



When utilizing the Pricing Program, use the milk price calculation form to determine the price of milk charged to students.

## Milk Price Calculation

To determine the appropriate price to charge students who pay for milk in the SMP Pricing Program:

- Identify your purchase price per  $\frac{1}{2}$  pint of milk
  - If required, covert all milk purchased and milk served to  $\frac{1}{2}$  pints before continuing calculation
    - 1 gallon = 16 ( $\frac{1}{2}$  pints)
    - 5 gallons = 80 ( $\frac{1}{2}$  pints)
- Include any additional charges or fees
- Subtract the current reimbursement amount from your identified program cost
- This will give you an appropriate amount to charge to students
- If charging annually or by semester multiply the price by total number of operating days
- Always round to the nearest nickel

### Example #1:

Single Milk Purchase:

$\frac{1}{2}$  pint cost \$\_\_.  
+ \$0.05 administrative handling fee  
-\$\_\_.  
= \$\_\_.  
 $\frac{1}{2}$  pint price to charge students (rounded to the nearest nickel)

### Example #2:

	A	B	C	D
	Milk varieties	Amount of milk purchased for a one month period	Cost per half pint	Cost for each type of milk for the month
1				
2				
3	TOTALS			
4	WEIGHTED AVERAGE COST			
5		OPTIONAL HANDLING CHARGE		
6		CURRENT REIMBURSEMENT RATE		
7		PRICE		
8		PRICE CHARGED		