



Milk Escalator / De-Escalator Pricing Clause

The pricing quote is based on the 2026 Federal Milk Marketing Order for Class I Skim and Class I Butterfat for the month noted in the top right corner of your bid. This pricing is subject to change as the cost of raw milk changes each month according to the USDA Federal Milk Market Price Announcements. The cost of milk fluctuates up and down each month based on the cost changes in raw milk. Changes of a minimum of \$0.15 per CWT (up or down) will move the cost of a half-pint \$ 0.001.

Prices will also be adjusted based on cost changes in packaging, ingredients, labor, fuel, juice concentrate and re-sale products. All price changes will become effective on the first day of the month following the price announcement. We have been notified of a June 1st cost increase in packaging as well as coco powder. This may equate with an increase of \$0.012 on white milk and \$0.019 on flavored milk but is subject to be slightly low or higher depending on the actual increase at that time.

