Food Marketing Policy

Issue Paper

Food Marketing Policy Issue Papers address particular policy or marketing issues in a non-technical manner. They summarize research results and provide insights for users outside the research community. Single copies are available at no charge. The last page lists all Food Policy Issue Papers to date, and describes other publication series available from the Food Marketing Policy Center.

Tel (860) 486-1927
Fax (860) 486-2461

email: *fmpc@uconn.edu*
http://www.fmpc.uconn.edu

No. 46 **May 2004**

Retail Milk Prices in New England, New York, and Seattle: An Unresolved Issue.

by

Adam N. Rabinowitz, Matthew Schwane, and Ronald W. Cotterill

Food Marketing Policy Center
University of Connecticut

Food Marketing Policy Center, Department of Agricultural and Resource Economics, University of Connecticut, 1376 Storrs Road, Unit 4021, Storrs, CT 06269-4021

Retail Milk Prices in New England, New York, and Seattle: An Unresolved Issue

by

Adam N. Rabinowitz, Matthew Schwane, and Ronald W. Cotterill

September 23, 2003

Food Marketing Policy Center
Department of Agricultural and Resource Economics
University of Connecticut
Storrs, CT 06249-4021
Email: Ronald.Cotterill@uconn.edu
Website: http://www.fmpc.uconn.edu
Tel: (860) 486-2742
Fax: (860) 486-2461

The authors are graduate research assistant in the Food Marketing Policy Center, undergraduate research assistant, and Professor of Agricultural and Resource Economics and Director of the Food Marketing Policy Center, respectively. We acknowledge the assistance of Nana Asante, Abigail Cotterill, and Li Tian in collection of prices and data analysis. This research was supported by USDA Grant No. 2001-34178-10542.

Contents

List of Tables and Figures

**Retail Milk Prices in New England, New York,
and Seattle: An Unresolved Issue**

by

Adam N. Rabinowitz, Matthew Schwane, and Ronald W. Cotterill

I. Introduction

Last November, the Food Marketing Policy Center conducted a survey of retail milk prices in Connecticut, Massachusetts, Rhode Island, and parts of southeast New York (Cotterill, et al., 2002). That look at the price distribution over space aided in answering several questions regarding milk pricing in the region, such as whether prices varied amongst states, channels, chains, and types of milk. Results of The November study indicated that milk prices in New England were high relative to prices in New York, raw milk prices, and estimated costs of processing and distribution. In November 2002, supermarket chains in New England, which dominate grocery store sales, charged an average of $3.01 per gallon of milk (Cotterill et al., 2002 p. 11). Milk sold in convenience stores, wholesale clubs (Sam's Club, BJ's, and Costco), and limited-assortment stores (Price Rite, Save-A-Lot, and Midland Farms) was less expensive than in supermarkets, but compared to New England stores, New York supermarket prices were even lower. Chain supermarkets in New York charged $2.42 on average (Cotterill et al., 2002 p. 8). Clearly, differences in processing and handling costs amongst channels and states could not account for all of this pricing discrepancy. While it was originally believed that both processors and retailers are exercising market power, processing cost information obtained from Diary Technomics in March 2003 indicates that retailers are the ones who are charging consumers unconscionably excessive prices for milk. (Cotterill, et al., 2003a).

Recognizing that a problem exists with milk pricing, legislation has been introduced in various states in New England, while at the federal level, Senators from the region have asked the General Accounting Office of the United States Congress to investigate milk prices.[1] This study reports results for a retail milk price survey that was conducted in June 2003 with assistance from the New York State

---

[1] See http://www.fmpc.uconn.edu\milk for a list of legislation actions in New England.

Attorney General, and the Washington State Public Interest Research Group (WashPIRG). It collects milk prices from stores in Southern New England, stores from throughout New York State, and stores from the Seattle, Washington area. This gives us a new check on prices across states, distribution channels, individual firms, and types of milk. It also allows us to examine how prices have changed during the intervening seven months since our first survey. Are supermarkets and convenience stores in New England still charging too much for milk? How have prices changed since November 2002? From our survey, we found that chain store milk prices in New England were unchanged since November, averaging $3.01. Milk prices in chain stores in New York averaged $2.31, down 11 cents from November. Retail milk prices in Seattle average $3.32 per gallon, while the Class 1 raw milk price was only $1.00 per gallon. Therefore, Seattle is also a higher retail price market. Overall, this second survey offers evidence that the milk pricing problems that were so apparent in New England several months ago have not improved, and also exist in the Pacific Northwest.

II. <u>The Big Picture Over Time and the Incipient Raw Milk Price Increases</u>

Before explaining survey methods and results let us briefly examine milk prices over a longer period of time in Hartford and Boston. The Federal Market Administration's monthly price series documents retail as well as farm prices. Figures 1 and 2 depict both Boston and Hartford retail and farm fluid milk prices from 1996 to present. Note that the Hartford retail price increased slightly in July, a month ahead of the increase in the Hartford Class 1 raw milk price, while in Boston, retail prices have remained unchanged for the past year. Also note that in June 2003, Class 1 raw fluid milk prices were around their lowest levels in over seven years, $12.89 per hundredweight. Since June, Class 1 prices have increased $5.67 per hundredweight, with September 2003 registering the largest post-compact increase ($4.44) in Class 1 prices to, $18.56 per hundredweight. This is equivalent to $1.60 per gallon, up 49 cents since June. It will be interesting to see if the raw milk prices continue to increase this fall and if retail prices increase to protect the excessive margins that are already built into high retail prices. This June

2003 study will serve as a benchmark for retail prices immediately prior to the incipient raw milk price increase.

III. Legislative Action Update

In June 1991, the New York State Legislature enacted a Milk Price Gouging Law that established a maximum threshold price of 200% over the announced Class 1 raw milk price plus any over order premiums paid farmers. This law establishes a monthly price for metro New York areas and a lower price for upstate New York areas, where Class 1 raw fluid prices are cheaper.[2] Retailers must offer at least one brand of each type of milk (3.25%, 2%, 1%, skim) at a price no greater than the announced threshold price. If retailers can adequately justify that prices above the threshold are based on allowable costs, exceptions to the 200% price threshold are allowed. Failure to justify higher prices can result in a monetary penalty.[3]

One point that is not included in the law is that all milk sold at retail has lower butterfat content than the Class 1 raw fluid milk. The law only considers the 3.5% butterfat in determining the threshold price, effectively allowing retail prices greater than 200% of this raw milk price for all types of milk. This allows for higher profits on milk with less butterfat, thereby eliminating any incentive by retailers to lower prices on lower butterfat milk. This study looks to see if this is actually the case in New York State.

In an attempt to assist farmers and consumers with the higher retail margins, we have proposed legislation in Connecticut that would limit processors' markups to 140% of the raw milk price and retailers' markups to 130% of the wholesale price (Cotterill, et al., 2003a). The Massachusetts Legislature is considering a New York style price gouging law (Mohl, 2003a and Cotterill, et al. 2003b) and New Hampshire has a legislative study committee examining milk price issues. In all states,

---

[2] New York is divided into two regions for the purposes of determining threshold prices. The metro region consists of New York City as well as the counties of Nassau, Suffolk, Rockland, Westchester, Orange, Putnam, and Dutchess. The upstate region of New York consists of the remaining counties.

discussion continues as to the effectiveness of the proposed laws and the exact benefit that would result to farmers and consumers.

IV. Survey Design and Methods for Price Comparisons

This survey collected prices of gallons of milk in plastic jugs during the time period of Sunday, June 8th through Wednesday, June 11th. Similar to the November 2002 study, the pricing was done over a span of only to obtain a snapshot of the price surface during one moment in time. Once again, we visited stores in Connecticut, Massachusetts, Rhode Island, and New York. The New York survey is decomposed into a subgroup that consists of the same stores visited in November, located around Albany and Schenectady, Fishkill, Wappingers Falls, Newburgh, Monroe, Middletown, White Plains, and western Suffolk County on Long Island. The complete New York survey adds stores from the remainder of the state, including Binghamton, Buffalo, Jamestown, New York City, all of Long Island, Rochester, Syracuse, Utica, Rome, and Watertown.

Our initial focus is on the New England stores and the subgroup of New York stores because this sample duplicates our previous survey sample (with a few exceptions) and thus facilitates price comparison over time. In some instances, particularly with A&P in New England, stores that were open for operation in November are now out of business or have been sold to small independent grocers. Furthermore, in some areas stores were added to the survey to further enhance the variation of stores included. All gallons of branded and private label whole, 2%, 1%, and skim milk were surveyed. In our surveys, we always record the lowest advertised price for each type of milk. If a particular type of milk was on sale during the week of our survey, we use the sale price and not the regular shelf price. Thus we capture any and all store promotions and sales. Our sample that is comparable to November 2002 contains 1648 gallons of milk from 195 stores from 35 firms in the four states.

---

[3] See Charles Huff, "A Review of New York's Milk Price Gouging Law" for an excellent description of the New York law and an assessment of its performance. Also see Cotterill (2003b) for a discussion of the New York law. Both reports are available on the Food Marketing Policy Center website located at http://www.fmpc.uconn.edu/milk.

Our first approach at analyzing the data focuses on consumers who treat milk as a commodity. Commodity oriented consumers always prefer the lowest-priced milk of a particular type, disregarding brands. In supermarkets, where several brands of milk are sold, the private label brand is typically the lowest price, however there can be exceptions if a brand is offered in a deep discount sale. In one store in June 2003 in Connecticut, Shaw's offered Nature's Pride milk for $2.22, and several Big Y stores in Connecticut offered Guida whole milk, on sale, for $1.99. Both of these prices are significantly lower than the $2.99 price tag on private label milk in these same stores, thus we use Nature's Pride for Shaw's and Guida whole milk for Big Y in these cases. For the majority of the convenience, club, and limited assortment stores, only one brand of milk is available, so these brands are given the lowest-priced distinction by default.

The commodity approach offers insight for those that do not consider brands while purchasing milk, but it is known that brand loyalty exists in retail milk markets. If consumers totally ignored brands of milk, we would not see firms like Hood and Garelick invest and build brand equity and branded milk would not command premium prices. Therefore, we also need to give brands some consideration. Our second analytical approach does so by reporting weighted average prices.

Consumers do not purchase equal quantities of all brands, thus one cannot use a simple average. Because we do not have data on actual brand level sales, we approximate the share weighted average price by averaging the low cost milk price and the simple arithmetic average milk price for all brands.[4] This approximation more closely resembles the buying habits of milk consumers by weighing the low-priced option at 75% when there is only one other brand to choose in a store, at 66% when there are two other brands, and at 62.5% when there are three other brands. Under this method the lowest priced milk always captures at least 50% of sales. This is consistent with observed behavior and private label market shares in the region. For example, private label milk sales in Boston from 1996 to 2000 averaged slightly over 60% when there were two other brands available, Hood and Garelick.

---

[4] For those who would like to see simple arithmetic averages, they are reported in Appendix A by channel and chain for each type of milk.

As in the November 2002 study we will examine the minimum and weighted average milk prices for distribution channels and for individual chains. These prices are reported by state, New England (Connecticut, Massachusetts, and Rhode Island), the two New York groups, and for the entire sample.

V. Survey Results: Prices by Distribution Channel

Table 1a shows the average lowest price by channel for each type of milk in June 2003. It also shows the change in price from November 2002. In nearly all cases, prices in New York are lower than prices in New England for each type and channel, and the change over time is also different. For example, two percent milk in New York chain stores is $2.25, down 10 cents from November, while the same milk in New England is $2.90, up 5 cents from November. Whole milk prices in New England are 9 cents lower in June but this is due to a whole milk sale at Big Y with a $1.99 per gallon sale price. Absent this sale, it is clear from the reported 2%, 1%, and skim milk prices that prices in New England are slightly higher in June than in November.

The one exception in Table 1a to cheaper milk prices in New York is 1% milk sold in convenience stores, which was also an exception in the November survey. This can be attributed to the fact that many convenience stores in New England continue to sell their 1% milk for $1.99 a gallon. This finding is significant because Massachusetts law prohibits the sale of milk below the full cost of processing, distribution, and retailing. Since this price has not generated enforcement, one might reasonably assume that this milk is not being sold below cost. During the summer of 2002, Midland Farms limited assortment grocery stores in Massachusetts began selling whole and 2% gallons of milk for $1.79. In August, it lowered the price of its 1% milk to $1.49 per gallon. The Massachusetts Milk Control Board protested that these prices were below cost, and a legal battle ensued. In January 2003, the owner of the Midland Farms settled with the Massachusetts Department of Agriculture and agreed to raise his prices to $1.84, $1.74, and $1.64 for whole, 2%, and 1% milk respectively (Mohl, 2003b). Since the Massachusetts Milk Control Board agreed after excessive investigation that these prices are not below cost, the implication is that milk sold by other retailers in New England is substantially above cost.

As seen in Table 1a, prices at convenience stores and chain supermarkets are quite close, while prices at club stores, and limited-assortment stores are much lower. Whole milk at convenience stores in New England has an average lowest price of $2.99, chain stores charge $2.80, club stores charge $2.09, and limited assortment whole milk prices average $1.99. In fact, club stores and limited-assortment stores have significantly cheaper milk prices in all geographic areas in this study.

As in November, prices for different types of milk vary in the New England area. In a competitive market we expect prices to reflect costs. We know that the cost of raw milk varies by butterfat content. The Federal Market Class 1 price of whole (3.25%) milk in June was $1.11 per gallon, while 2%, 1%, and skim raw milk prices were $0.99, $0.90, and $0.81, respectively. Now lets look at retail prices by type of milk. In Table 1a we find many cases where the retail prices across types do not reflect raw milk cost differences. For example, in New England chain stores, whole milk has a minimum average price of $2.80 per gallon. Two percent milk is $2.90, one percent milk is $2.88, and skim milk is $2.89. In New York chain stores, prices across the different types of milk are identical at $2.25. These findings are identical to the findings in the November survey. We are at a loss for explaining why retailers price this way because wholesaler prices paid by retailers do reflect raw milk costs (Cotterill et. al., 2003a).

