

**SUPPLEMENTAL SURREBUTTAL EXHIBIT D4
FOURTH QUARTER COMPARISON**

PMMB AREA 4

COST REPLACEMENT HEARING

COST INCREASES (DECREASES) FOR LABOR, INSURANCE AND UTILITY COSTS

**Galliker Dairy Co., Inc., Harrisburg Dairies, Inc., Rutter Bros. Dairy, Inc.,
Swiss Premium Dairy, Inc., Turkey Hill L.P., Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven**

Type of Expense	Weighted Expenses for 4th Quarter (1)		Weighted Points for 4th Quarter (1)		Cost Per Point		Increase (Decrease) Per Point
	2013	2012	2013	2012	2013	2012	
Labor and fringe benefits	\$ 7,987,476	\$ 8,148,074	65,988,686	66,732,401	\$0.1210	\$0.1221	(\$0.0011)
Utilities	461,142	439,608	65,988,686	66,732,401	0.0070	0.0066	0.0004
Insurance	64,649	85,874	65,988,686	66,732,401	0.0010	0.0013	<u>(0.0003)</u>
							<u><u>(\$0.0010)</u></u>

(1) Weighted based on sales in PMMB Area 4

**SUPPLEMENTAL SURREBUTTAL EXHIBIT D4-A
FOURTH QUARTER COMPARISON**

PMMB AREA 4

COST REPLACEMENT HEARING

**COMPARISON OF COST INCREASES (DECREASES) BETWEEN
THE SECOND QUARTERS AND THE FOURTH QUARTERS**

**Galliker Dairy Co., Inc., Harrisburg Dairies, Inc., Rutter Bros. Dairy, Inc.,
Swiss Premium Dairy, Inc., Turkey Hill L.P., Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven**

	<u>4th Quarter - 2013</u>	<u>4th Quarter - 2012</u>	<u>Increase (Decrease)</u>		<u>2nd Quarter - 2013</u>	<u>2nd Quarter - 2012</u>	<u>Increase (Decrease)</u>	
<u>Weighted Expenses (1)</u>								
Labor and fringe benefits	\$ 7,987,476	\$ 8,148,074	\$(160,598)	-2.0%	\$ 7,846,876	\$ 7,552,250	\$ 294,626	3.9%
Utilities	461,142	439,608	21,534	4.9%	437,199	400,871	36,328	9.1%
Insurance	64,649	85,874	(21,225)	-24.7%	65,195	78,111	(12,916)	-16.5%
Total	<u>\$ 8,513,267</u>	<u>\$ 8,673,556</u>	<u>\$(160,289)</u>	<u>-1.8%</u>	<u>\$ 8,349,270</u>	<u>\$ 8,031,232</u>	<u>\$ 318,038</u>	<u>4.0%</u>
 <u>Weighted Points (1)</u>								
Bottling cost center	65,988,686	66,732,401	(743,715)	-1.1%	67,146,327	72,551,188	(5,404,861)	-7.4%
 <u>Weighted Cost per Point (1)</u>								
Labor and fringe benefits	\$ 0.1210	\$ 0.1221	\$ (0.0011)	-0.9%	\$ 0.1169	\$ 0.1041	\$ 0.0128	12.3%
Utilities	0.0070	0.0066	0.0004	6.1%	0.0065	0.0055	0.0010	18.2%
Insurance	0.0010	0.0013	(0.0003)	-23.1%	0.0010	0.0011	(0.0001)	-9.1%
Total	<u>\$ 0.1290</u>	<u>\$ 0.1300</u>	<u>\$ (0.0010)</u>	<u>-0.8%</u>	<u>\$ 0.1244</u>	<u>\$ 0.1107</u>	<u>\$ 0.0137</u>	<u>12.4%</u>

