

### Cost Structure of Fluid Milk Plants of Various Sizes

		Producer Handler- A		B		C	
		131	124	131	124	131	124
Monthly Volume	Class 1 Lbs.	90,000	90,000	2,000,000	2,000,000	5,000,000	5,000,000
Convert to Gallons		10,465	10,465	232,600	232,600	581,400	581,400
Gallons Per Day	(6 Days/WK)	400	400	8,900	8,900	22,400	22,400
Container Source		Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
<u>Cost Per Gallon</u>							
Plant Processing Costs		0.806	0.878	0.466	0.508	0.432	0.471
Packaging Costs (Container)		0.160	0.160	0.142	0.142	0.142	0.142
Shrink		0.042	0.042	0.021	0.021	0.018	0.018
	Per Gallon	1.008	1.080	0.629	0.671	0.592	0.631
	Per CWT	11.71	12.55	7.31	7.80	5.88	7.33

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 Cropper & Assoc., Ltd.  
 E. Cropper # 50491

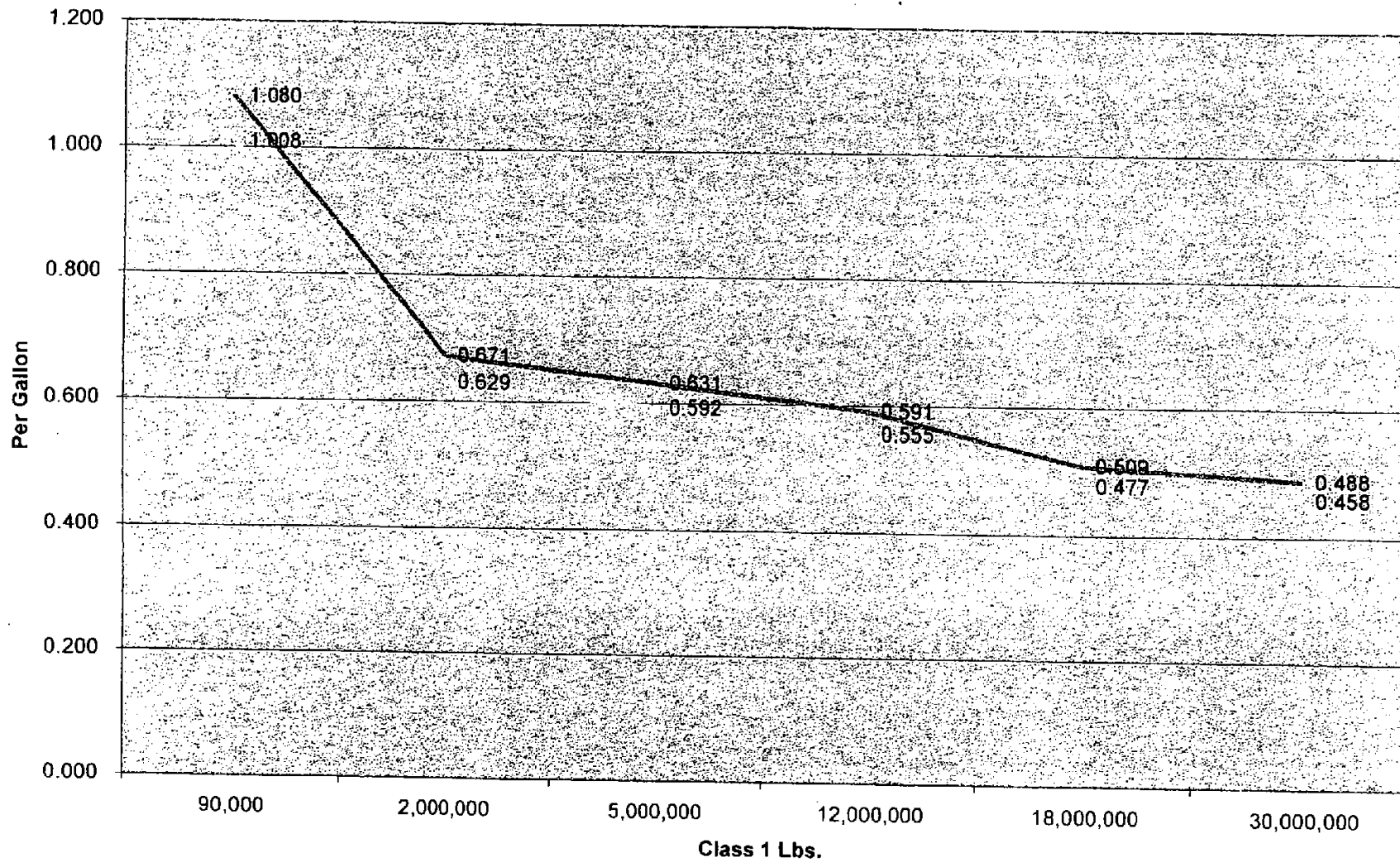
EXHIBIT A