One significant change from November in Table 1a, and probably the most important regarding the average lowest prices, is that chain store prices in New York dropped about 10 cents across all types of milk, while there was no respective change in New England chain stores. This means that the price discrepancy among low priced milk in New England and New York, which was large before, has now became even larger. In June 2003, the difference averages 65 cents per gallon.

The drop in New York prices is due to the decrease in the price threshold under the New York State price gouging law. The maximum threshold price was $2.57 for Metro regions in November. It dropped 13 cents to $2.44 in June. Upstate regions had a threshold price of $2.41 in November, which dropped 14 cents to $2.27 in June.[5]

Table 1b shows the number of stores that were surveyed for each calculation in Table 1a. As was the case in our first survey, some calculations are based on relatively few observations. For statistical purposes it might be beneficial to increase the number of stores surveyed in the low observation areas. However, especially in the case of club and limited-assortment stores, there are relatively few of each of these stores in a given area. Moreover, since chain stores of all types tend to charge the same price for milk in a local market area, checking more stores only reaffirms the reported prices.

Shifting now to an analysis of branded milk and incorporating higher brand prices, Table 2a reports the results for our calculated weighted average prices. The weighted average price in chain stores in New England is $2.97 for whole milk, $3.04 for 2% milk, $3.02 for 1% milk, and $3.03 for skim milk. Prices for all types of milk in New York average $2.31. Again we find that retail prices do not reflect differences in wholesale costs. As with the average lowest prices, weighted average prices for chain stores in New York dropped approximately 11 cents since our November study, while prices in New England chain stores dropped 5 cents for whole milk and increased 2 cents for 2%, 1 cent for 1%, and 3 cents for skim milk. These results also confirm that the New York milk price law influences pricing behavior in New York State when farm raw milk prices are low.

While we maintain that the weighted average may more closely approximate the average price that consumers tend to pay for milk, some may still prefer the simple average price of milk in stores. Appendix Table A3 gives the simple average of milk prices by channel. Average prices in New York chain stores are around 80 cents lower then similar stores in New England, where average milk prices are well above three dollars. In fact, average prices in New York are lower across every channel. Again all New York prices are on a downward trend since the November study, and New England chain prices have on balance increased.

[5] See Appendix B for the New York State threshold price announcements from November 2002 and June 2003. Consistent with the September increase in Class 1 raw milk prices, the New York State price threshold has increased significantly to $3.16 for Metro regions and $2.94 for Upstate regions.

VI. Survey Results: Prices for Leading Chains

Table 3a breaks down pricing even further by looking at the average lowest prices that 13 individual chains charge for various types of milk, broken down by state and region. Table 3b shows the number of observations (stores) per chain and for each state. Average lowest prices for whole, 1%, and skim milk in Stop & Shop, the market leader in the New England grocery industry, are $2.97. These prices are nearly identical to the ones found in November. The average lowest price for the Stop & Shop's 2% milk was $2.96, down 2 cents from November. Shaw's, the second largest firm, has lower prices than Stop & Shop, although again very similar to November for two percent and skim milk. Shaw's prices are under $2.80 for the whole and 1% milk, whereas Stop & Shop charges $2.97 for its whole and 1% milk.

DeMoulas/Market Basket continues to have the lowest prices, well below others in New England, staying at $2.44 per gallon for whole and two percent, while dropping to $2.34 per gallon for one percent and skim. One noteworthy difference is that DeMoulas' private label milk is processed by Crowley/Weeks Dairy in New Hampshire, while other New England chains' private label milk, except Big Y who deals with Guida, is processed by Dean Foods in Massachusetts.

Roche Brothers, also in New England, is a good example of the variability of milk prices due to sales. In November, Roche Brothers offered Garelick milk on sale for $2.50 per gallon. In June, Hood milk was on sale for $2.69 per gallon, thus increasing the average lowest price of Roche Brothers milk by 19 cents. Other noticeable increases in lowest prices in New England in Table 3a are for Shop Rite, Price Chopper, and Ro Jacks.

The highest priced chains in New England are Price Chopper and ShopRite, with average lowest prices at $3.19 and $3.06 respectively for all types of milk. In New York, A&P/Waldbaums has the highest prices for all types of milk at $2.50 per gallon

Overall, average low prices in all chain stores in New York were much lower than their New England equivalents. Stop & Shop milk, for instance, averaged $2.35 in New York for all types of milk and $2.97 in New England for all types except 1%, which sold for $2.96. What's more, prices have actually dropped in nearly all New York chains since November, in some cases as much as 24 cents.

Table 4a gives results consistent with what we have seen thus far. Weighted averages in all chains in New England are at or above three dollars for half of the chains, while in New York there is only one chain whose weighted average milk price is above $2.50. In the absence of a price gouging law, milk prices in New England remain excessive.

VII. Wal-Mart Supercenters Significantly Drop Prices

In November, we noted that Wal-Mart Supercenters were not the lowest priced chain in New England, despite its reputation as a low-price leader in retail. This is no longer the case. Tables 3a and 4a show that Wal-Mart has come down in price in New England and now has prices close to DeMoulas. Wal-Mart Supercenters are the lowest priced chain in New York. In New England, Wal-Mart's lowest priced milk dropped by an average of 21 cents (Table 3a), while its weighted average price dropped 25 cents (Table 4a). The drop in prices in New York was only 5 cents in both cases, dropping prices to at, or just above, $2 per gallon. It appears that Wal-Mart has listened to the press on high milk prices and has responded, reduced the gap between wholesale and retail prices, and now along with DeMoulas, prices milk in an effectively competitive fashion. These are the only two supermarket chains in Southern New England to do so.

VIII. Aggregate Price Results for Distribution Channels and Chains

Table 1 through 4 provide great detail on milk prices, however, it is useful to summarize that detail by reporting aggregate prices. Table 5 computes the weighted average prices of the four types of milk in each category in order to provide a single price for each distribution channel. We assume sales of the four types of milk are equal and compute a simple average across milk types. Examining Table 5, notice that the weighted average price that consumers pay for milk in chain stores in New England is $3.01 per gallon. This is exactly the same aggregate price that was observed in November. Even though

Class 1 raw milk prices have decreased, farm level decreases have not translated into lower retail chain store prices in the New England retail milk market. Compare this to New York, where consumers paid $2.31 on average, an 11-cent decrease since November. Undoubtedly this drop was influenced by the drop in threshold prices in New York; 13 cents in metro areas and 14 cents in upstate areas since our last survey (see Appendix B).

Convenience store prices fell an average of 8 cents in New England since the last study. Even with this drop, however, New England convenience store prices are still well above New York prices. Club and limited assortment averages round out Table 5. Club stores in New England dropped prices by 6 cents while in New York they only dropped by 3 cents. In an opposite move, limited assortment stores raised prices in New England by 7 cents and in New York by 10 cents. Even with these increased prices, limited assortment stores have the lowest priced milk of any distribution channel. Club store prices in New York are still slightly lower than those in New England; however, the difference is not nearly as marked as with convenience and chain stores.

Table 6 computes the weighted average price by chain across all types of milk. Once again, Price Chopper in New England comes out with the highest priced milk at $3.26, up 9 cents from November's surprising results. Following Price Chopper is Shop Rite and A&P/Waldbaums at $3.15. Stop & Shop and Ro Jacks are the only other chains in New England with prices above $3 per gallon. On the low end, DeMoulas remains the lowest priced firm at $2.49, down 5 cents from November, while Wal-Mart follows, down 25 cents to $2.54. In New York, all stores have lower prices, with only A&P/Waldbaums above $2.50 at $2.52 a gallon. Wal-Mart in New York is the lowest priced chain overall, coming in at $2.10 per gallon. Interestingly, this is 13 cents cheaper than the next lowest priced chain in New York, Price Chopper, the highest priced chain in New England.

IX. Full New York State Survey

In addition to duplicating the November survey in New York, the Food Marketing Policy Center cooperated with the New York State Attorney General's office to collect data from 191 stores, totaling

1108 different gallons of milk from throughout the state. This full survey has chain supermarkets, convenience stores, wholesale clubs, and limited-assortment stores from the major population centers.

Table 7 shows average lowest, weighted average, and average prices by channel, in addition to the number of stores and shop keeping units (SKUs) in the survey. Convenience stores in New York sell the highest priced milk in the state, ranging from an average lowest price of $2.35 for 1% milk to $2.67 for whole milk. On the other hand, wholesale clubs sell the least expensive milk, with averages always at or below $1.97. The average lowest price for whole milk at chain stores is $2.29, 51 cents cheaper than in New England. As is the case with our previously reported tables, the weighted average price is slightly higher, while the average price is the highest price index. Even if one considers the average price of milk at chain stores at $2.36, this is still significantly cheaper than the New England chain store average price, $3.16 per gallon.

We find it interesting that wholesale clubs continue to be the only distribution channel that prices milk relative to the butterfat content. This result is not unexpected since the New York State law does not mandate lower prices for lower butterfat content, effectively allowing retailers to earn higher profits for lower fat milk.

Looking at Table 8, we see the average lowest, weighted average, and average prices for each type of milk by chain supermarket, including their respective number of stores and SKUs. D'Agostino's and Gristedes/Sloans, both located in Manhatten, have the highest prices, over $3 per gallon for the average lowest price. Certainly this could be due to higher costs. The next highest priced milk is at C Town, located throughout New York City. Considering chain stores that are only located upstate, Tops Market (a Royal Ahold chain like Stop and Shop) has the highest average lowest and weighted average price on two percent, one percent, and skim. P&C Foods (a chain that has repeatedly been in and out of bankruptcy) and Tops Markets have the highest average lowest price of whole milk at $2.21 per gallon.

When examining only chain stores, Shop Rite stores sell the cheapest milk in the metro area. Recall that Shop Rite in New England has the second highest priced milk. It is not likely that this is due to their milk plant being located in Central New Jersey because some Shop Rite stores in Connecticut are equal distance to some Shop Rite stores in New York where prices are significantly lower. The lowest priced milk sold upstate is by Quality Markets stores in Binghamton. Quality Markets charged a minimum average price of $1.89 for 2%, 1%, and skim milk and $2.09 for whole milk.

X. Compliance with the Milk Price Law in New York: November 2002 and June 2003

Figure 3 looks at the compliance with the New York State price threshold in both November and June. Only the lowest priced brand of each type of milk in a store must adhere to the threshold, so only these lowest priced milks are considered in this compliance analysis. As is shown in the figure, 14% of the metro stores were non-complaint in November, whereas 25% were in June. In our smaller upstate sample, all stores were compliant in November, while more than half became non-compliant in June. In particular, Hannaford and Stewart Shops were non-compliant stores in June. Hannaford spokeswoman Caren Epstein attributed the higher prices to "human error," while Stewart's Shops President Gary Dake wasn't aware of any non-compliance and claims that because they process their own milk, they try to ensure that consumer prices are in line with prices paid to farmers (Durr, 2003).

It is also important to note that while our upstate November and June sample is relatively small, our main focus on New York was the neighboring counties to New England, which mainly fall within the metro area. Overall, this analysis indicates that when the threshold price decreases substantially, as was the case from November to June, compliance decreases as well. Perhaps noncompliance can be justified when farm prices are so low.

Figure 4 shows a further breakdown of compliance by type of milk, again comparing November with June for our sample of identical stores. Here we look not only at compliance with the law, but whether the compliance is binding or non-binding. Binding refers to a price that is set exactly equal to the threshold price, that is, $2.57 in November and $2.44 in June, for the metro area. Non-binding refers to a price that is set below the threshold price for the given time period and region. Because many firms view the threshold price as the mandatory maximum price that it is, firms that wish to price higher than this price will price exactly at this price. In this case, the threshold price acts as a price ceiling on fluid milk.

Alternatively, if other factors are influencing the fluid milk market in New York State, we might observe a significant amount of non-binding compliance, or in other words, the law is not the major factor causing low milk prices, it is the market itself. Again, we only consider the lowest priced milk of each type in a store in determining binding compliance, non-binding compliance, and non-compliance. As we can see, nearly 50% of all milk in the metro region in November was priced below the price threshold. This increased to about 55% in June. Upstate, 100% of the milk was priced below the threshold, which decreased to about 43% in June. For the metro area, where the threshold price is 16-17 cents higher, there appear to be other factors influencing the market price.

Now considering the full New York State survey in June, as shown in Figure 5, we find that 33% of the metro region is non-compliant, while 27% of the upstate region is non-compliant. One must seriously ask why over 25% of all New York State stores that sell milk are not complying with the state law. In response to the survey, the New York State Attorney General, Eliot Spitzer, sent notices to non-complying firms, requesting cost justification information and warning that enforcement actions may take place if prices aren't reduced or justified.[6] Similar to Figure 4, Figure 6 breaks down the full New York survey into binding, non-binding, and non-compliance by type of milk. About 30-35% of all types of the lowest priced of milk sold in the metro region were priced at non-binding levels, as compared to 60-70% of all types of the lowest priced milk sold upstate. Another significant finding reported in Figures 2 and 4 is that most stores comply with the threshold in a non-binding fashion. Their lowest milk prices are below the threshold price. One has to question as to what other factors are influencing the milk market and driving prices below the threshold in New York State when they are far above the threshold in New England.

XI. A Quick Look at Seattle, Washington

Changing our focus to the other end of the country, the Food Marketing Policy Center assisted Deborah Robinson, an intern with WashPIRG, in surveying Seattle area supermarkets and convenience

[6] See Appendix C for the New York State Attorney General Press Release.

stores.[7] She surveyed prices between June 16th and June 18th. The survey methodology used was identical to that in our New York and New England surveys. Only one-gallon jugs of milk were included in our analysis, and all sale prices and other promotions were accounted for. Only the lowest advertised prices for milk were considered.