(1) Weighted based on sales in Area 4

**SUPPLEMENTAL SURREBUTTAL EXHIBIT D9-A
FOURTH QUARTER COMPARISON**

PMMB AREA 4

COST REPLACEMENT HEARING

**CALCULATION OF WHOLESALE MINIMUM PRICE
GALLON REDUCED FAT MILK (2%) FOR JANUARY 2014**

**Galliker Dairy Co., Inc., Harrisburg Dairies, Inc., Rutter Bros. Dairy, Inc.,
Swiss Premium Dairy, Inc., Turkey Hill L.P., Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D2-B	1.9830%	2.0034%	-0.0204%
Butterfat price as announced by PMMB	(1)	\$ 1.8306 per lb.	\$ 1.8306 per lb.	
Extended butterfat value		\$ 0.0363 per lb.	\$ 0.0367 per lb.	
Skim price as announced by PMMB	(1)	\$ 20.96 per Cwt	\$ 20.96 per Cwt	
Extended skim value		\$ 0.2054 per lb.	\$ 0.2054 per lb.	
Total milk value at announced prices		<u>\$ 0.2417</u> per lb.	<u>\$ 0.2421</u> per lb.	<u>\$(0.0004)</u>
Ingredient cost	D2	0.0021	0.0018	
Cost of shrinkage / bulk milk & cream	D7	<u>(0.0004)</u>	<u>(0.0003)</u>	
Total milk cost per pound		<u>\$ 0.2434</u> per lb.	<u>\$ 0.2436</u> per lb.	<u>\$(0.0002)</u>
Pounds per gallon (conversion)		<u>8.62</u>	<u>8.62</u>	
Total milk cost per gallon		<u>\$ 2.0981</u>	<u>\$ 2.0998</u>	<u>\$(0.0017)</u>
Container cost (adjusted for shrinkage)	D8	0.1945 each	0.2001 each	(0.0056)
Cost center costs	D3	0.9144	0.9016	0.0128
4th quarter-to-4th quarter update	D4	(0.0040)	0.0024	(0.0064)
Container efficiency adjustment	(2)	(0.0842)	(0.0842)	-
Percentage discount adjustment	(2)	0.0032	0.0032	-
Diesel fuel adjustment	D5	(0.0032)	(0.0008)	(0.0024)
Heating fuels adjustment	D6	-	<u>(0.0004)</u>	<u>0.0004</u>
		<u>\$ 3.1188</u> each	<u>\$ 3.1217</u> each	<u>\$(0.0029)</u>
Dealer profit at 3.4%	(2)	<u>0.1098</u>	<u>0.1099</u>	
Subtotal		<u>\$ 3.2286</u> each	<u>\$ 3.2316</u> each	<u>\$(0.0030)</u>
Less: average delivery cost	(2)	(0.3708)	(0.3708)	
Add: high cost delivery	(2)	<u>0.8152</u>	<u>0.8152</u>	
Wholesale price		<u>\$ 3.6730</u> each	<u>\$ 3.6760</u> each	<u>\$(0.0030)</u>

(1) As announced for January 2014 by PMMB on December 19, 2013.

(2) Per OGO A-963 (CRO 3) as updated.

(3) Per OGO A-972 "Price Adjustments to Account for Interaction of Milk Prices and Wholesale Percentage Discounts."

**SUPPLEMENTAL SURREBUTTAL EXHIBIT D9-B
FOURTH QUARTER COMPARISON**

PMMB AREA 4

COST REPLACEMENT HEARING

**CALCULATION OF WHOLESALE MINIMUM PRICE
HALF PINT FLAVORED NONFAT MILK (SKIM) FOR JANUARY 2014**

**Galliker Dairy Co., Inc., Harrisburg Dairies, Inc., Rutter Bros. Dairy, Inc.,
Swiss Premium Dairy, Inc., Turkey Hill L.P., Tuscan/Lehigh Dairies, L.P. – Schuylkill Haven**