### Cost Structure of Fluid Milk Plants of Various Sizes

		<u>D</u>		<u>E</u>		<u>F</u>	
		<b>131</b>	<b>124</b>	<b>131</b>	<b>124</b>	<b>131</b>	<b>124</b>
Monthly Volume	Class 1 Lbs.	12,000,000	12,000,000	18,000,000	18,000,000	30,000,000	30,000,000
Convert to Gallons		1,395,300	1,395,300	2,093,000	2,093,000	3,488,400	3,488,400
Gallons Per Day	(6 Days/WK)	53,700	53,700	80,500	80,500	134,200	134,200
Container Source		Purchase	Purchase	Blow-Mold	Blow-Mold	Blow-mold	Blow-mold
<u>Cost Per Gallon</u>							
Plant Processing Costs		0.398	0.434	0.350	0.382	0.335	0.365
Packaging Costs (Container)		0.142	0.142	0.113	0.113	0.113	0.113
Shrink		0.015	0.015	0.014	0.014	0.010	0.010
	<b>Per Gallon</b>	<u>0.555</u>	<u>0.591</u>	<u>0.477</u>	<u>0.509</u>	<u>0.458</u>	<u>0.488</u>
	<b>Per CWT</b>	<u>6.45</u>	<u>6.87</u>	<u>5.54</u>	<u>5.91</u>	<u>5.32</u>	<u>5.67</u>