The Seattle region falls within the Pacific Northwest milk marketing order, where the Class 1 3.5% butterfat fluid raw milk price for June was $1.02 per gallon. As shown in Table 9, the average lowest chain supermarket price for milk in chain supermarkets is $3.10. This is 16 cents higher than convenience stores that on average sell their lowest priced milk for $2.94. Whether we are looking at the average lowest price, the weighted average price, or the average price in Seattle, convenience stores offer lower priced milk for all types.

Looking further into Table 9, unlike in the East, we do find that for all averages, milk prices decrease as butterfat decreases. Overall, milk prices are higher in the Seattle area than in New England. This is consistent with the U.S. Department of Agriculture reported price for the regions.[8]

Table 10 shows the results of the Seattle data at the chain store level. It is easily noted that prices fluctuate a great deal across chains, and within chains for various types of milk. As with all of our analysis of milk prices, we continue to consider only the lowest advertised price for milk. The Seattle survey found sales on milk as inexpensive as 99 cents and $1.89 at various Top Food & Drug, a local chain store. While these prices are considerably lower than the chain store average lowest of $3.18, we did find that many stores either did not have milk on sale, such as Quality Food Centers, or had $3 per gallon sale prices, such as Safeway. Obviously, $3 per gallon is not much of a sale price for $1.02 raw milk.

Continuing with Table 10, we find that Larry's Markets has the lowest average minimum price for milk at $2, with the exception of whole milk that is $2.12 at Top Food and Drug. Larry's Markets is an independent supermarket (see Table 10 footnote). Considering only the chain stores, Safeway sells the

---

[7] The full WashPIRG report by Deborah Robinson and Robert Pregulman can be found on the WashPIRG website located at: http://washpirg.org/WA.asp?id2=10535&id3=WA&

[8] See Robinson and Pregulman, August 2003 for a comparison of Seattle-Tacoma and city average milk prices.

lowest priced 2% milk at $2.65, Top Food & Drug has the lowest 1% milk at $2.62, and Fred Meyer's average lowest skim milk prices are the lowest, at $2.49. On the high end of the average lowest prices, we find Safeway for whole milk priced at $3.91 and Albertson's for two percent ($3.43), one percent ($3.36), and skim milk ($3.29).

Retail milk pricing is very non-competitive in Seattle and the big chains lead the way. The fringe competitors such as Top are using milk as a loss leader to attract business. However, so few consumers actually switch that the high milk prices remain profitable for the leading chains.

An interesting aspect of the milk market in the Seattle area is that the largest supermarket chains have integrated backward into milk processing. Safeway, who has 27% of the retail market, only carries milk that is processed in its own plant in Bellevue, Washington. The average retail price of whole milk is close to $4 per gallon? Sales in all Safeway stores on the other three types of milk brought down the average of these Safeways to as low as $2.97. Given the efficiencies of large-scale distribution that one commonly associates with giants like Safeway stores and given they have their own milk processing plant, prices should be much lower.

Another vertically integrated supermarket/processor is the Fred Meyer Stores, Inc., a division of Kroger, the nation's largest food retailer. Its processing plant, Swan Island Dairy, is located in Portland, Oregon. Fred Meyer Stores, Inc. owns and operates both Fred Meyer and Quality Food Centers. They are listed independently in our results in Table 8. Similar to Safeway, all milk carried in these stores comes from their own processing plant. Here milk prices ranged from $1.99 for Fred Meyer private label brand skim milk, found at Fred Meyer stores, to $4.09 for Carnation brand skim milk sold at Quality Food Centers. Whole milk prices did not have this large variance, because of the absence of sales at these supermarkets. Prices for whole milk ranged from $3.19 for Mountain Dairy, to $4.19 for the Carnation brand. Once again, both of these brands of milk are processed in the exact same plant, owned by Fred Meyer. Again, it appears that the cost advantages from vertical integration and large-scale retail stores in Seattle are not being passed along to consumers. The excessive and wide retail-farm milk price margin is entirely captured by integrated firms such as Safeway, Fred Meyer, and Quality Foods.

XII. Consumer and Farmer Impacts of Noncompetitive Pricing

Lack of competition is driving retail milk prices in New England to record levels, despite some of the lowest farm prices in years. The impact of this is extensive, and is felt by both farmers and consumers. In November, we noted that supermarket chains controlled 87% of the grocery milk market in Boston and similar amounts throughout New England. The $3.01 weighted average price across types of milk for chain stores is unchanged from November. Now lets examine supplying this milk more closely. In November, an economist for the Massachusetts Department of Agriculture maintained that milk costs ranged from $1.78 to $2.02, depending on fat content (Mohl, 2002). Further evidence supports this claim. As reported in Cotterill, et al. (2003a), information obtained from Dairy Technomics, a leading and well known firm that regularly measures raw milk costs, processing costs at individual milk plants, and delivery costs from those plants to retail stores, documents that processors captured 58.2 cents per gallon of milk in April 2003 for processing and delivering milk to retail outlets. Using this processing cost and the $1.11 June 2003 Class 1 price, we estimate that the wholesale price for milk delivered to the store is $1.69 per gallon. Now consider the retail price that continues to hover above $3 per gallon. Clearly, it does not cost supermarkets $1.31 a gallon for in-store handling, storing, and selling of milk. It is clear that consumers lost out on the low farm prices from December 2001 to September 2003, while dairy farmers continued to suffer dire economic times.

A University of Connecticut study by the Center for Survey Research & Analysis found that Connecticut residents are willing to pay more for local farm produce if they knew where it was sold. In particular, respondents are willing to pay up to 20 cents more per gallon of milk if they knew it came from a local dairy farmer (Courant, 2003). Although this sounds like a promising avenue for farmers to explore, one must remain weary of willingness to pay estimates. Very often this additional payment is difficult to achieve in reality. However, this does offer some indication that consumers are willing to accept relatively high prices; if they could be assured that farmers are getting substantially more than they currently are. The survey neglected to ask consumer opinions about the size of channel margins. Nonetheless one can be fairly certain that if asked, they would have preferred lower retail prices and higher farm prices by a reduction in excessive margins at retail. Absent retailers independently cutting retail price and paying farmers more for their milk, it appears that some form of legislation is necessary to reign in price gouging that hurts farmers as well as consumers.

XIII. Summary and Concluding Statements

This report analyzes milk prices across four states in New England and New York, comparing survey results during two points in time. In addition, we take a quick look at milk prices in Seattle, Washington. The milk price survey conducted in June functioned as an update and complement to the price survey that was collected at the same stores in November of the previous year. With the Northeast data sets, as well as other supplemental material regarding milk pricing in both New York and New England, we are able to present a relatively straightforward and in-depth look at the milk pricing structure in these regions. Prices are much higher in New England than in New York, especially in chain stores, which control most of the milk market in the area. The losers in this situation are the farmers, who are not being paid enough for the milk that they produce, and the consumers, who are being overcharged for the milk that they buy. In our November milk price survey, we did not have supermarket wholesale prices and were unsure as to whether the milk processors had a hand in the retail price gouging. Results from our study in March show that the processor's average markup is roughly in line with its costs, and that it is the retailers that are most responsible for excessive markups. And while it appears that the New York State law is effective in helping keep milk prices low, there are obviously other forces in New York that play a factor because many firms' low prices are well below the law's threshold. Furthermore, the increased lack of compliance with the New York State price gouging law at low farm prices indicates that a more complex law may be necessary if and when New England states attempt to control the unconscionably excessive pricing of fluid milk. The bottom line is that it appears the New York law, however imperfect in concept and/or enforcement, is working in at least one fundamental and important economic dimension. Retail milk prices in New York are closer to the cost of production and distribution than they are in New England when farm prices are low. The law seems to be making a major contribution to the allocative efficiency in the New York milk industry. However, it has done little to elevate farm prices, thereby not addressing the dairy farm crisis that the region faces.

References

Cotterill, Ronald W., Adam N. Rabinowitz, and Li Tian. 2003a. A Law to Promote Efficient and Fair Pricing of Milk in Connecticut. Food Marketing Policy Center Research Report No. 78. University of Connecticut, Storrs, CT. April.

_____. 2002. Milk Prices in New England and Neighboring Areas of New York: A Prologue to Action? Food Marketing Policy Center Research Report No. 73. University of Connecticut, Storrs, CT. November.

Cotterill, Ronald W., Adam N. Rabinowitz, and Matthew Schwane. 2003b. Testimony on the Massachusetts Milk Price Situation and the Proposed Massachusetts Milk Price Gouging Law. Testimony before the Massachusetts Legislature Committee on the Environment. Boston, MA. September.

Courant. 2003. Study: Local Farms Favored, Consumers Prefer Homegrown Goods. *The Hartford Courant,* July 28, B1.

Durr, Eric. 2003. Spitzer Chastens Retailers on Milk Prices. *The Business Review,* July 7.

Huff, Charles. 2003. A Review of New York's Milk Price Gouging Law. Presented at the 67th IAMCA Annual Conference. Harrisburg, PA. August.

Mohl, Bruce. 2003a. Galvin Targets Milk Prices: Files Legislation to Limit Retail Cost. *The Boston Globe,* January 10, C1.

_____. 2003b. Dairy to Raise Milk Price. *The Boston Globe,* January 9, E1.

_____. 2002. Economists Find High Markup of Regional Milk Prices. *The Boston Globe*, November 13, D1.

Robinson, Deborah and Robert Pregulman. 2003. Got Milked? Who’s Skimming the Cream from Seattle-Tacoma Milk Prices? Washington Public Interest Research Group. Seattle, WA. August.

Table 1a. Average Lowest Price by Channel

Type	Channel	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
		June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Whole	Chain	2.80	-0.09	2.25	-0.10	2.83	0.02	2.75	-0.19	2.87	-0.03	2.65	-0.07
Whole	Convenience	2.99	-0.04	2.60	0.09	2.88	0.00	3.02	-0.07	3.02	-0.10	2.90	0.02
Whole	Club	2.09	-0.07	1.92	-0.09	2.01	-0.19	2.13	-0.01	2.17	-0.01	2.07	-0.07
Whole	Limited	1.99	0.04	1.69	0.00	2.03	0.04	1.99	0.00	1.92	0.08	1.97	0.04
Two	Chain	2.90	0.05	2.25	-0.09	2.85	0.04	2.96	0.07	2.87	-0.03	2.73	0.04
Two	Convenience	2.90	-0.11	2.45	-0.03	2.76	-0.13	2.93	-0.11	2.95	-0.14	2.79	-0.06
Two	Club	2.01	-0.10	1.90	0.04	1.94	-0.20	2.05	-0.04	2.12	-0.02	1.99	-0.08
Two	Limited	1.99	0.05	1.59	0.10	2.05	0.06	1.99	0.00	1.92	0.08	1.96	0.06
One	Chain	2.88	0.00	2.25	-0.09	2.83	0.03	2.91	-0.01	2.87	-0.03	2.71	0.00
One	Convenience	2.24	-0.06	2.45	-0.03	2.28	0.11	2.17	-0.26	2.33	0.34	2.29	-0.06
One	Club	1.94	-0.09	1.87	-0.05	1.86	-0.23	1.96	-0.02	2.06	-0.02	1.93	-0.08
One	Limited	1.90	0.11	N/A	N/A	1.95	0.11	1.99	0.00	1.80	0.19	1.90	0.08
Skim	Chain	2.89	0.02	2.25	-0.09	2.83	0.03	2.94	0.03	2.87	-0.03	2.72	0.01
Skim	Convenience	2.88	-0.14	2.49	0.01	2.88	-0.03	2.85	-0.22	2.94	-0.15	2.78	-0.08
Skim	Club	1.98	0.05	1.86	-0.05	1.95	-0.11	1.99	0.15	2.02	-0.02	1.96	0.04
Skim	Limited	2.09	0.10	1.49	0.20	2.22	0.23	1.99	0.00	1.99	0.00	2.02	0.17

Note: N/A means no observations in data

Table 1b. Number of Observations (Stores) for Average Lowest Price by Channel in June 2003

Type	Channel	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Chain	89	33	36	43	10	122
Whole	Convenience	30	9	7	16	7	39
Whole	Club	17	3	6	9	2	20
Whole	Limited	14	1	7	2	5	15
Two	Chain	90	33	36	44	10	123
Two	Convenience	29	9	7	15	7	38
Two	Club	16	3	6	9	1	19
Two	Limited	13	1	6	2	5	14
One	Chain	90	33	36	44	10	123
One	Convenience	29	9	7	15	7	38
One	Club	17	3	6	9	2	20
One	Limited	13	N/A	6	2	5	13
Skim	Chain	90	33	36	44	10	123
Skim	Convenience	26	9	7	13	6	35
Skim	Club	14	2	5	7	2	16
Skim	Limited	7	1	3	2	2	8

Note: N/A means no observations in data

Table 2a. Weighted Average Price by Channel

Type	Channel	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
		June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Whole	Chain	2.97	-0.05	2.31	-0.11	2.97	0.01	2.94	-0.12	3.03	0.00	2.82	-0.04
Whole	Convenience	2.99	-0.04	2.60	0.09	2.88	0.00	3.02	-0.07	3.02	-0.10	2.90	0.02
Whole	Club	2.09	-0.07	1.92	-0.09	2.01	-0.19	2.13	-0.01	2.17	-0.01	2.07	-0.07
Whole	Limited	1.99	0.04	1.69	0.00	2.03	0.04	1.99	0.00	1.92	0.08	1.97	0.04
Two	Chain	3.04	0.02	2.31	-0.11	2.98	0.02	3.08	0.03	3.03	0.00	2.87	0.02
Two	Convenience	2.91	-0.74	2.45	-0.03	2.76	-0.61	2.96	-0.82	2.95	-0.76	2.80	-0.55
Two	Club	2.01	-0.17	1.90	0.02	1.94	-0.29	2.05	-0.13	2.13	-0.08	1.99	-0.15
Two	Limited	1.99	-0.04	1.59	0.00	2.05	-0.04	1.99	0.00	1.92	-0.04	1.96	-0.03
One	Chain	3.02	0.01	2.31	-0.11	2.97	0.02	3.05	0.02	3.03	0.00	2.86	0.01
One	Convenience	2.26	0.60	2.45	0.01	2.28	0.71	2.22	0.45	2.33	0.95	2.30	0.44
One	Club	1.94	-0.05	1.87	-0.06	1.86	-0.14	1.96	0.00	2.06	-0.06	1.93	-0.04
One	Limited	1.90	0.30	N/A	N/A	1.95	0.38	1.99	0.00	1.80	0.38	1.90	0.23
Skim	Chain	3.03	0.03	2.31	-0.11	2.97	0.04	3.07	0.04	3.03	0.00	2.86	0.03
Skim	Convenience	2.89	-0.11	2.49	-0.03	2.88	-0.14	2.88	-0.11	2.94	-0.14	2.79	-0.06
Skim	Club	1.98	0.09	1.86	-0.01	1.95	-0.12	1.99	0.21	2.02	0.09	1.96	0.07
Skim	Limited	2.09	0.00	1.49	0.30	2.22	0.06	1.99	0.00	1.99	-0.07	2.02	0.11