	<u>Reference</u>	<u>Proposed Order</u>	<u>Current Order (2)</u>	<u>Change</u>
Butterfat test	D2-B	0.0974%	0.0899%	0.0075%
Butterfat price as announced by PMMB	(1)	\$ 1.8306 per lb.	\$ 1.8306 per lb.	
Extended butterfat value		\$ 0.0018 per lb.	\$ 0.0016 per lb.	
Skim price as announced by PMMB	(1)	\$ 20.96 per Cwt	\$ 20.96 per Cwt	
Extended skim value		\$ 0.2094 per lb.	\$ 0.2094 per lb.	
Total milk value at announced prices		<u>\$ 0.2112</u> per lb.	<u>\$ 0.2111</u> per lb.	<u>\$ 0.0001</u>
Ingredient cost	D2	0.0332	0.0389	
Cost of shrinkage / bulk milk & cream	D7	(0.0004)	(0.0003)	
Total milk cost per pound		<u>\$ 0.2440</u> per lb.	<u>\$ 0.2497</u> per lb.	<u>\$ (0.0057)</u>
Pounds per gallon (conversion)		0.50	0.50	
Total milk cost per half pint		<u>\$ 0.1220</u>	<u>\$ 0.1249</u>	<u>\$ (0.0029)</u>
Container cost (adjusted for shrinkage)	D8	0.0270 each	0.0281 each	(0.0011)
Cost center costs	D3	0.0572	0.0564	0.0008
4th quarter-to-4th quarter update	D4	(0.0003)	0.0002	(0.0005)
Container efficiency adjustment	(2)	0.0210	0.0210	-
Percentage discount adjustment	(2)	0.0002	0.0002	-
Diesel fuel adjustment	D5	(0.0002)	(0.0001)	(0.0001)
Heating fuels adjustment	D6	-	-	-
		<u>\$ 0.2269</u> each	<u>\$ 0.2307</u> each	<u>\$ (0.0038)</u>
Dealer profit at 3.4%	(2)	0.0080	0.0081	
Subtotal		<u>\$ 0.2349</u> each	<u>\$ 0.2388</u> each	<u>\$ (0.0039)</u>
Less: average delivery cost	(2)	(0.0232)	(0.0232)	
Add: high cost delivery	(2)	0.0510	0.0510	
Wholesale price		<u>\$ 0.2627</u> each	<u>\$ 0.2666</u> each	<u>\$ (0.0039)</u>

(1) As announced for January 2014 by PMMB on December 19, 2013.

(2) Per OGO A-963 (CRO 3) as updated.

(3) Per OGO A-972 "Price Adjustments to Account for Interaction of Milk Prices and Wholesale Percentage Discounts."

COMPARATIVE INCOME STATEMENT
 PMMB CROSS-SECTION DEALERS
 SOURCE: PMMB-60s

<u>SUMMARY</u>	<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>CHANGE-2012 to 2011</u>		<u>CHANGE-2011 to 2010</u>	
									<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Net sales	\$ 2,029,577,151	\$ 2,068,609,849	\$ 1,914,710,984	\$ 1,707,884,295	\$ (39,032,698)	-1.9%	\$ 153,898,865	8.0%				
Cost of goods sold	<u>1,378,450,911</u>	<u>1,450,984,570</u>	<u>1,283,936,406</u>	<u>1,063,716,907</u>	<u>\$ (72,533,659)</u>	<u>-5.0%</u>	<u>167,048,164</u>	<u>13.0%</u>				
Gross margin	\$ 651,126,240	\$ 617,625,279	\$ 630,774,578	\$ 644,167,388	\$ 33,500,961	5.4%	\$ (13,149,299)	-2.1%				
	32.1%	29.9%	32.9%	37.7%								
Cost center costs	<u>610,640,181</u>	<u>594,857,657</u>	<u>582,747,350</u>	<u>584,449,070</u>	\$ 15,782,524	2.7%	<u>12,110,307</u>	<u>2.1%</u>				
Operating income	\$ 40,486,059	\$ 22,767,622	\$ 48,027,228	\$ 59,718,318	\$ 17,718,437	77.8%	\$ (25,259,606)	-52.6%				
	2.0%	1.1%	2.5%	3.5%								
Other income/expense	<u>(324,002)</u>	<u>688,299</u>	<u>886,494</u>	<u>2,730,380</u>	\$ (1,012,301)		<u>(198,195)</u>					
Net income	\$ 40,810,061	\$ 22,079,323	\$ 47,140,734	\$ 56,987,938	\$ 18,730,738		\$ (25,061,411)					
Cold room points	<u>2,298,967,683</u>	<u>2,324,095,739</u>	<u>2,387,645,475</u>	<u>2,307,313,004</u>	<u>(25,128,056)</u>	<u>-1.1%</u>	<u>(63,549,736)</u>	<u>-2.7%</u>				
Cost center costs / cold room points	\$ 0.2656	\$ 0.2560	\$ 0.2441	\$ 0.2533	\$ 0.0097	3.8%	\$ 0.0119	4.9%				