

Exhibit II

CLASS III & IV PRICE FORMULAS - COMPARISON BETWEEN CURRENT and NMPF PROPOSAL

NMPF PROPOSAL - Wt. Ave. new CA & RB-CS surveys including ROI + .0015 Mkt. cost & reduce Class IV BF value 6 cents per lb.

FORMULAS

		<u>March-2000</u>			
		<u>NASS Survey</u>	<u>Amount Per lb.</u>	<u>Quantity Per Cwt</u>	<u>Per cwt. Price</u>
Class III					
Protein Price					
Current	$((\text{NASS Chz Survey} - .1702) * 1.405) + (((\text{NASS Chz Survey} - .1702) * 1.582) - \text{Butterfat price}) * 1.28$	1.1093	1.92	3.1	5.73
Proposal	$((\text{NASS Chz Survey} - .1536) * 1.405) + (((\text{NASS Chz Survey} - .1536) * 1.582) - \text{Butterfat price}) * 1.28$	1.1093	1.95	3.1	5.82
Difference Proposal vs Current			0.03		0.09
Butterfat Price (Class III & IV Different)					
Current	$((\text{NASS Butter Survey} - .114) / 0.82)$	0.9497	1.02	3.5	3.57
Proposal	$((\text{NASS Butter Survey} - 0.096) / 0.82)$	0.9497	1.04	3.5	3.64
Difference Proposal vs Current			0.02		0.08
Other Solids Price					
Current	$((\text{NASS Dry Whey Survey} - .137) / .968)$	0.1780	0.04	5.9	0.24
Proposal	$((\text{NASS Dry Whey Survey} - .150) / .968) (.150 = \text{NDM} .140 + .01 \text{ Estimated Whey Cost Over NDM})$	0.1780	0.03	5.9	0.16
Difference Proposal vs Current			-0.01		-0.08
Class III Price					
Current	$((\text{Protein Price} * 3.1) * .965) + (\text{Other Solids} * 5.9 * .965) + (\text{Butterfat Price} * 3.5)$				9.54
Proposal	$((\text{Protein Price} * 3.1) * .965) + (\text{Other Solids} * 5.9 * .965) + (\text{Butterfat Price} * 3.5)$				9.63
Difference Proposal vs Current					0.09
Class IV					
Nonfat Solids Price					
Current	$((\text{NASS NDM Survey} - 0.137) / 1.02)$	1.0094	0.86	9.0	7.43
Proposal	$((\text{NASS NDM Survey} - 0.140) / 1.02)$	1.0094	0.85	9.0	7.40
Difference Proposal vs Current			0.00		-0.03
Butterfat Price (Class IV minus 6 cents)					
Current	$((\text{NASS Butter Survey} - 0.114) / 0.82)$	0.9497	1.02	3.5	3.57
Proposal	$((\text{NASS Butter Survey} - 0.096) / 0.82) - .06$	0.9497	0.98	3.5	3.43
Difference Proposal vs Current			-0.04		-0.14
Class IV Price					
Current	$((\text{Solids Price} * 9) * .965 + (\text{Butterfat Price} * 3.5))$				11.00
Proposal	$((\text{Solids Price} * 9) * .965 + (\text{Butterfat Price} * 3.5))$				10.83
Difference Proposal vs Current					-0.17
Butterfat Difference					
Reducing the Class IV butterfat price 6 cents per pound reduces the Class IV price @ 3.5% by 21 cents per cwt.					
Reducing the butter make allowance from \$0.114 to \$0.096 increases the Class IV price @ 3.5% by 7 cents per cwt..					