Note: N/A means no observations in data

Table 2b. Number of Observations (SKUs) for Weighted Average Price by Channel in June 2003

Type	Channel	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Chain	276	69	109	137	30	345
Whole	Convenience	30	9	7	16	7	39
Whole	Club	17	3	6	9	2	20
Whole	Limited	14	1	7	2	5	15
Two	Chain	272	70	109	133	30	342
Two	Convenience	30	9	7	16	7	39
Two	Club	16	3	6	9	1	19
Two	Limited	13	1	6	2	5	14
One	Chain	273	68	108	135	30	341
One	Convenience	30	9	7	16	7	39
One	Club	17	3	6	9	2	20
One	Limited	13	N/A	6	2	5	14
Skim	Chain	272	70	109	133	30	342
Skim	Convenience	27	9	7	14	6	36
Skim	Club	14	2	5	7	2	16
Skim	Limited	7	1	3	2	2	8

Note: N/A means no observations in data

Table 3a. Average Lowest Price by Chain

Type	Chain	New England June 03	New England Change from Nov 02	New York June 03	New York Change from Nov 02	Massachusetts June 03	Massachusetts Change from Nov 02	Connecticut June 03	Connecticut Change from Nov 02	Rhode Island June 03	Rhode Island Change from Nov 02	All June 03	All Change from Nov 02
Whole	Stop & Shop	2.97	0.00	2.35	-0.18	2.94	0.03	3.00	-0.03	2.99	0.00	2.87	-0.02
Whole	Shaw's / Star Market	2.75	-0.11	-	-	2.92	0.08	2.55	-0.34	2.72	-0.17	2.75	-0.11
Whole	DeMoulas / Market Basket	2.44	0.00	-	-	2.44	0.00	-	-	-	-	2.44	0.00
Whole	Roche Bros	2.69	0.19	-	-	2.69	0.19	-	-	-	-	2.69	0.19
Whole	Big Y	2.31	-0.67	-	-	2.71	-0.33	2.12	-0.84	-	-	2.31	-0.67
Whole	A & P/ Waldbaums	2.96	-0.02	2.50	-0.16	-	-	2.96	-0.05	-	-	2.69	-0.14
Whole	Shop Rite	3.06	0.30	2.17	-0.24	-	-	3.06	0.30	-	-	2.96	0.34
Whole	Price Chopper	3.19	0.20	2.14	-0.04	3.19	0.20	N/A	N/A	-	-	2.35	0.06
Whole	Ro Jacks	2.89	0.06	-	-	2.99	0.00	-	-	2.86	0.11	2.89	0.06
Whole	Hannaford	N/A	N/A	2.18	-0.06	N/A	N/A	-	-	-	-	2.18	-0.06
Whole	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Whole	Wal-Mart Supercenter	2.58	-0.16	2.03	-0.04	2.47	-0.35	2.63	-0.06	-	-	2.26	-0.02
Whole	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Stop & Shop	2.96	-0.02	2.35	-0.12	2.90	-0.01	3.00	-0.02	2.99	0.00	2.86	-0.01
Two	Shaw's / Star Market	2.88	0.01	-	-	2.92	0.08	2.88	-0.01	2.72	-0.17	2.88	0.01
Two	DeMoulas / Market Basket	2.44	0.00	-	-	2.59	0.00	-	-	-	-	2.59	0.00
Two	Roche Bros	2.69	0.19	-	-	2.69	0.19	-	-	-	-	2.69	0.19
Two	Big Y	2.90	0.11	-	-	2.91	-0.10	2.90	0.21	-	-	2.90	0.11
Two	A & P / Waldbaums	2.96	-0.03	2.50	-0.16	-	-	2.96	-0.07	-	-	2.69	-0.14
Two	Shop Rite	3.06	0.30	2.17	-0.24	-	-	3.06	0.30	-	-	2.70	0.08
Two	Price Chopper	3.19	0.20	2.14	-0.04	3.19	0.20	N/A	N/A	-	-	2.35	0.06
Two	Ro Jacks	2.89	0.06	-	-	2.99	0.00	-	-	2.86	0.11	2.89	0.06
Two	Hannaford	N/A	N/A	2.18	-0.06	N/A	N/A	-	-	-	-	2.18	-0.06
Two	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Wal-Mart Supercenter	2.47	-0.16	2.03	-0.03	2.47	-0.19	2.47	-0.14	-	-	2.22	-0.03
Two	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Stop & Shop	2.97	0.00	2.35	-0.12	2.94	0.03	3.00	-0.01	2.99	0.00	2.87	0.00
One	Shaw's / Star Market	2.79	-0.07	-	-	2.92	0.08	2.66	-0.23	2.72	-0.17	2.79	-0.07
One	DeMoulas / Market Basket	2.32	-0.13	-	-	2.32	-0.13	-	-	-	-	2.32	-0.13
One	Roche Bros	2.69	0.19	-	-	2.69	0.19	-	-	-	-	2.69	0.19
One	Big Y	2.89	-0.07	-	-	2.90	-0.10	2.89	-0.06	-	-	2.89	-0.07
One	A & P / Waldbaums	2.96	-0.02	2.50	-0.16	-	-	2.96	-0.05	-	-	2.69	-0.14
One	Shop Rite	3.06	0.30	2.17	-0.24	-	-	3.06	0.30	-	-	2.70	0.08
One	Price Chopper	3.19	0.20	2.16	-0.02	3.19	0.20	N/A	N/A	-	-	2.36	0.07
One	Ro Jacks	2.89	0.06	-	-	2.99	0.00	-	-	2.86	0.11	2.89	0.06
One	Hannaford	N/A	N/A	2.18	-0.06	N/A	N/A	-	-	-	-	2.18	-0.06
One	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Wal-Mart Supercenter	2.34	-0.29	2.00	-0.05	2.34	-0.32	2.34	-0.27	-	-	2.15	-0.10
One	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Skim	Stop & Shop	2.97	0.01	2.35	-0.12	2.94	0.03	3.00	-0.01	2.99	0.00	2.87	0.00
Skim	Shaw's / Star Market	2.88	0.00	-	-	2.92	0.07	2.88	-0.01	2.72	-0.17	2.88	0.00
Skim	DeMoulas / Market Basket	2.34	-0.10	-	-	2.34	-0.10	-	-	-	-	2.34	-0.10
Skim	Roche Bros	2.69	0.19	-	-	2.69	0.19	-	-	-	-	2.69	0.19
Skim	Big Y	2.87	-0.06	-	-	2.86	-0.10	2.87	-0.04	-	-	2.87	-0.06
Skim	A & P / Waldbaums	2.96	-0.02	2.50	-0.16	-	-	2.96	-0.05	-	-	2.69	-0.14
Skim	Shop Rite	3.06	0.30	2.17	-0.24	-	-	3.06	0.30	-	-	2.70	0.08
Skim	Price Chopper	3.19	0.20	2.14	-0.04	3.19	0.20	N/A	N/A	-	-	2.35	0.06
Skim	Ro Jacks	2.89	0.06	-	-	2.99	0.00	-	-	2.86	0.11	2.89	0.06
Skim	Hannaford	N/A	N/A	2.18	-0.06	N/A	-	-	-	-	-	2.18	-0.06
Skim	King Kullen	-	-	2.44	-0.13	-	N/A	-	-	-	-	2.44	-0.13
Skim	Wal-Mart Supercenter	2.27	-0.26	2.00	-0.06	2.34	-0.19	2.24	-0.29	-	-	2.12	-0.10
Skim	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13

Note: - means chain not in area, N/A means no observations in data

Table 3b. Number of Observations (Stores) for Average Lowest Price by Chain in June 2003

Type	Chain	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Stop & Shop	34	7	13	17	4	41
Whole	Shaw's / Star Market	19	-	9	7	3	19
Whole	DeMoulas / Market Basket	4	-	4	-	-	4
Whole	Roche Bros	3	-	3	-	-	3
Whole	Big Y	12	-	4	8	-	12
Whole	A & P / Waldbaums	3	4	-	3	-	7
Whole	Shop Rite	6	4	-	6	-	10
Whole	Price Chopper	1	4	1	N/A	-	5
Whole	Ro Jacks	4	-	1	-	3	4
Whole	Hannaford	N/A	7	N/A	-	-	7
Whole	King Kullen	-	2	-	-	-	2
Whole	Wal-Mart Supercenter	3	4	1	2	-	7
Whole	Pathmark	-	1	-	-	-	1
Two	Stop & Shop	35	7	14	17	4	42
Two	Shaw's / Star Market	19	-	9	7	-	19
Two	DeMoulas / Market Basket	5	-	5	-	-	5
Two	Roche Bros	3	-	3	-	-	3
Two	Big Y	12	-	4	8	-	12
Two	A & P / Waldbaums	3	4	-	3	-	7
Two	Shop Rite	6	4	-	6	-	10
Two	Price Chopper	1	4	1	N/A	-	5
Two	Ro Jacks	4	-	1	-	-	4
Two	Hannaford	N/A	7	N/A	-		7
Two	King Kullen	-	2	-	-		2
Two	Wal-Mart Supercenter	3	4	1	2	-	7
Two	Pathmark	-	1	-	-		1
One	Stop & Shop	34	7	13	17	4	41
One	Shaw's / Star Market	19	-	9	7	3	19
One	DeMoulas / Market Basket	4	-	4	-	-	4
One	Roche Bros	3	-	3	-	-	3
One	Big Y	12	-	4	8	-	12
One	A & P / Waldbaums	3	4	-	3	-	7
One	Shop Rite	6	4	-	6	-	10
One	Price Chopper	1	4	1	N/A	-	5
One	Ro Jacks	4	-	1	-	3	4
One	Hannaford	N/A	7	N/A	-	-	7
One	King Kullen	-	2	-	-	-	2
One	Wal-Mart Supercenter	3	4	1	2	-	7
One	Pathmark	-	1	-	-	-	1
Skim	Stop & Shop	34	7	13	17	4	41
Skim	Shaw's / Star Market	19	-	9	7	3	19
Skim	DeMoulas / Market Basket	4	-	4	-	-	4
Skim	Roche Bros	3	-	3	-	-	3
Skim	Big Y	12	-	4	8	-	12
Skim	A & P / Waldbaums	3	4	-	3	-	7
Skim	Shop Rite	6	4	-	6	-	10
Skim	Price Chopper	1	4	1	N/A	-	5
Skim	Ro Jacks	4	-	1	-	3	4
Skim	Hannaford	N/A	7	N/A	-	-	7
Skim	King Kullen	-	2	-	-	-	2
Skim	Wal-Mart Supercenter	3	4	1	2	-	7
Skim	Pathmark	-	1	-	-	-	1