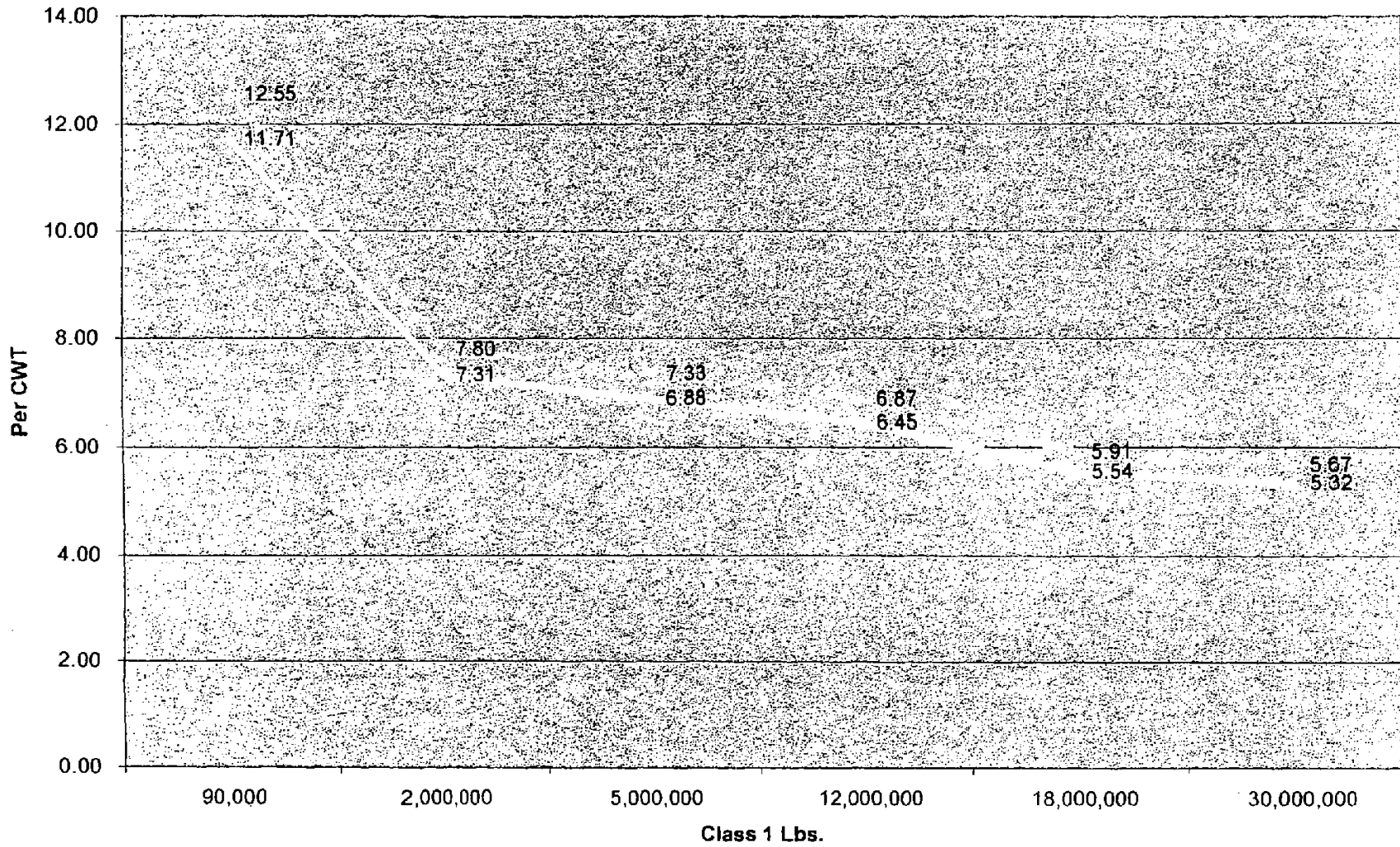
Exhibit 6

### Cost Structure of Fluid Milk Plants



C

### Cost Structure of Fluid Milk Plants



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**Comparative Analysis of Return to Producer Handlers  
and Regulated Distributing Plants Supplying a  
Warehouse Store**

<b>January to June 2003.</b>	<b>Reduced Fat 2% - 2 Gallon Package</b>	
Average retail (out of store prices)		\$3.2900
Warehouse store markup at	8%	<u>0.2632</u>
Warehouse store markup at	14%	<u>0.4606</u>
	<b>14%</b>	<b>8%</b>
PRICE paid to dairy supplier	<u>2.8294</u>	<u>3.0268</u>
<b>Dairy Supplier Costs:</b>		
Plant	0.4302	0.4302
Packaging	0.3480	0.3480
Distribution	0.2960	0.2960
Shrinkage	0.0290	0.0290
Milk PEP	0.0340	0.0340
<b>TOTAL COST</b>	<u>1.1372</u>	<u>1.1372</u>
<b>VALUE OF RAW MILK</b>	<u>1.6922</u>	<u>1.8896</u>
Convert to one gallon	<u>\$0.8461</u>	<u>\$0.9448</u>
Convert to CWT	<u>\$ 9.83</u>	<u>\$ 10.97</u>
<b><u>Analysis of Implied Return per CWT:</u></b>		
Class I cost - FO 131	10.53	10.53
FO 131 - Uniform Price	8.79	8.79
Compare to Class I (under)	(0.70)	0.44
Compare to Uniform Price	1.04	2.18

