

HERBEIN REBUTTAL EXHIBIT D-2

DEALER PROFITABILITY

PMMB AREA 1, 2, 3, 4, 5, and 6

Calendar year 2013 and 2012

**Lehigh Valley Dairies – Lansdale, H.P. Hood – Rosenberger’s, Wawa, Clover Farms,
Swiss Premium, Lehigh Valley Dairies – Schuylkill Haven, Schneider Valley Farms, Guers Dairy,
Galliker’s Dairy, Harrisburg Dairies, Rutter’s Dairy, United Dairy – Fikes, Dean – Sharpville,
United Dairy – Martin’s Ferry, Schneider’s Dairy, Dean Foods – Meadow Brook, Turner Dairy**

	Year Ending	
	2013	2012
Net sales	\$ 1,596,877,796	\$ 1,606,840,738
Cost of goods sold	1,115,857,632	1,113,841,351
Gross margin	<u>481,020,164</u>	<u>492,999,387</u>
Cost center costs	480,645,687	469,412,939
Operating income	<u>\$ 374,477</u>	<u>\$ 23,586,448</u>
	0.0%	1.5%

RECEIVING, LAB AND FIELD WORK POINTS

Year ended December 31, 2012

Lehigh Valley Dairies – Lansdale, H.P. Hood – Rosenberger’s, Wawa, Clover Farms, Turkey Hill Swiss Premium, Lehigh Valley Dairies – Schuylkill Haven, Schneider Valley Farms, Guers Dairy, Galliker’s Dairy, Harrisburg Dairies, Rutter’s Dairy, United Dairy – Fikes, Dean – Sharpville, United Dairy – Martin’s Ferry, Schneider’s Dairy, Dean Foods – Meadow Brook, Turner Dairy,

Total Points	Controlled Product Points
<u>799,701,699,000</u>	<u>757,877,496,000</u>

$$757,877,496,000 \div 799,701,699,000 = 94.5\%$$

The dilution of utilizing total points as recommended by GNEMMA will cause the cross-section dealers to lose 5.2% of any mandated costs included in the receiving, lab, and field work.