Note: - means chain not in area, N/A means no observations in data

Table 4a. Weighted Average Price by Chain

Type	Chain	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
		June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Whole	Stop & Shop	3.12	0.03	2.45	-0.17	3.08	0.04	3.15	0.01	3.12	0.04	3.02	0.01
Whole	Shaw's / Star Market	2.92	-0.06	-	-	3.02	0.08	2.80	-0.21	2.90	-0.09	2.92	-0.06
Whole	DeMoulas / Market Basket	2.54	-0.01	-	-	2.54	-0.01	-	-	-	-	2.54	-0.01
Whole	Roche Bros	2.83	0.09	-	-	2.83	0.09	-	-	-	-	2.83	0.09
Whole	Big Y	2.64	-0.46	-	-	2.92	-0.24	2.50	-0.57	-	-	2.64	-0.46
Whole	A & P / Waldbaums	3.17	0.02	2.52	-0.18	-	-	3.17	0.00	-	-	2.90	-0.11
Whole	Shop Rite	3.37	0.25	2.24	-0.20	-	-	3.15	0.25	-	-	2.91	0.20
Whole	Price Chopper	3.26	0.09	2.22	-0.11	3.26	0.09	N/A	N/A	-	-	2.42	-0.04
Whole	Ro Jacks	3.07	0.04	-	-	3.14	0.00	-	-	3.05	0.07	3.07	0.04
Whole	Hannaford	N/A	N/A	2.24	-0.09	N/A	N/A	-	-	-	-	2.24	-0.09
Whole	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Whole	Wal-Mart Supercenter	2.70	-0.16	2.11	-0.04	2.65	-0.29	2.72	-0.09	-	-	2.38	-0.02
Whole	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Stop & Shop	3.12	0.02	2.45	-0.13	3.07	0.02	3.15	0.02	3.12	0.04	3.02	0.02
Two	Shaw's / Star Market	3.00	0.02	-	-	3.02	0.08	3.02	0.01	2.90	-0.09	3.00	0.02
Two	DeMoulas / Market Basket	2.54	-0.01	-	-	2.61	-0.01	-	-	-	-	2.61	-0.01
Two	Roche Bros	2.83	0.11	-	-	2.83	0.11	-	-	-	-	2.83	0.11
Two	Big Y	3.03	0.05	-	-	3.05	-0.09	3.02	0.12	-	-	3.03	0.05
Two	A & P / Waldbaums	3.14	-0.01	2.52	-0.18	-	-	3.14	-0.03	-	-	2.87	-0.13
Two	Shop Rite	3.15	0.25	2.24	-0.21	-	-	3.15	0.25	-	-	2.78	0.07
Two	Price Chopper	3.26	0.09	2.23	-0.10	3.26	0.09	N/A	N/A	-	-	2.42	-0.03
Two	Ro Jacks	3.07	0.04	-	-	3.14	0.00	-	-	3.05	0.07	3.07	0.04
Two	Hannaford	N/A	N/A	2.24	-0.09	N/A	N/A	-	-	-	-	2.24	-0.09
Two	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Wal-Mart Supercenter	2.59	-0.20	2.11	-0.04	2.57	-0.27	2.60	-0.16	-	-	2.33	-0.05
Two	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Stop & Shop	3.12	0.03	2.45	-0.13	3.08	0.04	3.15	0.02	3.12	0.04	3.02	0.02
One	Shaw's / Star Market	2.95	-0.03	-	-	3.02	0.08	2.87	-0.13	2.90	-0.09	2.95	-0.03
One	DeMoulas / Market Basket	2.43	-0.11	-	-	2.29	-0.25	-	-	-	-	2.29	-0.25
One	Roche Bros	2.83	0.11	-	-	2.83	0.11	-	-	-	-	2.83	0.11
One	Big Y	3.02	-0.06	-	-	3.04	-0.09	3.01	-0.04	-	-	3.02	-0.06
One	A & P / Waldbaums	3.14	0.00	2.52	-0.18	-	-	3.14	-0.01	-	-	2.87	-0.12
One	Shop Rite	3.15	0.25	2.24	-0.20	-	-	3.15	0.25	-	-	2.78	0.07
One	Price Chopper	3.26	0.09	2.24	-0.09	3.26	0.09	N/A	N/A	-	-	2.44	-0.02
One	Ro Jacks	3.07	0.04	-	-	3.14	0.00	-	-	3.05	0.07	3.07	0.04
One	Hannaford	N/A	N/A	2.24	-0.09	N/A	N/A	-	-	-	-	2.24	-0.09
One	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Wal-Mart Supercenter	2.47	-0.32	2.08	-0.07	2.46	-0.38	2.48	-0.30	-	-	2.27	-0.12
One	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Skim	Stop & Shop	3.12	0.03	2.45	-0.13	3.08	0.04	3.15	0.03	3.12	0.04	3.02	0.02
Skim	Shaw's / Star Market	3.00	0.02	-	-	3.02	0.07	3.02	0.01	2.90	-0.09	3.00	0.02
Skim	DeMoulas / Market Basket	2.47	-0.08	-	-	2.63	0.08	-	-	-	-	2.63	0.08
Skim	Roche Bros	2.83	0.11	-	-	2.83	0.11	-	-	-	-	2.83	0.11
Skim	Big Y	3.01	-0.05	-	-	3.01	-0.09	3.00	-0.04	-	-	3.01	-0.05
Skim	A & P / Waldbaums	3.14	0.00	2.52	-0.18	-	-	3.14	-0.01	-	-	2.87	-0.12
Skim	Shop Rite	3.15	0.25	2.24	-0.20	-	-	3.15	0.25	-	-	2.78	0.07
Skim	Price Chopper	3.26	0.09	2.23	-0.10	3.26	0.09	N/A	N/A	-	-	2.42	-0.03
Skim	Ro Jacks	3.07	0.04	-	-	3.14	0.00	-	-	3.05	0.07	3.07	0.04
Skim	Hannaford	N/A	N/A	2.24	-0.09	N/A	N/A	-	-	-	-	2.24	-0.09
Skim	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Skim	Wal-Mart Supercenter	2.41	-0.30	2.08	-0.07	2.42	-0.33	2.41	-0.29	-	-	2.23	-0.13
Skim	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13

Note: - means chain not in area, N/A means no observations in data

Table 4b. Number of Observations (SKUs) for Weighted Average Price by Chain in June 2003

Type	Chain	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Stop & Shop	103	16	39	52	12	119
Whole	Shaw's / Star Market	63	-	27	27	9	63
Whole	DeMoulas / Market Basket	9	-	9	-	-	9
Whole	Roche Bros	9	-	9	-	-	9
Whole	Big Y	48	-	16	32	-	48
Whole	A & P / Waldbaums	10	5	-	10	-	15
Whole	Shop Rite	10	7	-	10	-	17
Whole	Price Chopper	3	13	3	N/A	-	16
Whole	Ro Jacks	12	-	3	-	9	12
Whole	Hannaford	N/A	15	N/A	-	-	15
Whole	King Kullen	-	2	-	-	-	2
Whole	Wal-Mart Supercenter	9	10	3	6	-	19
Whole	Pathmark	-	1	-	-	-	1
Two	Stop & Shop	103	16	39	52	12	119
Two	Shaw's / Star Market	60	-	27	24	9	60
Two	DeMoulas / Market Basket	9	-	9	-	-	9
Two	Roche Bros	9	-	9	-	-	9
Two	Big Y	48	-	16	32	-	48
Two	A & P / Waldbaums	9	5	-	9	-	14
Two	Shop Rite	10	7	-	10	-	17
Two	Price Chopper	3	14	3	N/A	-	17
Two	Ro Jacks	12	-	3	-	9	12
Two	Hannaford	N/A	15	N/A	-	-	15
Two	King Kullen	-	2	-	-	-	2
Two	Wal-Mart Supercenter	9	10	3	6	-	19
Two	Pathmark	-	1	-	-	-	1
One	Stop & Shop	103	16	39	52	12	119
One	Shaw's / Star Market	62	-	27	26	9	62
One	DeMoulas / Market Basket	9	-	9	-	-	9
One	Roche Bros	9	-	9	-	-	9
One	Big Y	48	-	16	32	-	48
One	A & P/ Waldbaums	9	5	-	9	-	14
One	Shop Rite	10	7	-	10	-	17
One	Price Chopper	3	13	3	N/A	-	16
One	Ro Jacks	12	-	3	-	9	12
One	Hannaford	N/A	15	N/A	-	-	15
One	King Kullen	-	2	-	-	-	2
One	Wal-Mart Supercenter	9	9	3	6	-	18
One	Pathmark	-	1	-	-	-	1
Skim	Stop & Shop	103	16	39	52	12	119
Skim	Shaw's / Star Market	60	-	27	24	9	60
Skim	DeMoulas / Market Basket	8	-	8	-	-	8
Skim	Roche Bros	9	-	9	-	-	9
Skim	Big Y	48	-	16	32	-	48
Skim	A & P/ Waldbaums	9	5	-	9	-	14
Skim	Shop Rite	10	7	-	10	-	17
Skim	Price Chopper	3	14	3	N/A	-	17
Skim	Ro Jacks	12	-	3	-	9	12
Skim	Hannaford	N/A-	15	N/A	-	-	15
Skim	King Kullen	-	2	-	-	-	2
Skim	Wal-Mart Supercenter	9	10	3	6	-	19
Skim	Pathmark	-	1	-	-	-	1

Note: - means chain not in area, N/A means no observations in data

Table 5. Weighted Average Price by Channel Across All Types

Channel	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Chain	3.01	0.00	2.31	-0.11	2.97	0.02	3.04	-0.01	3.03	0.00	2.85	0.00
Convenience	2.76	-0.08	2.50	0.01	2.70	-0.01	2.77	-0.14	2.81	-0.01	2.70	-0.04
Club	2.00	-0.06	1.89	-0.03	1.94	-0.18	2.03	0.02	2.10	-0.01	1.99	-0.04
Limited	1.99	0.07	1.59	0.10	2.06	0.11	1.99	0.00	1.91	0.09	1.93	0.06

Table 6. Weighted Average Price by Chain Across All Types

Chain	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Stop & Shop	3.12	0.03	2.45	-0.14	3.08	0.04	3.15	0.02	3.12	0.03	3.02	0.02
Shaw's / Star Market	2.97	-0.01	-		3.02	0.07	2.93	-0.08	2.90	-0.09	2.97	-0.01
DeMoulas / Market Basket	2.49	-0.05	-		2.50	-0.04	-	-	-		2.50	-0.04
Roche Bros	2.83	0.10	-		2.83	0.10	-	-	-		2.83	0.10
Big Y	2.92	-0.13	-		3.00	-0.13	2.88	-0.13	-		2.92	-0.13
A & P	3.15	0.00	2.52	-0.18	-	-	3.15	0.14	-		2.88	-0.11
Shop Rite	3.15	0.25	2.24	-0.20	-	-	3.15	-0.01	-		2.82	0.11
Price Chopper	3.26	0.09	2.23	-0.10	3.26	0.09	N/A	N/A	-		2.43	0.03
Ro Jacks	3.07	0.04	-		3.14	0.00	-	-	3.05	0.07	3.07	0.04
Hannaford	N/A	N/A	2.24	-0.09	N/A	N/A	-	-	-		2.24	-0.09
King Kullen	-	-	2.44	-0.13	-	-	-	-	-		2.44	-0.13
Wal-Mart	2.54	-0.25	2.10	-0.05	2.52	-0.32	2.55	-0.21	-		2.30	-0.08
Pathmark	-		2.44	-0.13	-	-	-	-	-		2.44	-0.13

Note: - means chain not in area, N/A means no observations in data

Table 7. Full New York Sample Prices and Observations

Type	Channel	Average Lowest	Weighted Average	Average	Stores	SKUs
Whole	Chain	2.29	2.33	2.36	122	221
Whole	Convenience	2.67	2.67	2.67	35	35
Whole	Club	1.97	1.97	1.97	20	20
Whole	Limited	2.00	2.00	2.00	11	11
Two	Chain	2.24	2.29	2.33	122	219
Two	Convenience	2.35	2.35	2.35	35	35
Two	Club	1.89	1.89	1.89	20	20
Two	Limited	1.93	1.93	1.93	10	10
One	Chain	2.25	2.29	2.33	122	211
One	Convenience	2.39	2.38	2.37	32	33
One	Club	1.87	1.87	1.87	19	19
One	Limited	2.00	2.00	2.00	4	4
Skim	Chain	2.23	2.28	2.32	118	212
Skim	Convenience	2.40	2.39	2.37	30	32
Skim	Club	1.83	1.83	1.83	15	15
Skim	Limited	1.89	1.89	1.89	11	11

Table 8. New York Chain Prices and Observations

Type	Chain	Average Lowest	Weighted Average	Average	Region	Stores	SKUs
Whole	Stop & Shop	2.39	2.49	2.58	M	13	29
Whole	Price Chopper	2.12	2.21	2.30	B	11	33
Whole	Wal-Mart	2.04	2.12	2.20	B	12	28
Whole	Shop Rite	2.26	2.31	2.35	M	6	9
Whole	A & P	2.56	2.56	2.56	M	12	17
Whole	C Town	2.79	2.79	2.79	M	4	4
Whole	D' Agostino	3.47	3.47	3.47	M	1	1
Whole	Giant Markets	2.10	2.14	2.17	U	5	14
Whole	Gristedes/ Sloans	3.04	3.04	3.04	M	2	2
Whole	Hannaford	2.13	2.21	2.28	B	10	22
Whole	King Kullen	2.44	2.44	2.44	M	4	4
Whole	P&C Foods	2.21	2.27	2.33	U	12	23
Whole	Pathmark	2.45	2.45	2.45	M	9	9
Whole	Quality Markets	2.09	2.19	2.28	U	2	4
Whole	Tops Market	2.21	2.25	2.28	U	9	12
Whole	Wegmans	2.18	2.18	2.18	U	10	10
Two	Stop & Shop	2.39	2.49	2.58	M	13	29
Two	Price Chopper	2.06	2.17	2.28	B	11	33
Two	Wal-Mart	1.95	2.04	2.12	B	12	28
Two	Shop Rite	2.26	2.31	2.35	M	6	9
Two	A & P	2.56	2.56	2.56	M	12	17
Two	C Town	2.76	2.76	2.76	M	3	3
Two	D' Agostino	3.47	3.47	3.47	M	1	1
Two	Giant Markets	2.07	2.09	2.10	U	5	10
Two	Gristedes/ Sloans	3.04	3.04	3.04	M	2	2
Two	Hannaford	2.13	2.21	2.28	B	10	23
Two	King Kullen	2.44	2.44	2.44	M	4	4
Two	P&C Foods	2.06	2.15	2.23	U	13	25
Two	Pathmark	2.45	2.45	2.45	M	9	9
Two	Quality Markets	1.89	2.04	2.18	U	2	4
Two	Tops Market	2.14	2.19	2.23	U	9	12
Two	Wegmans	2.08	2.08	2.08	U	10	10

Note: M=Metro, U=Upstate, B=Both Metro and Upstate

(Continues)

Table 8. New York Chain Prices and Observations (continued)

Type	Chain	Average Lowest	Weighted Average	Average	Region	Stores	SKUs
One	Stop & Shop	2.39	2.48	2.57	M	13	28
One	Price Chopper	2.07	2.18	2.28	B	11	32
One	Wal-Mart	1.95	2.03	2.10	B	12	25
One	Shop Rite	2.26	2.31	2.35	M	6	9
One	A & P	2.55	2.56	2.56	M	12	17
One	C Town	2.79	2.79	2.79	M	4	4
One	D' Agostino	3.47	3.47	3.47	M	1	1
One	Giant Markets	2.16	2.17	2.18	U	5	10
One	Gristedes/ Sloans	3.04	3.04	3.04	M	2	2
One	Hannaford	2.13	2.21	2.28	B	10	23
One	King Kullen	2.44	2.44	2.44	M	4	4
One	P&C Foods	2.06	2.14	2.21	U	13	24
One	Pathmark	2.44	2.44	2.44	M	8	8
One	Quality Markets	1.89	1.99	2.08	U	2	3
One	Tops Market	2.14	2.17	2.20	U	9	11
One	Wegmans	2.08	2.08	2.08	U	10	10
Skim	Stop & Shop	2.39	2.49	2.58	M	12	26
Skim	Price Chopper	2.07	2.18	2.28	B	11	34
Skim	Wal-Mart	1.92	2.01	2.10	B	12	28
Skim	Shop Rite	2.26	2.31	2.35	M	6	9
Skim	A & P	2.56	2.57	2.58	M	12	17
Skim	C Town	2.76	2.76	2.76	M	3	3
Skim	D' Agostino	3.47	3.47	3.47	M	1	1
Skim	Giant Markets	1.99	2.03	2.07	U	5	10
Skim	Gristedes/ Sloans	3.04	3.04	3.04	M	2	2
Skim	Hannaford	2.13	2.21	2.28	B	10	23
Skim	King Kullen	2.44	2.44	2.44	M	4	4
Skim	P&C Foods	2.06	2.15	2.23	U	13	25
Skim	Pathmark	2.44	2.44	2.44	M	7	7
Skim	Quality Markets	1.89	1.99	2.08	U	2	3
Skim	Tops Market	2.14	2.17	2.20	U	9	11
Skim	Wegmans	2.06	2.06	2.06	U	9	9

