

**BOARD STAFF REBUTTAL EXHIBIT 1**

**COOPERATIVE COST RECOVERY FORMULA**

10,000,000 Total pounds  
 7,900,000 PA Pounds  
 3,000,000 Coop PA Pounds  
 5,000,000 Class 1 PA sale Pounds  
 \$ 0.3341 Coop Premium rate/cwt

Class 1 PA Sale Pounds	X	$\frac{\text{PA Coop Pounds}}{\text{Total Pounds (-) non class 1 diverted}}$	=	Pounds/100	X	Coop Premium Rate	=	Dealer Obligation
5,000,000	X	$\frac{3,000,000}{10,000,000}$						
5,000,000	X	30.00%	=	1,500,000/100	X	\$ 0.3341	=	\$5,011.50

## BOARD STAFF REBUTTAL EXHIBIT 2

### 2017 CRH Wholesale 2% Quart Price

<u>Area</u>	<u>2017 CRH wholesale</u>	<u>with coop procurement cost added to dealer costs</u>	<u>Increase in wholesale price with coop procurement costs added to dealer costs.</u>
1	\$0.9929	\$0.9937	\$0.0008
2	\$0.9454	\$0.9457	\$0.0003
3	\$0.9421	\$0.9424	\$0.0003
4	\$0.9344	\$0.9347	\$0.0003
5	\$1.0236	\$1.0236	\$0.0000
6	\$1.1505	\$1.1505	\$0.0000

# Board Staff Rebuttal Exhibit 3



## Commonwealth of Pennsylvania Milk Marketing Board

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Tom Wolf - *Governor*  
Tim Moyer - *Secretary*

### Minimum Resale Prices For July 2019

AREA-ZONE	OFFICIAL GENERAL ORDERS		CLASS I DIFF.	COOP PREMIUM	OVER-PRICE PREMIUM	OVER-ORDER PREMIUM /1/	BUTTERFAT VALUE /2,3/	SKIM VALUE /2,3/	CLASS I PRICE @ 3.5%
1-0	<b>A-993 (CRO 3)</b>	893, 925, 942, 972, 980, 987, 989, 997, 999, 1002	\$3.05	\$0.29	\$0.12	\$1.14	<b>\$2.7009</b>	<b>\$12.98</b>	\$21.98
2-0	<b>A-953 (CRO 10)</b>	893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.80	\$0.29	\$0.15	\$1.14	<b>\$2.6987</b>	<b>\$12.76</b>	\$21.76
3-0	<b>A-962 (CRO 9)</b>	893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.80	\$0.29	\$0.07	\$1.14	<b>\$2.6979</b>	<b>\$12.68</b>	\$21.68
4-0	<b>A-963 (CRO 9)</b>	893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.90	\$0.29	\$0.13	\$1.14	<b>\$2.6995</b>	<b>\$12.84</b>	\$21.84
5-0	<b>A-954 (CRO 9)</b>	893, 925, 942, 972, 976, 980, 985, 987, 989, 997, 999, 1002	\$2.30	\$0.29	\$0.18	\$1.14	<b>\$2.6940</b>	<b>\$12.29</b>	\$21.29
6-0	<b>A-956 (CRO 9)</b>	893, 925, 942, 960, 972, 977, 980, 985, 987, 989, 997, 999, 1002	\$2.50	\$0.29	\$0.40	\$1.14	<b>\$2.6982</b>	<b>\$12.71</b>	\$21.71
Advanced Class II Butterfat Price /2/			<b>\$2.7458</b>			Class I Butterfat Differential			\$2.57
Advanced Class II Skim Price /2/			<b>\$8.48</b>			Advanced Class III Skim Price			\$7.09
Class II Price @ 3.5% Butterfat			\$17.79			Advanced Class IV Skim Price			\$7.78
School Stop Charge for Area 1 /2/			<b>\$13.64</b>			Advanced Class III & IV Butterfat Price			\$2.6529
Consumer Price Index /2/			<b>256.092</b>						
<b>Container Cost /2/</b>			Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	
Gallon			\$0.1560	\$0.1938	\$0.2069	\$0.1645	\$0.1789	\$0.2116	
Half Gallon			\$0.1182	\$0.1363	\$0.1390	\$0.1229	\$0.1387	\$0.1460	
Quart			\$0.1058	\$0.1309	\$0.1390	\$0.1426	\$0.1421	\$0.2105	
Pint			\$0.0889	\$0.0917	\$0.0816	\$0.1263	\$0.1169	\$0.1563	
Half Pint Paper			\$0.0258	\$0.0279	\$0.0292	\$0.0305	\$0.0286	\$0.0304	
Half Pint Plastic Add On			\$0.0392	\$0.0476	\$0.0366	\$0.0342	\$0.0470	\$0.0233	
Ingredients - Flavored Milk /2,4/			\$0.0326	\$0.0349	\$0.0431	\$0.0430	\$0.0378	\$0.0357	
Ingredients - Flavored Reduced Fat Milk /2,4/			\$0.0354	\$0.0322	\$0.0339	\$0.0351	\$0.0314	\$0.0393	
Ingredients - Flavored Non-Fat Milk /2,4/			\$0.0312	\$0.0292	\$0.0288	\$0.0276	\$0.0334	\$0.0343	
Energy, Heating & Disc Eff. Add-Ons /2,5/			\$0.0029	\$0.0170	\$0.0050	\$0.0026	\$0.0077	\$0.0092	

