



Special Milk Program

Milk Price Calculation Worksheet

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 weighted cost of milk and the appropriate price to charge students who pay for their milk in the SMP Pricing Program:

- Identify your purchase price per $\frac{1}{2}$ pint of milk
 - If required, convert all milk purchased and milk served to $\frac{1}{2}$ pints before continuing calculation
 - Remember, 1 gallon = 16 ($\frac{1}{2}$ pints) and 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
- Always round to the nearest nickel

Example 1:

Single Milk Purchase:

Purchase Price		\$.30	(per $\frac{1}{2}$ pint)
Handling Fee	+	\$.05	(optional)
Program Costs	=	<u>\$.35</u>	
Reimbursement	-	\$.20	(Current Rate for SY 15-16)
	=	<u>\$.12</u>	
		<u>\$.15</u>	(Round to the nearest nickel)

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Example 2:

Multiple Milk Varieties Purchased:

	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	LIST TYPES OF MILK HERE	ENTER THE NUMBER OF MILKS PURCHASED FOR THE MONTH	ENTER PRICE PAID FOR EACH MILK TYPE	$(B \times C = D)$
2				
3				
4				
5	TOTALS	= SUM OF ALL MILK PURCHASED		= SUM OF ALL MILKS FOR THE PURCHASED FOR THE MONTH
6	WEIGHTED AVERAGE COST			= $D5/B5$
7		OPTIONAL HANDLING CHARGE		OPTIONAL + $(\$.05)$
8		CURRENT REIMBURSEMENT RATE		+ $(\text{CURRENT REIMBURSEMENT RATE})$
9		FORMULA PRICE		= $((D6 + D7) - D8)$ = PRICE CHARGED TO STUDENTS
10		PRICE CHARGED		ROUND TO THE NEAREST NICKEL

EXAMPLE	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	1% WHITE	1400	.1826	255.64
2	NONFAT CHOCOLATE	825	.1956	161.37
3				
4				
5	TOTALS	2225		417.01
6	WEIGHTED AVERAGE COST			.1874
7		OPTIONAL HANDLING CHARGE		.05
8		CURRENT REIMBURSEMENT RATE		.20
9		FORMULA PRICE		.0374
10		PRICE CHARGED		.05

Where can I learn more?

- <http://www.cde.state.co.us/nutrition/nutrimilk>
- <http://www.fns.usda.gov/smp/special-milk-program>

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