



## Instructions and Description of Terms

Please complete and return the Milk Dealer Monthly Distribution Report no later than the fifteenth day of the month for the previous month's distribution. The following are descriptions of terms used in this Report form:

**Class I fluid milk** is defined in 331 CMR 8.03 and is widely known throughout the milk business.

**Massachusetts distribution:** any Class I fluid milk distributed within the Commonwealth of Massachusetts regardless of its final disposition.

**Pounds:** Many distributors keep records in final product units such as gallons, half-gallons, quarts, etc. For these standard units, please use the following table to convert retail units into pounds:

<b>Retail Unit Categories</b>	<b>Conversion Factor</b> (Lbs/unit)
Gallons	8.60
Half-gallons	4.30
Quarts	2.15
Pint	1.075
Half-pint	0.5375

For odd units multiply the number of fluid ounces by 0.0672. This gives the pounds per unit of product. For example, if the retail unit is a 14 fluid ounce package of milk then the conversion factor is 0.9408 lbs per 14 ounce package which is calculated by multiplying 14 by 0.0672.

To convert retail units to pounds, multiply the number of retail units by the conversion factor. The result will be the number of pounds of the distribution of that retail unit category. As examples consider: 10 quarts equals 10 multiplied by 2.15 or 21.5 pounds; 10 14-ounce packages is a two step process: first multiply 14 ounces by 0.0672 or 0.9408; then multiply the result, 0.9408, by 10, which equals 9.408 pounds.

### License Fee Calculation

The volume-based fee is \$25 for the first 800 pounds, or any fraction thereof, of the average daily distribution of Class I fluid milk in Massachusetts plus \$5.00 for each one hundred pounds of average daily distribution of Class I fluid milk in Massachusetts, or fraction of one hundred pounds, above 800 pounds. For example, if a dealer distributes 700 pounds on an average daily basis, the license fee will be \$25. As another example, assume a milk dealer distributes 1,025 pounds on an average daily basis; then the license fee would be \$36.25. That is \$25 plus \$5.00 multiplied by 2.25 since there are 2.25 100-pound increments or fractions thereof beyond the 800 pounds.

The information on this report will be used to calculate the average daily distribution as follows. The pounds of Class I milk distribution to other dealers during the report period will be totaled. That total will be subtracted from the total pounds of Class I milk distribution for the report month. This will be the total net distribution for the report month. The total net distribution for each month in the twelve-month period beginning two months prior to the month of expiration will be totaled. This will be the total annual distribution for a given milk dealer. The total annual distribution will then be divided by the number of days in the abovementioned twelve-month period. The result will be the average daily distribution. This figure will be used to calculate the milk dealer license fee as described above.

If you have any questions please contact Mike Cahill at the Department of Agricultural Resources at (617) 626-1794.