043)	0.1058	0.2645	1.2699	0.0461	1.3160	(0.1166)	0.2134	1.4128

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 5**

**RETAIL PRICE BUILDUP  
JANUARY 2010 PRICES**

		A	B	C	D	E
	Container Size	Proposed Wholesale Price	0.1200 Deepest Discount	In-Store Handling \$ 0.1301	2.7% Store Profit	Proposed Retail Price
STANDARD (WHOLE) MILK	Gallon	\$3.3137	(0.3976)	\$ 0.5204	\$0.0954	\$3.53
	1/2 Gallon	1.7106	(0.2053)	\$ 0.2602	0.0490	1.81
	Quart	0.9547	(0.1146)	\$ 0.1301	0.0269	1.00
	Pint	0.5857	(0.0703)	0.0651	0.0161	0.60
	12 Ounce	0.3688	(0.0443)	0.0488	0.0104	0.38
	10 Ounce	0.3073	(0.0369)	0.0407	0.0086	0.32
	1/2 Pint	0.2708	(0.0325)	0.0325	0.0075	0.28
	4 Ounce	0.1665	(0.0200)	0.0163	0.0045	0.17
	Bulk per Quart	0.9806	(0.1177)	0.1301	0.0276	1.02
REDUCED FAT (2%) MILK	Gallon	\$3.1438	(0.3773)	\$0.5204	\$0.0912	\$3.38
	1/2 Gallon	1.6256	(0.1951)	0.2602	0.0469	1.74
	Quart	0.9122	(0.1095)	0.1301	0.0259	0.96
	Pint	0.5645	(0.0677)	0.0651	0.0156	0.58
	12 Ounce	0.3759	(0.0451)	0.0488	0.0105	0.39
	10 Ounce	0.2941	(0.0353)	0.0407	0.0083	0.31
	1/2 Pint	0.2602	(0.0312)	0.0325	0.0073	0.27
	4 Ounce	0.1612	(0.0193)	0.0163	0.0044	0.17
	Bulk per Quart	0.9381	(0.1126)	0.1301	0.0265	0.98
LOWFAT (1%) MILK	Gallon	\$3.0179	(0.3621)	\$0.5204	\$0.0881	\$3.26
	1/2 Gallon	1.5626	(0.1875)	0.2602	0.0454	1.68
	Quart	0.8807	(0.1057)	0.1301	0.0251	0.93
	Pint	0.5487	(0.0658)	0.0651	0.0152	0.56
	12 Ounce	0.3641	(0.0437)	0.0488	0.0102	0.38
	10 Ounce	0.2842	(0.0341)	0.0407	0.0081	0.30
	1/2 Pint	0.2523	(0.0303)	0.0325	0.0071	0.26
	4 Ounce	0.1573	(0.0189)	0.0163	0.0043	0.16
	Bulk per Quart	0.9066	(0.1088)	0.1301	0.0257	0.95
NONFAT (SKIM) MILK	Gallon	\$2.9132	(0.3496)	\$0.5204	\$0.0856	\$3.17
	1/2 Gallon	1.5103	(0.1812)	0.2602	0.0441	1.63
	Quart	0.8546	(0.1026)	0.1301	0.0245	0.91
	Pint	0.5357	(0.0643)	0.0651	0.0149	0.55
	12 Ounce	0.3542	(0.0425)	0.0488	0.0100	0.37
	10 Ounce	0.2760	(0.0331)	0.0407	0.0079	0.29
	1/2 Pint	0.2458	(0.0295)	0.0325	0.0069	0.26
	4 Ounce	0.1540	(0.0185)	0.0163	0.0042	0.16
	Bulk per Quart	0.8805	(0.1057)	0.1301	0.0251	0.93

**PENNSYLVANIA MILK MARKETING BOARD  
MILK MARKETING AREA 5**

**RETAIL PRICE BUILDUP  
JANUARY 2010 PRICES**

		A	B	C	D	E
Container Size	Proposed Wholesale Price	0.1200 Deepest Discount	In-Store Handling \$ 0.1301	2.7% Store Profit	Proposed Retail Price	
<b>STANDARD (WHOLE) FLAVORED MILK</b>	Gallon	\$3.4421	(0.4131)	\$0.5204	\$0.0985	\$3.65
	1/2 Gallon	1.7747	(0.2130)	0.2602	0.0506	1.87
	Quart	0.9869	(0.1184)	0.1301	0.0277	1.03
	Pint	0.6018	(0.0722)	0.0651	0.0165	0.61
	12 Ounce	0.4039	(0.0485)	0.0488	0.0112	0.42
	10 Ounce	0.3174	(0.0381)	0.0407	0.0089	0.33
	1/2 Pint	0.2788	(0.0335)	0.0325	0.0077	0.29
	4 Ounce	0.1705	(0.0205)	0.0163	0.0046	0.18
	Bulk per Quart	1.0128	(0.1215)	0.1301	0.0283	1.05
<b>REDUCED FAT FLAVORED MILK</b>	Gallon	\$3.1453	(0.3774)	\$0.5204	\$0.0912	\$3.38
	1/2 Gallon	1.6263	(0.1952)	0.2602	0.0469	1.74
	Quart	0.9127	(0.1095)	0.1301	0.0259	0.96
	Pint	0.5647	(0.0678)	0.0651	0.0156	0.58
	12 Ounce	0.3760	(0.0451)	0.0488	0.0105	0.39
	10 Ounce	0.2942	(0.0353)	0.0407	0.0083	0.31
	1/2 Pint	0.2603	(0.0312)	0.0325	0.0073	0.27
	4 Ounce	0.1612	(0.0193)	0.0163	0.0044	0.17
	Bulk per Quart	0.9386	(0.1126)	0.1301	0.0265	0.98
<b>BUTTERMILK</b>	Gallon	\$3.3966	(0.4076)	\$0.5204	\$0.0974	\$3.61
	1/2 Gallon	1.7519	(0.2102)	0.2602	0.0500	1.85
	Quart	0.9755	(0.1171)	0.1301	0.0274	1.02
	Pint	0.5961	(0.0715)	0.0651	0.0164	0.61
	12 Ounce	0.3995	(0.0479)	0.0488	0.0111	0.41
	10 Ounce	0.3138	(0.0377)	0.0407	0.0088	0.33
	1/2 Pint	0.2760	(0.0331)	0.0325	0.0076	0.28
	4 Ounce	0.1691	(0.0203)	0.0163	0.0046	0.17
	Bulk per Quart	1.0014	(0.1202)	0.1301	0.0281	1.04
<b>EGG NOG</b>	Gallon	\$5.0421	(0.6051)	\$0.5204	\$0.1376	\$5.10
	1/2 Gallon	2.5747	(0.3090)	0.2602	0.0701	2.60
	Quart	1.3869	(0.1664)	0.1301	0.0375	1.39
	Pint	0.8018	(0.0962)	0.0651	0.0214	0.81
	12 Ounce	0.5538	(0.0665)	0.0488	0.0149	0.56
	10 Ounce	0.4424	(0.0531)	0.0407	0.0119	0.45
	1/2 Pint	0.3788	(0.0455)	0.0325	0.0102	0.38
	4 Ounce	0.2205	(0.0265)	0.0163	0.0058	0.23
	Bulk per Quart	1.4128	(0.1695)	0.1301	0.0381	1.42