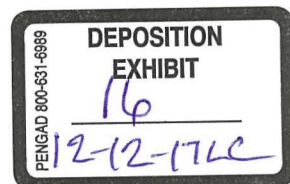


Lone Star Milk Producers, Inc.

**Calculation of Marketing Losses on Rerouted Movements of Milk
September 6 through September 15, 2017 - Hurricane Irma**

DIFFERENCES IN MEMBER MILK HAULING COSTS:

Milk typically Delivered to	Total Pounds Delivered to	Cost of Hauling to plant <u>of Delivery</u>	Cost of Hauling to Winter <u>Haven, FL</u>	\$ Value Hauling cost Gain or <u>(Loss)</u>	
Borden - Winter Haven, FL					
Which was actually Delivered to Alternate Locations <u>Outside the State of Florida:</u>	<u>Alternate Locations</u>				
Borden - Lafayette, LA				(\$28.05)	
Mayfield - Braselton, GA				\$2,765.18	
Pet Land-O-Sun - Spartanburg, SC				\$878.95	
Non pool manufacturing plant(s)				<u>\$460.72</u>	
NET HAULING COST SAVINGS	621,460	\$14,929.02	\$19,005.82	\$4,076.80	\$0.66 per cwt.



Lone Star Milk Producers, Inc.

**Calculation of Marketing Losses on Rerouted Movements of Milk
September 6 through September 15, 2017 - Hurricane Irma**

DIFFERENCES IN MEMBER MILK LOCATION DELIVERY VALUES:

Milk typically Delivered to Borden - Winter Haven, FL Which was actually <u>Delivered to:</u>	Total Pounds Delivered to Alternate <u>Locations</u>	F.O. Class I Differential @ plant <u>of Delivery</u>	F.O. Class I Differential @ Winter <u>Haven, FL</u>	Per CWT F.O. Location Gain or <u>(Loss)</u>	Total \$ Value F.O. Location Gain or <u>(Loss)</u>
Borden - Lafayette, LA					
Mayfield - Braselton, GA					
Pet Land-O-Sun - Spartanburg, SC					
Non pool manufacturing plant(s)					
TOTAL LOCATION LOSS	621,460	\$3.60 <u>1/</u>	\$5.40	(\$1.80)	(\$11,190.00) (\$1.80) per cwt.

1/ The weighted average of Class I differentials of all plants outside of Florida to which milk was delivered during the hurricane Irma period.

Lone Star Milk Producers, Inc.

**Calculation of Marketing Losses on Rerouted Movements of Milk
September 6 through September 15, 2017 - Hurricane Irma**

LOSSES DUE TO MEMBER MILK DUMPED:

Milk typically Delivered to Borden - Winter Haven, FL Which was actually <u>Dumped</u>	Skim Milk Pounds <u>Dumped</u>	Butterfat Pounds <u>Dumped</u>	F.O. Class IV Skim Milk <u>Price</u>	F.O. Class IV Butterfat <u>Price</u>	\$ Value Class IV Skim Milk <u>Dumped</u>	\$ Value Class IV Butterfat <u>Dumped</u>
Dumped at Baxley, GA	48,436	2,044	\$6.08	\$2.8559	<u>(\$2,944.91)</u>	<u>(\$5,837.46)</u>
TOTAL DUMPED MILK LOSS		50,480				<u>(\$8,782.37)</u> (\$17.40) per cwt.

LOSSES DUE TO MEMBER MILK SOLD AT LESS THAN MINIMUM CLASS PRICE:

Milk typically Delivered to Borden - Winter Haven, FL Which was sold at less than <u>F.O. Class Price to:</u>	Pounds Delivered to Alternate <u>Location(s)</u>	Loss vs. F.O. Class Price @ plant(s) <u>of Delivery</u>	\$ Value Class Price <u>(Loss)</u>
Non pool manufacturing plant(s)	288,000	<u>(\$7.69)</u>	<u>(\$22,147.20)</u>
TOTAL CLASS PRICE LOSS ON DISTRESSED MILK			<u>(\$22,147.20)</u>

GRAND TOTAL NET MARKETING LOSS DUE TO HURRICANE IRMA - L.S.M.P.	<u>(\$38,042.77)</u>
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Total Lone Star Milk Producers, Inc. Milk Rerouted or Dumped	671,940
Grand Total Net Losses per Hundredweight on Rerouted or Dumped Milk	<u>(\$5.66)</u>