Note: M=Metro, U=Upstate, B=Both Metro and Upstate

Table 9. Seattle Channel Results*

Type	Channel	Average Lowest	Weighted Average	Average	Stores	SKUs
Whole	Chain	3.18	3.41	3.64	22	38
Whole	Convenience	2.94	2.97	2.99	6	7
Two	Chain	3.05	3.23	3.42	22	43
Two	Convenience	2.47	2.53	2.59	6	7
One	Chain	2.97	3.21	3.45	22	43
One	Convenience	2.49	2.49	2.49	5	5
Skim	Chain	2.80	2.99	3.19	22	43
Skim	Convenience	2.32	2.32	2.32	4	4

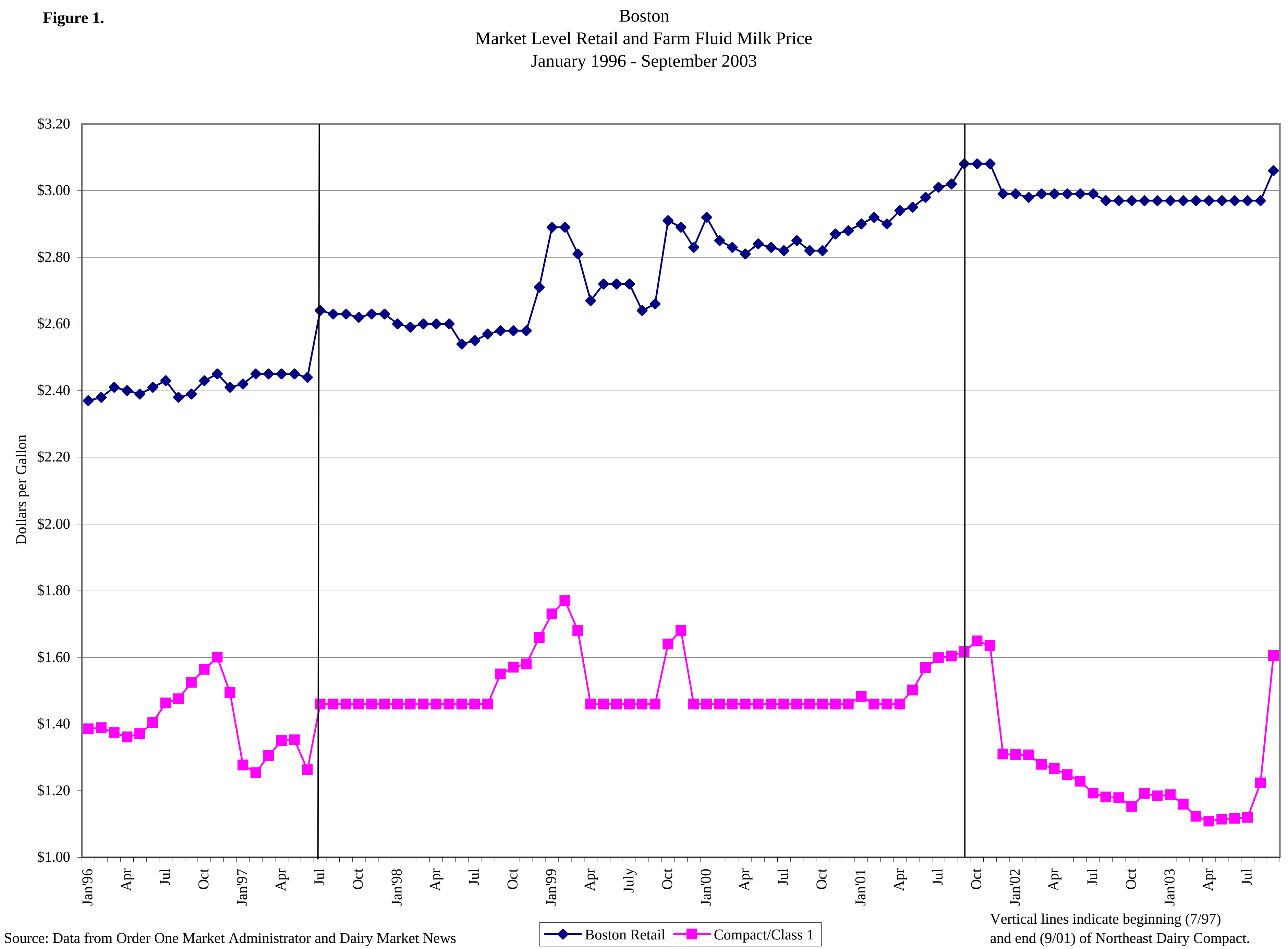
*Note: Wholesale Clubs were excluded from this analysis because milk in these stores is sold in 2-gallon quantities only. Limited assortment stores were not surveyed in this area.

Table 10. Seattle Chain Results

Type	Chain	Average Lowest	Weighted Average	Average	Stores	SKUs
Whole	Safeway	3.91	3.91	3.92	7	8
Whole	Quality Food Centers	3.19	3.40	3.61	5	10
Whole	Albertson’s	3.49	3.49	3.49	3	3
Whole	Fred Meyer	3.52	3.63	3.75	4	8
Whole	Top Food & Drug	2.12	2.76	3.39	3	9
Whole	Larry’s Markets*	2.19	2.76	3.33	2	5
Two	Safeway	2.65	2.97	3.29	7	14
Two	Quality Food Centers	3.19	3.39	3.58	5	10
Two	Albertson’s	3.43	3.43	3.43	3	3
Two	Fred Meyer	3.19	3.37	3.54	4	8
Two	Top Food & Drug	3.16	3.45	3.74	3	8
Two	Larry’s Markets*	2.00	2.63	3.25	2	5
One	Safeway	2.65	2.94	3.24	7	14
One	Quality Food Centers	3.19	3.37	3.54	5	10
One	Albertson’s	3.36	3.36	3.36	3	3
One	Fred Meyer	2.99	3.19	3.39	4	8
One	Top Food & Drug	2.62	3.04	3.46	3	9
One	Larry’s Markets*	2.00	2.59	3.17	2	5
Skim	Safeway	2.65	2.92	3.19	7	14
Skim	Quality Food Centers	3.05	3.20	3.35	5	9
Skim	Albertson’s	3.29	3.29	3.29	3	3
Skim	Fred Meyer	2.49	2.70	2.92	4	8
Skim	Top Food & Drug	2.62	3.00	3.38	3	9
Skim	Larry’s Markets*	2.00	2.58	3.15	2	5

*Larry’s Markets is an independent grocer and is excluded in the aggregate chain results in Table 9.

Figure 1.

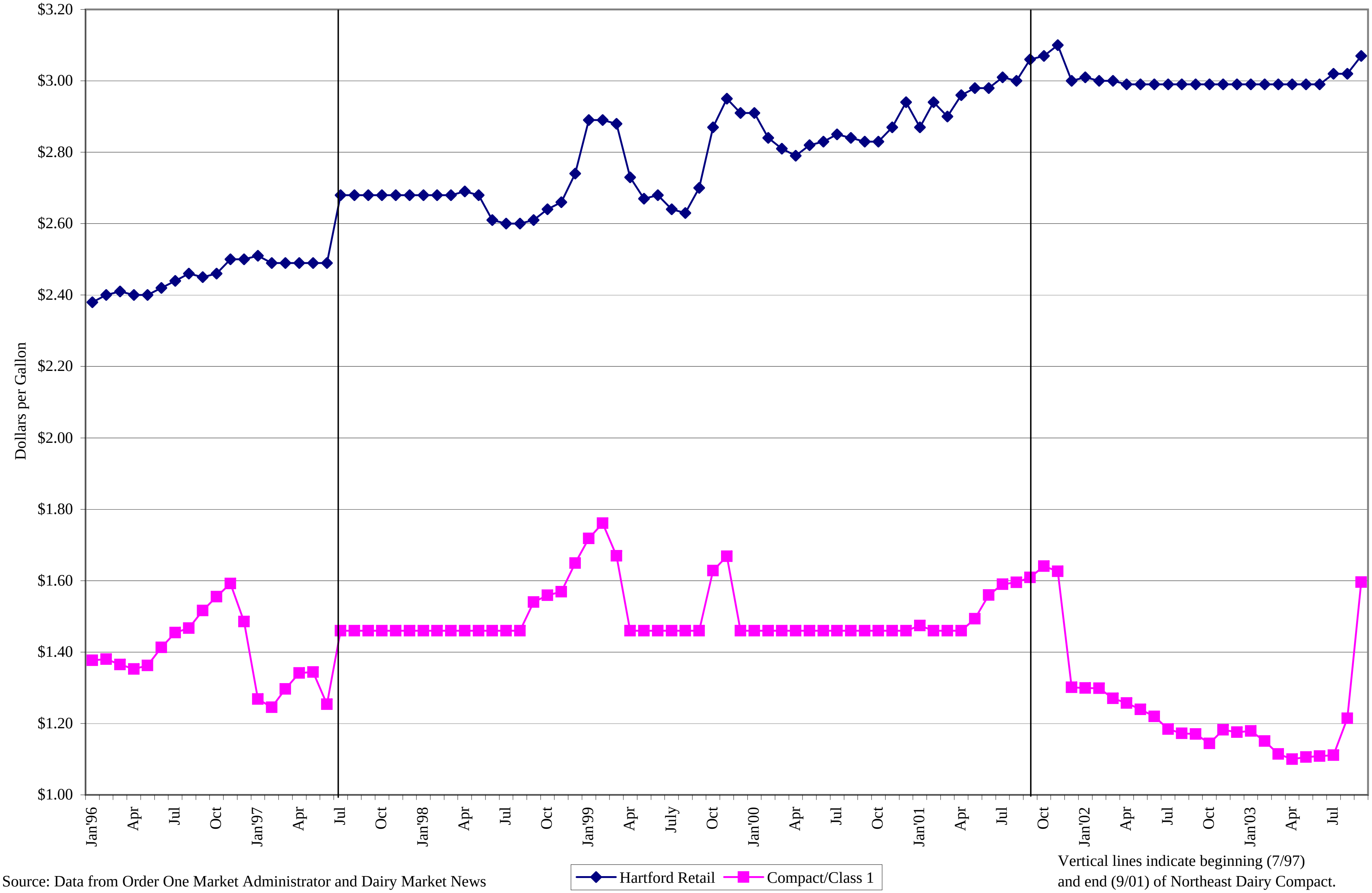


Source: Data from Order One Market Administrator and Dairy Market News

Vertical lines indicate beginning (7/97) and end (9/01) of Northeast Dairy Compact.

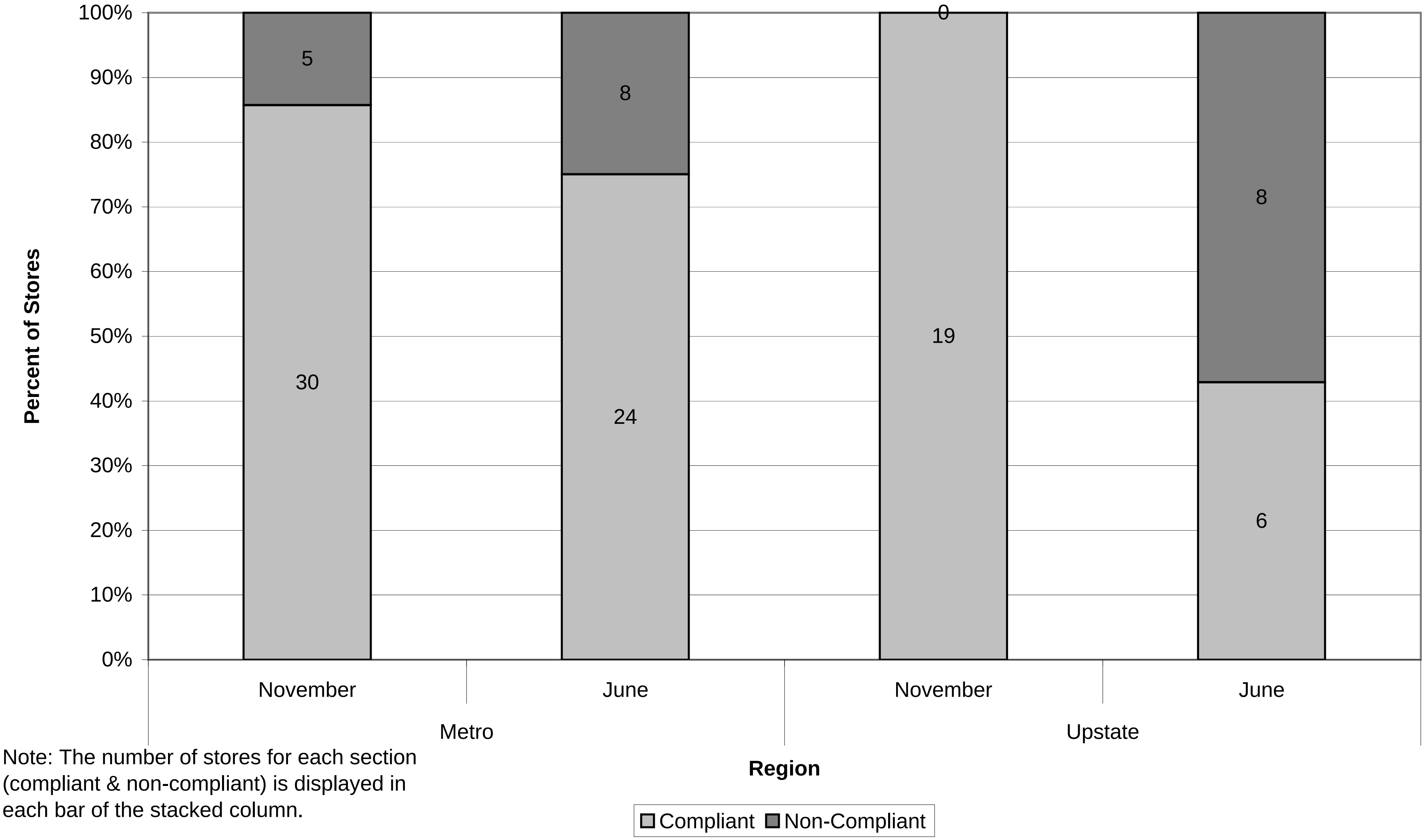
Figure 2.

