Milk Escalator / De-Escalator Pricing Clause (DFA Supplied)

The pricing quoted is based on **July's 2018** Federal Milk Marketing Order for Class I Skim and Class I Butterfat. This pricing is subject to change as the cost of raw milk changes each month according to the USDA Federal Milk Market Price Announcements and Dairy Farmers of America.

The cost of milk fluctuates up and down each month based on the cost changes in raw milk. Changes of a minimum of \$.10 per CWT (up or down) will move the cost of a half pint \$.00054.

Prices will also be adjusted up or down based on cost changes in packaging, ingredients, labor, fuel, juice concentrate, re-sale products (ex. Tropicana, Sport Shake), etc. Supporting documentation will be supplied upon request.

All price changes will become effective on the 1st day of the month following the price announcement.

CERTIFICATE OF NON-COLLUSION/INDEPENDENT PRICE DETERMINATION

The undersigned certifies that the preparation and submission of the attached bid have been conducted independently, without consultation, communication, or agreement with any other bidder or potential bidder and that there will be no consultation, communication, or agreement on the price, terms, and conditions of this bid by or on behalf of Hiland Dairy Foods Co., LLC with any other bidder or potential bidder prior to the official opening of the bid.

Date: April 30, 2018

Hiland Dairy Foods Co., LLC

Rick Beaman

Rick Beaman General Sales Manager Page 4 of 6

FORT SMITH PUBLIC SCHOOLS 3205 JENNY LIND ROAD P.O. BOX 1948

FORT SMITH, AR. 72902-1948

Vendor/Company: Hiland Dairy Foods

Bid Opening: April 30, 2018

Telephone No. : (479) 782-0383

Signature of Authorized Representative_

Date 4/27/2018

ITEM NO.	SPECIFICATIONS	ALTERNATE I Price on Escalator/de/Escalator Schedule	ALTERNATE II Price on Escalator/de/Escalator Schedule	ALTER Price on Schedule
1.	Milk, fluid, fat-free, unflavored, 8 oz		July 1, 2018 Highest Price, Firm (Ceiling)	
2.	Milk, fluid, 1%, unflavored, 8 oz	.2310 July 1, 2018 .2510 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	
3.	Milk, fluid, fat-free, chocolate flavored, 8 oz (No more than thirty (30) grams total sugar per eight (8) ounce serving.)		July 1, 2018 Highest Price, Firm (Ceiling)	
4.	Milk, fluid, fat-free, strawberry flavored, 8 oz (No more than thirty (30) grams total sugar per eight (8) ounce serving.)		July 1, 2018 Highest Price, Firm (Ceiling)	
5.	Milk, fluid, fat-free, vanilla flavored, 8 oz (No more than thirty (30) grams total sugar per eight (8) ounce serving.)		July 1, 2018 Highest Price, Firm (Ceiling)	

Page 5 of 6

ITEM NO.	SPECIFICATIONS	ALTERNATE I Price on Escalator/de/Escalator Schedule	ALTERNATE II Price on Escalator/de/Escalator Schedule	ALTEI Price oi Schedu
6.	Milk, fluid, 2%, lactose-free, unflavored, ½ gal	3.03 July 1, 2018 3.19 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	
7.	Milk, fluid, 1%, buttermilk, ½ gal	1.81 July 1, 2018 1.97 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	
8.	Yogurt, low-fat, flavored, 6 oz		July 1, 2018 Highest Price, Firm (Ceiling)	
9.	Yogurt, low-fat, flavored, 4 oz		July 1, 2018 Highest Price, Firm (Ceiling)	
10.	Cream, sour, "light", 5 lb	B.75 July 1, 2018 9.75 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	
11.	Cheese, cottage, low-fat, 5 lb	9.35 July 1, 2018 10.35 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	

Page 6 of 6

ITEM NO.	SPECIFICATIONS	ALTERNATE I Price on Escalator/de/Escalator Schedule	ALTERNATE II Price on Escalator/de/Escalator Schedule	ALTEI Price or Schedul
12.	Juice, Orange, 100%, from Concentrate, 4 oz (51% of final product must consist of oranges grown in the U.S.)	.1775 July 1, 2018 .1900 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	
13.	Juice, Apple, 100%, from Concentrate, 4 oz (51% of final product must consist of apples grown in the U.S.)	.1650 July 1, 2018 .1775 Highest Price, Firm (Ceiling)	July 1, 2018 Highest Price, Firm (Ceiling)	