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 ½ pint of milk
	+ If required, covert all milk purchased and milk served to ½ pints before continuing calculation
		- 1 gallon = 16 (1/2 pints)
		- 5 gallons = 80 (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:

½ pint cost $\_\_.\_\_

+ $0.05 administrative handling fee

–$\_\_.\_\_ current year reimbursement rate

= $\_\_.\_½ 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 | list types of milk here | enter the number of milks purchased for the month | enter price paid for each milk type | (B x C = D) |
| 2 |  | Milk Type B | Price of Milk type B | (B x C = D) |
| 3 | TOTALS | = sum of all milk purchased |  | = sum of all milks for the purchased for the month |
| 4 | Weighted average cost | = D3/B3 |
| 5 |  | Optional handling charge |  optional +($0.05) |
| 6 |  | Current reimbursement rate | -(current reimbursement rate) |
| 7 |  | price | = price charged to students |
| 8 |  | Price charged | round to the nearest nickel |



Special Milk Program (SMP)

Milk Price Calculation Worksheet