Hartford
Market Level Retail and Farm Fluid Milk Price
January 1996 - September 2003



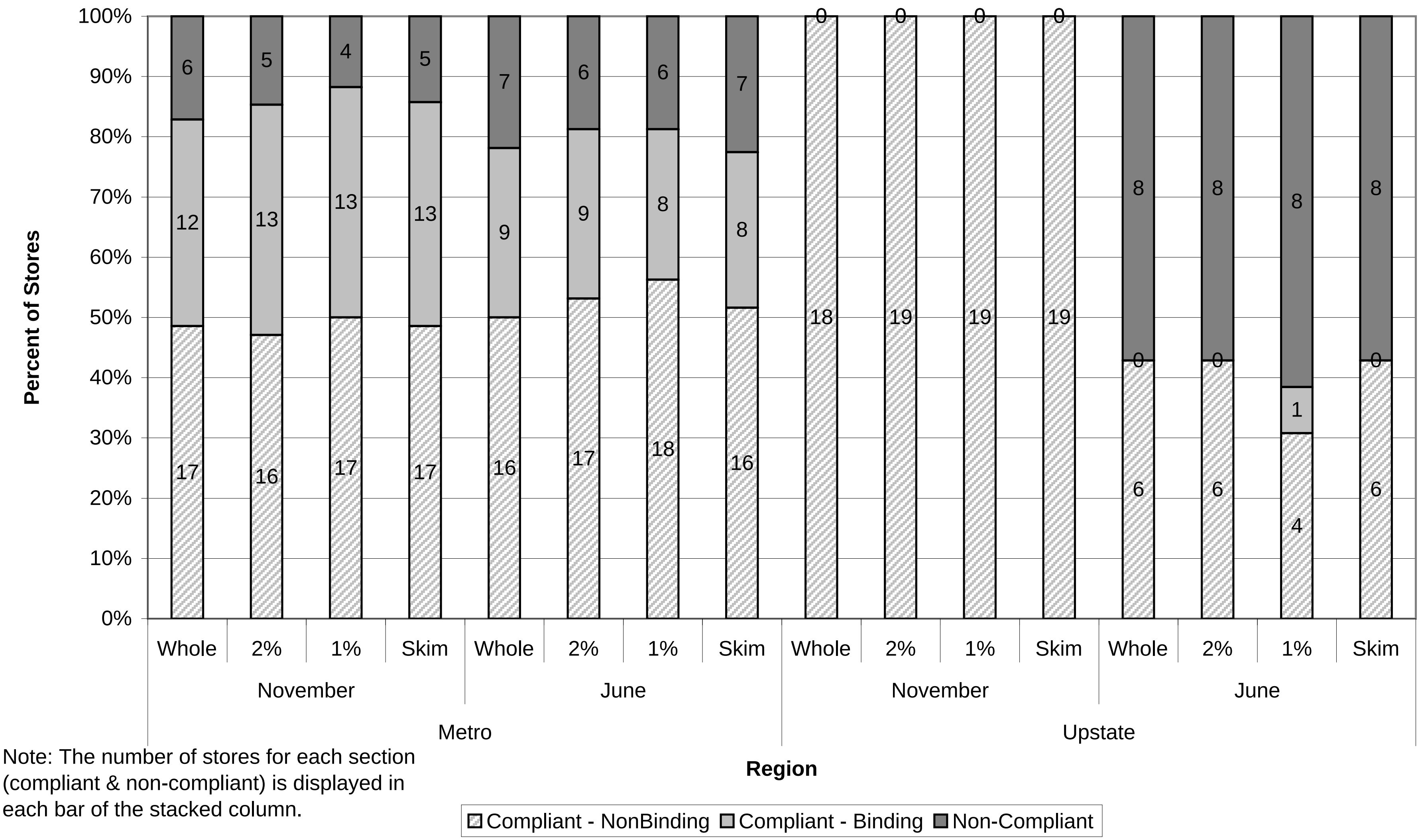
Source: Data from Order One Market Administrator and Dairy Market News

Figure 3. Price Threshold Copmliance by Store November vs. June Comparison



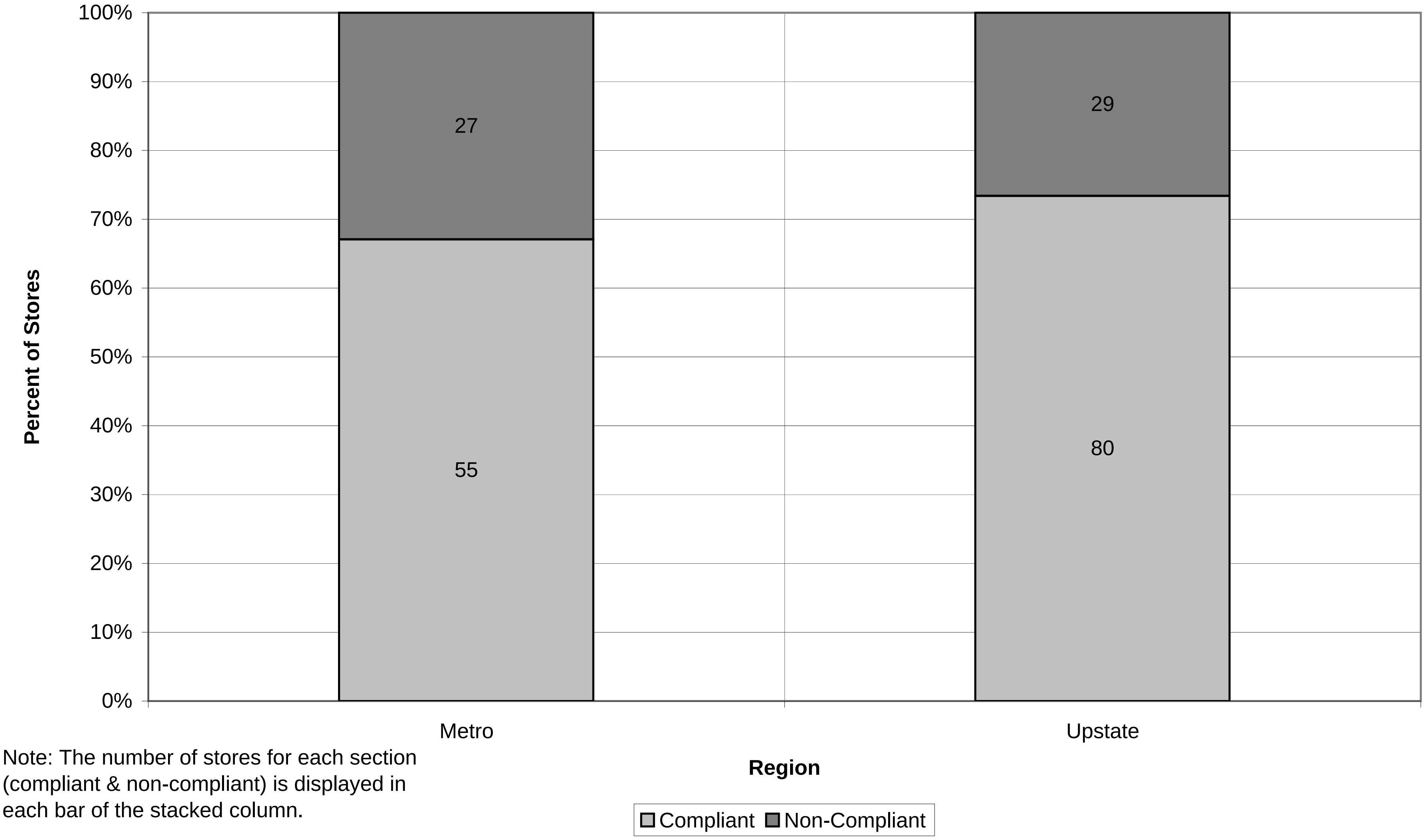
Note: The number of stores for each section (compliant & non-compliant) is displayed in each bar of the stacked column.

Figure 4. Price Threshold Compliance by Type November vs. June Comparison



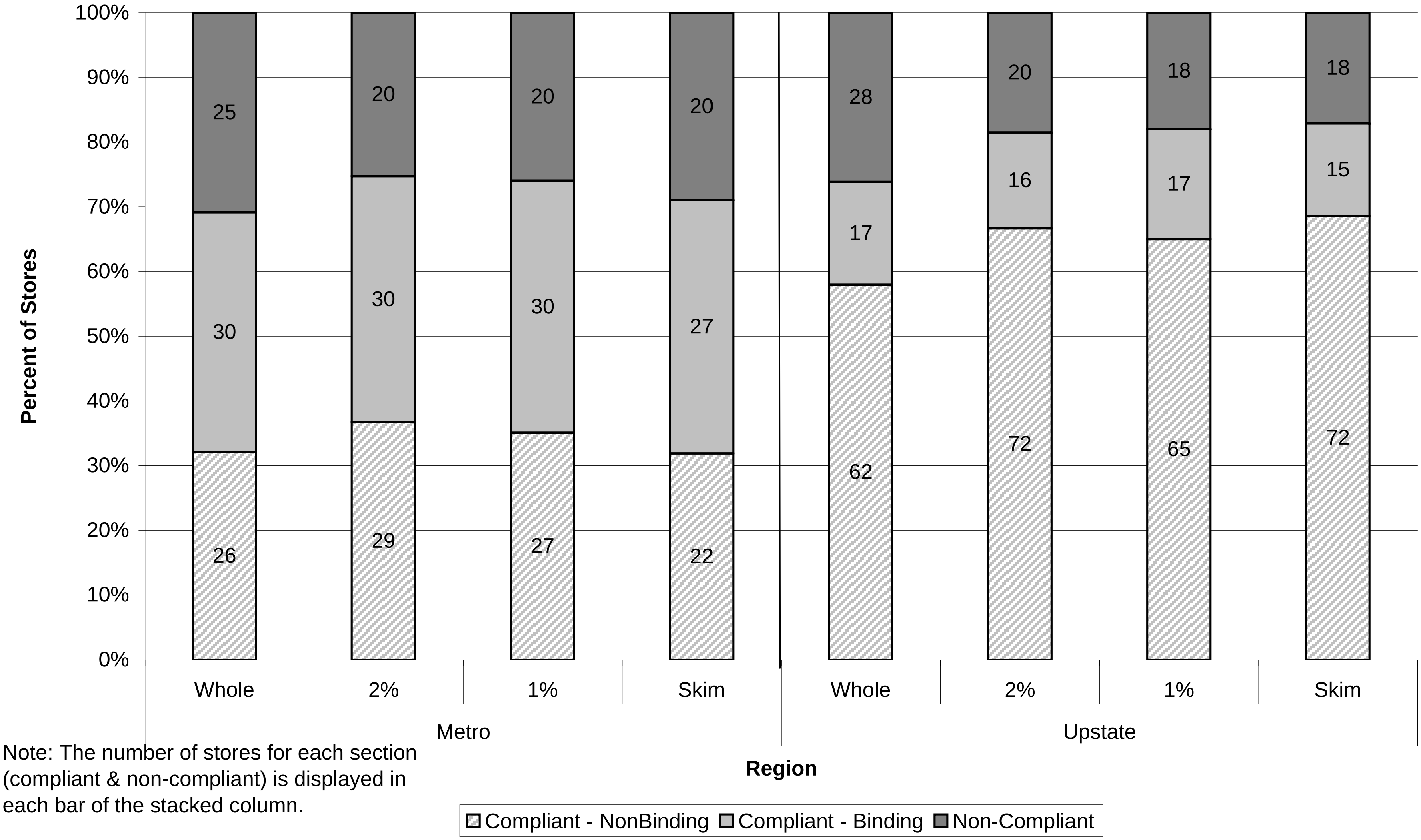
Note: The number of stores for each section (compliant & non-compliant) is displayed in each bar of the stacked column.

Figure 5. Price Threshold Compliance by Store
Full New York Study



Note: The number of stores for each section (compliant & non-compliant) is displayed in each bar of the stacked column.

Figure 6. Price Threshold Compliance by Type
Full New York Study



Note: The number of stores for each section (compliant & non-compliant) is displayed in each bar of the stacked column.

