

REBUTTAL EXHIBIT D7

PMMB STATE-WIDE PROFITABILITY

WHOLESALE DISCOUNT HEARING

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

COMPARATIVE INCOME STATEMENT SUMMARY

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Sales	\$ 2,068,609,849	\$ 1,914,710,984	\$ 1,707,884,295
Cost of goods sold	<u>1,450,984,570</u>	<u>1,283,936,406</u>	<u>1,063,716,907</u>
Gross margin	<u>\$ 617,625,279</u> 29.9%	<u>\$ 630,774,578</u> 32.9%	<u>\$ 644,167,388</u> 37.7%
Cost center costs	<u>594,857,657</u>	<u>582,747,350</u>	<u>584,449,070</u>
Operating income	<u>\$ 22,767,622</u> 1.1%	<u>\$ 48,027,228</u> 2.5%	<u>\$ 59,718,318</u> 3.5%

REBUTTAL EXHIBIT D8

DEALER PROFITABILITY ANALYSIS

WHOLESALE DISCOUNT HEARING

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

	2011	
	All Twenty Cross Section Dealers (A)	Ten Dealers With Mostly PMMB Price Controlled Sales (B)
Net sales	\$2,068,609,849	\$1,033,830,890
Cost of goods sold	\$1,450,984,570	\$729,141,204
Gross margin	\$617,625,279	\$304,689,686
	29.9%	29.5%
Cost center costs	\$594,857,657	\$305,252,412
Operating income	\$22,767,622	(\$562,726)
	1.1%	-0.1%

(A) Corresponds to PAMD Exhibit D7 (submitted August 23, 2013)

(B) Eliminates six (6) dealers from the cross-section that sell more than 60% of their milk sales outside Pennsylvania and eliminates four (4) dealers that have more than 40% of their bottling points from non-dairy packaging (juices, drinks, and teas).

Compares statewide profitability to ten (10) dealers with mostly PMMB price controlled sales.