

general public, shall be assigned to all products and allocated on the basis of total dollar sales. None of the advertising or promotion expense shall be allocated to private label sales. Allocated occupancy expense shall be assigned to all products and allocated on the basis of total dollar sales.

(8) RAW MATERIAL EXPENSE. (a) The expenses shall include, but not be limited to, the following: raw milk; cream; skim purchased; ingredients; pre-processing expense; ice cream or ice milk mixes; condensed or concentrated milk or skim milk; dry milk powders; any other fluid or dry milk products.

(b) The cost of raw milk to a wholesaler, regulated by Federal Market Order, shall not be less than the applicable class price and its applicable butterfat differential announced by the Federal Market Order Administrator regulating such wholesaler and any additional cost to the wholesaler such as premiums, handling and all other charges, unless a lesser cost for any applicable class can be shown by the wholesaler. Such costs shall include any Federal Market Administrator audit adjustments.

(c) In the absence of proof of a lesser cost a producer wholesaler selling milk of his own production shall include a cost per hundredweight of milk not less than the average cost of production for Grade A milk produced in eastern Wisconsin as reported in the latest edition of the "Dairy Situation", published by the Economic Research Service, United States Department of Agriculture.

(d) Any wholesaler not regulated by Federal Market Order Administrator shall use the price actually paid for milk purchased from producers or other sources. The price shall include all additional costs, such as premiums, handling and all other related charges.

(e) In determining separate prices for a hundredweight of butterfat and skim milk, the computation involves applying the announced butterfat differential to the prices of 3.5% milk. The computations would be as follows:

Class I skim value = Class I price - (B.F. Diff.  $\times$  35)

Class I butterfat value = Class I price + (B.F. Diff.  $\times$  965)

Class II skim value = Class II price - (B.F. Diff.  $\times$  35)

Class II butterfat value = Class II price + (B.F. Diff.  $\times$  965)

(f) All raw materials purchased from sources other than producers shall be included at invoice cost.

(g) The cost accumulated in this category of raw material expenses shall be accumulated for all products processed, and converted by computation to unit costs in accordance with unit weights specified in Table VI.

**History:** Cr. Register, November, 1966, No. 131, eff. 12-1-66.

Ag 117.11 Unit labor and expense. (1) Expense summaries from other functional categories shall be converted into unit costs. Expense totals shall be divided by a quantitative factor which accurately reflects the volume or level of activity for that expense total.

(2) For dairy plant processing and packaging functions the following conversion factors shall be used: receiving—quart; pasteurizing and separating—points; bottle wash and sorting—quart equivalent (glass); fiber case handling—quart equivalent (paper); filling and

casing-paper—quart equivalent; filling and casing-glass—quart equivalent; filling and casing-cottage cheese—pound; bulk wash and filling—gallon; processing-other products—quart equivalent; processing-special products—pound or other unit of weight or measure customarily used; cold room—case; processing ice cream mix—gallon; packaging ice cream—gallon; packaging novelties—dozen; hardening ice cream—gallon, or dozen (novelties); loading platform-milk—case; loading platform-ice cream—gallon, or dozen (novelties); loading platform-special products—pound or other unit of measure.

(3) Expense summaries for each of the sales and distribution categories of sales, advertising and promotion shall be converted to unit cost on the following basis:

- (a) Milk products on the basis of pints.
- (b) Ice cream and novelty products on basis of gallons.
- (c) Special products on basis of the unit of quantity or measure in which they are customarily sold.
- (d) Sales, advertising and promotion expense not specifically allocated to sales or distribution categories shall be summarized and charged to all products equally on the basis of total dollars of sales; provided none of such expense shall be charged to private label sales.

(4) Each of the expense summaries for filling and casing-paper, filling and casing-glass, filling and casing-cottage cheese, and bulk washing and filling shall be further segregated into expenses and costs associated with specific package sizes. Total expenses for each of such functions shall be allocated to individual package sizes on the basis of the proportionate amount of time required to fill a normal day's production volume based upon the rated machine or line speed expressed in units per minute. In the event of a recent and significant change in filling equipment or method, the period chosen to determine filling machine line speed shall be limited to the period subsequent to the change.

**History:** Cr. Register, November, 1966, No. 131, eff. 12-1-66.

**Ag 117.12 Unit container cost.** (1) Unit container cost shall be determined for each size and type of container.

(2) In the case of glass containers the purchase price for each size and type of container shall be determined from purchase records. The purchase price shall be divided by the number of trips for each size and type of container to determine the unit trip cost. Trippage shall be determined from documented records. The cost of any additional packaging materials shall be added to the unit container cost. Container deposits actually charged to and collected from customers may be deducted from unit container cost.

(3) Purchase price for plastic and paper containers shall be determined from purchase records, to which shall be added costs due to losses in filling and the cost of any additional packaging materials to arrive at unit container cost.

**History:** Cr. Register, November, 1966, No. 131, eff. 12-1-66.

**Ag 117.13 Unit case cost.** Case costs shall be determined for each type and size of case by dividing the purchase price by the number of trips per case. The cost per case trip shall be divided by the number of containers each case holds to determine the case cost per unit sold.

**History:** Cr. Register, November, 1966, No. 131, eff. 12-1-66.