/1/ The Over-Order Premium includes a \$0.14 Fuel Adjustment pursuant to O.G.O A-999.

/2/ For generating PMMB Excel prices.

/3/ \$0.20 Promotion assessment added on per OGO A-989.

/4/ Cost per pound.

/5/ Cost per quart.

### WHOLESALE / RETAIL PRICES OF PROMINENT PRODUCTS AND SIZES

AREA-ZONE	CONTAINER SIZE	WHOLESALE				RETAIL (OUT-OF-STORE)			
		HOMO	REDUCED FAT	LOW-FAT	NONFAT	HOMO	REDUCED FAT	LOW-FAT	NONFAT
1-0	Gallon	\$4.0601	\$3.7576	\$3.5318	\$3.3342	\$4.19	\$3.93	\$3.73	\$3.56
	Half Gallon	\$2.0514	\$1.9002	\$1.7872	\$1.6885	\$2.11	\$1.98	\$1.88	\$1.80
	Quart	\$1.1059	\$1.0304	\$0.9740	\$0.9246	\$1.13	\$1.06	\$1.01	\$0.97
2-0	Gallon	\$3.7866	\$3.4962	\$3.2685	\$3.0643	\$4.04	\$3.78	\$3.58	\$3.40
	Half Gallon	\$1.9386	\$1.7935	\$1.6796	\$1.5775	\$2.06	\$1.93	\$1.83	\$1.74
	Quart	\$1.0724	\$0.9997	\$0.9427	\$0.8918	\$1.12	\$1.06	\$1.01	\$0.96
3-0	Gallon	\$3.6240	\$3.3330	\$3.1072	\$2.9104	\$3.81	\$3.55	\$3.35	\$3.17
	Half Gallon	\$1.8454	\$1.6998	\$1.5870	\$1.4886	\$1.93	\$1.80	\$1.70	\$1.62
	Quart	\$1.0516	\$0.9789	\$0.9224	\$0.8732	\$1.08	\$1.02	\$0.97	\$0.92
4-0	Gallon	\$3.5759	\$3.2795	\$3.0601	\$2.8642	\$4.00	\$3.70	\$3.47	\$3.27
	Half Gallon	\$1.8279	\$1.6798	\$1.5699	\$1.4721	\$2.04	\$1.89	\$1.78	\$1.68
	Quart	\$1.0383	\$0.9643	\$0.9094	\$0.8604	\$1.15	\$1.07	\$1.02	\$0.97
5-0	Gallon	\$3.8104	\$3.5119	\$3.2886	\$3.0995	\$4.08	\$3.81	\$3.61	\$3.44
	Half Gallon	\$1.9349	\$1.7856	\$1.6740	\$1.5795	\$2.07	\$1.93	\$1.83	\$1.75
	Quart	\$1.1551	\$1.0805	\$1.0246	\$0.9773	\$1.20	\$1.14	\$1.08	\$1.04
6-0	Gallon	\$3.9517	\$3.6510	\$3.4244	\$3.2410	\$4.17	\$3.90	\$3.69	\$3.53
	Half Gallon	\$2.0339	\$1.8835	\$1.7701	\$1.6785	\$2.14	\$2.00	\$1.90	\$1.82
	Quart	\$1.2810	\$1.2058	\$1.1492	\$1.1033	\$1.31	\$1.24	\$1.19	\$1.15

