



# State of New Jersey

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## PRESUMPTIVE WHOLESALE PRICING FOR THE MONTH AUGUST 2021

The New Jersey milk market continues to be affected by varying pricing levels of conventional fluid milk. The Division has decided after review and survey of the current marketing conditions that presumptive pricing now must include Skim, 1%, and 2% as part of the general announcement. The Division will continue to survey the wholesale market at the point where the milk enters retail sales to determine the current market average and presumed price for each type of conventional packaged milk. .

According to **N.J.A.C. 2:48-1.1** New Jersey is divided into two milk marketing areas and the Department announces in its monthly Class 1 Advanced Milk Price Announcement, two prices of raw milk cost converted to container size to determine variable cost. There for their will be two presumptive retail milk prices established each month which will follow the areas out lined in the regulation. For simplicity the area north of I-195 shall utilize the North Jersey Presumptive Price and the area south of I-195 shall utilize the South Jersey Presumptive Pricing

Each and every dealer is involved in the presumptive prices situation and will have the ability to justify their variable cost as outlined in N.J.A.C 2:52-7. The presumptive variable wholesale price established must be maintained until said dealer presents information with back up documentation showing in detail their variable cost of each type of milk product being sold below the presumptive price. If the variable cost is justified upon review by the Department, then and only then will the dealer or store be allowed to sell at or above their established variable cost. **Due to the unprecedented situation that exists, and it effects on the entire industry as they continue to be discovered, monthly surveyed costs have shown significant increase in processing and distribution. Each month's presumptive announcement will reflect the changes in this discovery of variable costs associated throughout the industry. These changes are above and beyond the changes in the raw milk price movement.**

## PRESUMPTIVE WHOLSALE PRICING FOR THE MONTH AUGUST 2021

	North Jersey		South Jersey	
	Gallons	½ Gallons	Gallons	½ Gallons
Whole Milk (3.25 BF)	\$3.3689	\$2.1062	\$3.3603	\$2.1025
2%	\$3.1729	\$2.0083	\$3.1678	\$2.0040
1%	\$3.0194	\$1.9083	\$3.0154	\$1.9039
Skim	\$2.9015	\$1.8586	\$2.8929	\$1.8542

Quantity Discounts – since the New Jersey Milk Control Act licenses stores based on volume N.J.A.C.2:56-1.2, a presumptive wholesale discount can be justified based on volumes into individual stores.

License Fee	Volume of all Milk Milk products	% presumptive discount off presumptive wholesale
\$30	less than 500 qt equivalents per week	use presumptive wholesale
\$60	501 – 1500 qt equivalents per week	3% discount
\$90	1501 – 3000 qt equivalents per week	5% discount
\$120	more than 3001 qt equivalents per	7% discount

NOTE: Their will only be one presumptive retail price announced and all retail sales to consumers must follow that pricing until justified. The wholesale discount is not and will not be used as a justification for stores to sell below the presumptive retail price.

NOTE: Dealers must check store licenses. The amount that the store paid for a license is listed on the license. Any dealer found supplying a store with a discount higher than the license fee paid will be in violation for not proving the variable cost prior to selling below the presumptive.