



May 4, 2021

Belmond-Klemme CSD  
Attn: Kim Belstene  
Food Service Director  
411 10th Ave. NE  
Belmond IA. 50421

Dear Ms. Belstene,

We wish to submit the following quotations on dairy products to be used by the Belmond-Klemme Community School District during the 2021-22 school year.

½ pint 1% Milk	-	.2500
½ pint Skim Milk	-	.2410
½ pint Chocolate Skim Milk	-	.2600
½ pint 1% Chocolate Milk	-	.2720
½ pint 100% Orange Juice	-	.3600

Prices quoted are subject to the attached escalator clause.

We furnish and maintain all necessary milk coolers. Please note that when a school system owns their own coolers .0050 ½ pint can be deducted.

Delivery schedule will be as mutually agreed upon.

Sincerely,

Bob Seidl  
Accounting Manager  
ANDERSON ERICKSON DAIRY

ANDERSON ERICKSON DAIRY



**RIDICULOUSLY HIGH STANDARDS.**

## **ESCALATOR CLAUSE**

### FLUID MILK PRODUCTS:

The prices in this bid are based on the Class I price (at 3.5% butterfat) plus premiums. The Class I price is established under the terms of the Central Federal Milk Market Order #32. The price established for the month of May 2021 is \$21.46 per 100 lbs. The components of this price include: Class I Skim Price - \$10.56/cwt.; Class I Butterfat Price - \$1.9755/lb; Location Adjustment - \$1.80/cwt.; Premiums - \$2.56/cwt.

The formula for price adjustments of fluid milk delivered in half-pint and all other size containers is as follows:

- a. Compute the difference per hundredweight for Class I milk between the price for the month in question and the price for the base month indicated above (or the most recent month in which prices were adjusted) based on the factors relating to the actual cost of each product. Actual cost for each product is determined as follows:  
(Skim factor) \* (Skim price) + (Butterfat factor) \* (Butterfat price) + Location adjustment + Premiums. Skim factors/Butterfat factors are as follows: Whole milk - .9665/3.35; 2% milk - .9800/2.00; 1% milk - .9900/1.00; Skim milk - .9995/.05.
- b. Multiply this difference per hundredweight by .086 (8.6 / 100 – 8.6 lbs. to each gallon of milk) to calculate the difference in price per gallon.
- c. One-sixteenth of this difference is the amount of change in price for each one-half pint container of milk. All other size containers will be proportional.
- d. If the price for Class I milk is higher during the month in question than in the base month, the sum will be added to the previous price charged by the vendor. If the price for Class I milk is lower during the month in question than in the base month, the sum will be deducted from the previous price charged by the vendor.

### ALL PRODUCTS:

Prices bid on all products are subject to change based on price changes from our suppliers including but not limited to fuel, packaging and ingredients. Supporting documentation is available upon request.

**ANDERSON ERICKSON DAIRY**

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