# Board Staff Rebuttal Exhibit 4



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**Milk Marketing Board**  
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Tom Wolf - Governor  
 Tim Moyer - Secretary

**Minimum Producer Price Data**  
**Official General Order A-903 Amended**

Robert N. Barley - Chairman  
 Carol A. Hardbarger - Consumer Member  
 James A. Van Blarcom - Member

**For Milk Purchased From Producers in June 2019**

AREA-ZONE		CLASS I DIFF.	COOP PREMIUM	OVER-ORDER* PREM. (A98-3 & A984)	PURCHASED FROM COOPS			PURCHASED FROM INDEPENDENTS		
					BUTTERFAT VALUE(per lb.)	SKIM VALUE(per cwt.)	CLASS I PRICE	BUTTERFAT VALUE(per lb.)	SKIM VALUE(per cwt.)	CLASS I PRICE
1-0	Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$0.29	\$1.14	\$2.6082	\$12.87	\$21.55	\$2.6053	\$12.58	\$21.26
2-0	East Central Pennsylvania Milk Marketing Area	\$2.80	\$0.29	\$1.14	\$2.6057	\$12.62	\$21.30	\$2.6028	\$12.33	\$21.01
3-0	Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$0.29	\$1.14	\$2.6057	\$12.62	\$21.30	\$2.6028	\$12.33	\$21.01
4-0	South Central Pennsylvania Milk Marketing Area	\$2.90	\$0.29	\$1.14	\$2.6067	\$12.72	\$21.40	\$2.6038	\$12.43	\$21.11
5-0	Western Pennsylvania Milk Marketing Area	\$2.30	\$0.29	\$1.14	\$2.6007	\$12.12	\$20.80	\$2.5978	\$11.83	\$20.51
6-0	West Central Pennsylvania Milk Marketing Area	\$2.50	\$0.29	\$1.14	\$2.6027	\$12.32	\$21.00	\$2.5998	\$12.03	\$20.71

\* Includes Fuel Adjustment of \$0.14 Per Hundredweight

Advance Cheddar Price	\$1.7007
Advance Butter Price	\$2.2883
Advance Nonfat Dry Milk Price	\$1.0167
Advance Dry Whey Price	\$0.3839
Advance Class III Price	\$16.44
Advance Class IV Price	\$16.27

Cheddar Price	\$1.6910
AA Butter Price	\$2.3663
Nonfat Dry Milk Price	\$1.0431
Dry Whey Price	\$0.3643
Somatic Cell Rate	\$0.00085

Class I	
Skim Price	\$ 8.39
Butterfat Price	\$2.5634
Base Price @3.5% Butterfat	\$17.07
Butterfat Differential	\$0.2479

Class III	
Skim Price	\$7.22
Butterfat Price	\$2.6579
Price @ 3.5% Butterfat	\$16.27
Butterfat Differential	\$0.2586
Protein Price	\$2.0046
Other Solids Price	\$0.1702

Class II	
Skim Price	\$8.26
Butterfat Price	\$2.6649
Price @ 3.5% Butterfat	\$17.30
Butterfat Differential	\$0.2582
Class II Nonfat Solids Price	\$0.9178

Class IV	
Skim Price	\$7.80
Butterfat Price	\$2.6579
Price @ 3.5% Butterfat	\$16.83
Butterfat Differential	\$0.2580
Nonfat Solids Price	\$0.8665

## BOARD STAFF REBUTTAL EXHIBIT 5

YEAR 2017

Table 1

Incorporation into Dealer Costs	
Total Cross Section Dealers paying Coop premium	6
Total Cross Section Dealers paying Coop premium getting full recovery	0
Percentage of cross section dealers paying Coop premium getting full recovery	0.00%
Total Cross Section Dealer Coop premium obligation	\$406,051
Total recovery by Cross Section dealers	\$190,748

Table 2

Obligation and Recovery of the Nineteen Cross Section Dealers			
	<u>Obligation</u>	<u>Recovery</u>	<u>Recovery - Obligation</u>
Dealer 1, 2 and 3	\$357,294	\$41,497	(\$315,797)
Dealer 4, 5 and 6	\$48,757	\$9,224	(\$39,533)
Dealer 7 thru 19	<u>\$0</u>	<u>\$140,027</u>	<u>\$140,027</u>
	\$406,051	\$190,748	(\$215,303)