EXHIBIT E

## Warehouse Store By Producer Handler - A

<u>January to June 2003</u>	Product Butterfat Test	<u>2 GALLON Package</u> <u>Reduced Fat</u> 2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
 <u>Cost Per 2 Gal Box</u>		
Plant Cost		1.612
Packaging Cost		0.432
Distribution Cost		0.296
Shrinkage Cost		0.084
Raw Milk		<u>1.836</u>
Total Cost		<u>4.260</u>
(Loss) per 2 gallons		<u>\$ (1.233)</u>
(Loss) per CWT		<u>\$ (7.16)</u>

EXHIBIT F

## Warehouse Store By Pool Distributing Plant - B

<u>January to June 2003</u>	Product	<u>2 GALLON Package</u>
	Butterfat Test	Reduced Fat 2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
<u>Cost Per 2 Gal Box</u>		
Plant Cost		0.932
Packaging Cost		0.396
Distribution Cost		0.296
Shrinkage Cost		0.042
Raw Milk		<u>1.836</u>
Total Cost		<u>3.502</u>
(Loss) per 2 gallons		<u>\$ (0.475)</u>
(Loss) per CWT		<u>\$ (2.76)</u>

EXHIBIT G

## Warehouse Store By Pool Distributing Plant - C

<u>January to June 2003</u>	Product	<u>2 GALLON Package</u>
	Butterfat Test	<u>Reduced Fat</u> 2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
 <u>Cost Per 2 Gal Box</u>		
Plant Cost		0.864
Distribution Cost		0.296
Packaging Cost		0.396
Shrinkage Cost		0.036
Milk Pep		0.034
Raw Milk		<u>1.836</u>
Total Cost		<u>3.462</u>
(Loss) per 2 gallons		<u>\$ (0.435)</u>
(Loss) per CWT		<u>\$ (2.53)</u>

EXHIBIT H



## Warehouse Store By Pool Distributing Plant - D

<u>January to June 2003</u>	Product	<u>2 GALLON Package</u>
	Butterfat Test	<u>Reduced Fat</u>
		2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
<u>Cost Per 2 Gal Box</u>		
Plant Cost		0.796
Packaging Cost		0.396
Distribution Cost		0.296
Shrinkage Cost		0.030
Milk Pep		0.034
Raw Milk		<u>1.836</u>
Total Cost		<u>3.388</u>
(Loss) per 2 gallons		<u>\$ (0.361)</u>
(Loss) per CWT		<u>\$ (2.10)</u>

EXHIBIT I

## Warehouse Store By Pool Distributing Plant - E

<u>January to June 2003</u>	Product	<u>2 GALLON Package</u>
	Butterfat Test	<u>Reduced Fat</u> 2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
<u>Cost Per 2 Gal Box</u>		
Plant Cost		0.700
Packaging Cost		0.348
Distribution Cost		0.296
Shrinkage Cost		0.028
Milk Pep		0.034
Raw Milk		1.836
Total Cost		3.242
(Loss) per 2 gallons		\$ (0.215)
(Loss) per CWT		\$ (1.25)

Exhibit

# Warehouse Store By Pool Distributing Plant - F

<u>January to June 2003</u>	Product Butterfat Test	<u>2 GALLON Package</u> Reduced Fat 2.00%
Price Paid to Dairy Supplier	2 Gallons	3.027
<u>Cost Per 2 Gal Box</u>		
Plant Cost		0.670
Packaging Cost		0.348
Distribution Cost		0.296
Shrinkage Cost		0.020
Milk Pep		0.034
Raw Milk		1.836
Total Cost		3.204
(Loss) per 2 gallons		\$ (0.177)
(Loss) per CWT		\$ (1.03)

Exhibit K