Appendix A

Average Price Tables

Table A1. Average Price by Chain

Type	Chain	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
		June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Whole	Stop & Shop	3.27	0.06	2.54	-0.17	3.23	0.05	3.31	0.05	3.26	0.07	3.17	0.04
Whole	Shaw's / Star Market	3.09	0.00	-	-	3.12	0.07	3.06	-0.07	3.07	-0.02	3.09	0.00
Whole	DeMoulas / Market Basket	2.63	-0.01	-	-	2.63	-0.01	-	-	-	-	2.63	-0.01
Whole	Roche Bros	2.98	0.00	-	-	2.98	0.00	-	-	-	-	2.98	0.00
Whole	Big Y	2.96	-0.25	-	-	3.12	-0.16	2.88	-0.30	-	-	2.96	-0.25
Whole	A & P / Waldbaums	3.39	0.05	2.53	-0.20	-	-	3.39	0.05	-	-	3.10	-0.07
Whole	Shop Rite	3.25	0.21	2.32	-0.15	-	-	3.25	0.21	-	-	2.87	0.06
Whole	Price Chopper	3.32	-0.02	2.30	-0.19	3.32	-0.02	N/A	N/A	-	-	2.50	-0.13
Whole	Ro Jacks	3.26	0.02	-	-	3.29	0.00	-	-	3.25	0.04	3.26	0.02
Whole	Hannaford	N/A	N/A	2.30	-0.11	N/A	N/A	-	-	-	-	2.30	-0.11
Whole	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Whole	Wal-Mart Supercenter	2.82	-0.16	2.20	-0.04	2.82	-0.23	2.82	-0.12	-	-	2.49	-0.03
Whole	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Stop & Shop	3.27	0.06	2.54	-0.14	3.23	0.05	3.31	0.06	3.26	0.07	3.17	0.04
Two	Shaw's / Star Market	3.13	0.04	-	-	3.12	0.07	3.16	0.03	3.07	-0.02	3.13	0.04
Two	DeMoulas / Market Basket	2.63	-0.01	-	-	2.63	-0.01	-	-	-	-	2.63	-0.01
Two	Roche Bros	2.98	0.03	-	-	2.98	0.03	-	-	-	-	2.98	0.03
Two	Big Y	3.15	0.00	-	-	3.19	-0.07	3.14	0.04	-	-	3.15	0.00
Two	A & P / Waldbaums	3.32	0.01	2.53	-0.20	-	-	3.32	0.02	-	-	3.04	-0.11
Two	Shop Rite	3.25	0.21	2.32	-0.18	-	-	3.25	0.21	-	-	2.87	0.07
Two	Price Chopper	3.32	-0.02	2.32	-0.16	3.32	-0.02	N/A	N/A	-	-	2.50	-0.12
Two	Ro Jacks	3.26	0.02	-	-	3.29	0.00	-	-	3.25	0.04	3.26	0.02
Two	Hannaford	N/A	N/A	2.30	-0.11	N/A	N/A	-	-	-	-	2.30	-0.11
Two	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Two	Wal-Mart Supercenter	2.71	-0.23	2.20	-0.05	2.67	-0.34	2.73	-0.18	-	-	2.44	-0.07
Two	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Stop & Shop	3.27	0.06	2.54	-0.14	3.23	0.05	3.31	0.06	3.26	0.07	3.17	0.04
One	Shaw's / Star Market	3.10	0.01	-	-	3.12	0.08	3.09	-0.04	3.07	-0.02	3.10	0.01
One	DeMoulas / Market Basket	2.55	-0.10	-	-	2.27	-0.38	-	-	-	-	2.27	-0.38
One	Roche Bros	2.97	0.03	-	-	2.97	0.03	-	-	-	-	2.97	0.03
One	Big Y	3.15	-0.05	-	-	3.18	-0.08	3.14	-0.03	-	-	3.15	-0.05
One	A & P / Waldbaums	3.32	0.02	2.53	-0.20	-	-	3.32	0.03	-	-	3.04	-0.11
One	Shop Rite	3.25	0.21	2.32	-0.15	-	-	3.25	0.21	-	-	2.87	0.06
One	Price Chopper	3.32	-0.02	2.33	-0.16	3.32	-0.02	N/A	N/A	-	-	2.52	-0.11
One	Ro Jacks	3.26	0.02	-	-	3.29	0.00	-	-	3.25	0.04	3.26	0.02
One	Hannaford	N/A	N/A	2.30	-0.11	N/A	N/A	-	-	-	-	2.30	-0.11
One	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
One	Wal-Mart Supercenter	2.61	-0.36	2.16	-0.08	2.57	-0.44	2.63	-0.32	-	-	2.39	-0.14
One	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Skim	Stop & Shop	3.27	0.06	2.54	-0.14	3.23	0.05	3.31	0.06	3.26	0.07	3.17	0.04
Skim	Shaw's / Star Market	3.13	0.04	-	-	3.12	0.08	3.16	0.03	3.07	-0.02	3.13	0.04
Skim	DeMoulas / Market Basket	2.59	-0.06	-	-	2.91	0.26	-	-	-	-	2.91	0.26
Skim	Roche Bros	2.97	0.03	-	-	2.97	0.03	-	-	-	-	2.97	0.03
Skim	Big Y	3.14	-0.04	-	-	3.16	-0.07	3.13	-0.03	-	-	3.14	-0.04
Skim	A & P / Waldbaums	3.32	0.02	2.53	-0.20	-	-	3.32	0.03	-	-	3.04	-0.11
Skim	Shop Rite	3.25	0.21	2.32	-0.15	-	-	3.25	0.21	-	-	2.87	0.06
Skim	Price Chopper	3.32	-0.02	2.32	-0.17	3.32	-0.02	N/A	N/A	-	-	2.49	-0.12
Skim	Ro Jacks	3.26	0.02	-	-	3.29	0.00	-	-	3.25	0.04	3.26	0.02
Skim	Hannaford	N/A	N/A	2.30	-0.11	N/A	N/A	-	-	-	-	2.30	-0.11
Skim	King Kullen	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13
Skim	Wal-Mart Supercenter	2.55	-0.35	2.16	-0.08	2.50	-0.47	2.57	-0.29	-	-	2.34	-0.16
Skim	Pathmark	-	-	2.44	-0.13	-	-	-	-	-	-	2.44	-0.13

Note: - means chain not in area, N/A means no observations in data

Table A2. Number of Observations (SKUs) for Average Price by Chain in June 2003

Type	Chain	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Stop & Shop	103	16	39	52	12	119
Whole	Shaw's / Star Market	63	-	27	27	9	63
Whole	DeMoulas / Market Basket	9	-	9	-	-	9
Whole	Roche Bros	9	-	9	-	-	9
Whole	Big Y	48	-	16	32	-	48
Whole	A & P / Waldbaums	10	5	-	10	-	15
Whole	Shop Rite	10	7	-	10	-	17
Whole	Price Chopper	3	13	3	N/A	-	16
Whole	Ro Jacks	12	-	3	-	9	12
Whole	Hannaford	N/A	15	N/A	-	-	15
Whole	King Kullen	-	2	-	-	-	2
Whole	Wal-Mart Supercenter	9	10	3	6	-	19
Whole	Pathmark	-	1	-	-	-	1
Two	Stop & Shop	103	16	39	52	12	119
Two	Shaw's / Star Market	60	-	27	24	9	60
Two	DeMoulas / Market Basket	9	-	9	-	-	9
Two	Roche Bros	9	-	9	-	-	9
Two	Big Y	48	-	16	32	-	48
Two	A & P / Waldbaums	9	5	-	9	-	14
Two	Shop Rite	10	7	-	10	-	17
Two	Price Chopper	3	14	3	N/A	-	17
Two	Ro Jacks	12	-	3	-	9	12
Two	Hannaford	N/A	15	N/A	-	-	15
Two	King Kullen	-	2	-	-	-	2
Two	Wal-Mart Supercenter	9	10	3	6	-	19
Two	Pathmark	-	1	-	-	-	1
One	Stop & Shop	103	16	39	52	12	119
One	Shaw's / Star Market	62	-	27	26	9	62
One	DeMoulas / Market Basket	9	-	9	-	-	9
One	Roche Bros	9	-	9	-	-	9
One	Big Y	48	-	16	32	-	48
One	A & P/ Waldbaums	9	5	-	9	-	14
One	Shop Rite	10	7	-	10	-	17
One	Price Chopper	3	13	3	N/A	-	16
One	Ro Jacks	12	-	3	-	9	12
One	Hannaford	N/A	15	N/A	-	-	15
One	King Kullen	-	2	-	-	-	2
One	Wal-Mart Supercenter	9	9	3	6	-	18
One	Pathmark	-	1	-	-	-	1
Skim	Stop & Shop	103	16	39	52	12	119
Skim	Shaw's / Star Market	60	-	27	24	9	60
Skim	DeMoulas / Market Basket	8	-	8	-	-	8
Skim	Roche Bros	9	-	9	-	-	9
Skim	Big Y	48	-	16	32	-	48
Skim	A & P/ Waldbaums	9	5	-	9	-	14
Skim	Shop Rite	10	7	-	10	-	17
Skim	Price Chopper	3	14	3	N/A	-	17
Skim	Ro Jacks	12	-	3	-	9	12
Skim	Hannaford	N/A	15	N/A	-	-	15
Skim	King Kullen	-	2	-	-	-	2
Skim	Wal-Mart Supercenter	9	10	3	6	-	19
Skim	Pathmark	-	1	-	-	-	1

Note: - means chain not in area, N/A means no observations in data

Table A3. Average Price by Channel

Type	Channel	New England		New York		Massachusetts		Connecticut		Rhode Island		All	
		June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02	June 03	Change from Nov 02
Whole	Chain	3.13	-0.02	2.37	-0.13	3.11	0.01	3.14	-0.06	3.20	0.04	2.98	-0.01
Whole	Convenience	2.99	-0.04	2.60	0.09	2.88	0.00	3.02	-0.07	3.02	-0.10	2.90	0.02
Whole	Club	2.09	-0.07	1.92	-0.09	2.01	-0.19	2.13	-0.01	2.17	-0.01	2.07	-0.07
Whole	Limited	1.99	0.04	1.69	0.00	2.03	0.04	1.99	0.00	1.92	0.08	1.97	0.04
Two	Chain	3.17	0.03	2.37	-0.12	3.12	0.02	3.21	0.04	3.20	0.04	3.01	0.03
Two	Convenience	2.92	-0.08	2.45	-0.03	2.76	-0.13	2.98	-0.06	2.95	-0.14	2.81	-0.04
Two	Club	2.01	-0.10	1.90	0.04	1.94	-0.20	2.05	-0.04	2.14	0.00	1.99	-0.08
Two	Limited	1.99	0.05	1.59	0.10	2.05	0.06	1.99	0.00	1.92	0.08	1.96	0.06
One	Chain	3.16	0.02	2.37	-0.12	3.11	0.02	3.19	0.01	3.20	0.04	3.00	0.02
One	Convenience	2.29	-0.01	2.45	-0.03	2.28	0.11	2.27	-0.16	2.33	0.34	2.32	-0.03
One	Club	1.94	-0.09	1.87	-0.05	1.86	-0.23	1.96	-0.02	2.06	-0.02	1.93	-0.08
One	Limited	1.90	0.11	N/A	N/A	1.95	0.11	1.99	0.00	1.80	0.19	1.90	0.08
Skim	Chain	3.16	0.02	2.36	-0.13	3.10	0.02	3.20	0.02	3.20	0.04	3.00	0.02
Skim	Convenience	2.91	-0.11	2.49	0.01	2.88	-0.03	2.91	-0.16	2.94	-0.15	2.80	-0.06
Skim	Club	1.98	0.05	1.86	-0.05	1.95	-0.11	1.99	0.15	2.02	-0.02	1.96	0.04
Skim	Limited	2.09	0.10	1.49	0.20	2.22	0.23	1.99	0.00	1.99	0.00	2.02	0.17

Note: N/A means no observations in data

Table A4. Number of Observations (SKUs) for Average Price by Channel in June 2003

Type	Channel	New England	New York	Massachusetts	Connecticut	Rhode Island	All
Whole	Chain	276	69	109	137	30	345
Whole	Convenience	30	9	7	16	7	39
Whole	Club	17	3	6	9	2	20
Whole	Limited	14	1	7	2	5	15
Two	Chain	272	70	109	133	30	342
Two	Convenience	30	9	7	16	7	39
Two	Club	16	3	6	9	1	19
Two	Limited	13	1	6	2	5	14
One	Chain	273	68	108	135	30	341
One	Convenience	30	9	7	16	7	39
One	Club	17	3	6	9	2	20
One	Limited	13	N/A	6	2	5	13
Skim	Chain	272	70	109	133	30	342
Skim	Convenience	27	9	7	14	6	36
Skim	Club	14	2	5	7	2	16
Skim	Limited	7	1	3	2	2	8

Note: N/A means no observations in data

Appendix B

New York State
Threshold Price Announcements
June and September 2003

STATE OF NEW YORK
DEPARTMENT OF AGRICULTURE AND MARKETS
I WINNERS CIRCLE
ALBANY, NEW YORK 12235

DIVISION OF MILK CONTROL AND DAIRY SERVICES
518-457-5731

TO: Retailers of Milk

DATE: May 23, 2003

SUBJECT: Announcement of threshold price relative to milk price gouging law, **effective JUNE 2003**

THRESHOLD PRICE

Threshold prices are unchanged from the previous month. For **JUNE 2003**, threshold prices for milk, lowfat milk, or skim milk offered for retail sale in the state are:

	Gallon	Half Gallon	Quart
Metro Region: (NYC and Counties of Nassau, Suffolk, Rockland, Westchester, Orange, Putnam and Dutchess)	\$2.44	\$1.27	\$.67
Upstate Region: (Remaining Counties)	\$2.27	\$1.19	\$.63

A retailer who sells above the threshold price may be in violation of the law unless such selling price is justified as not being unconscionably excessive. Such justification includes net invoice price paid for the milk item plus actual costs incurred in handling and selling that milk item.

Please be advised that the threshold price is only changed if there is at least a \$0.02 per gallon (\$0.23/cwt) change in the underlying price for Class 1 (fluid) milk at 3.5% butterfat from the previous month the threshold was calculated on, March (federal order Class 1 price: \$12.96 per cwt. at NYC and \$12.31 at Syracuse). June marks the third consecutive month that the threshold has remained the same.

STATE OF NEW YORK
DEPARTMENT OF AGRICULTURE AND MARKETS
I WINNERS CIRCLE
ALBANY, NEW YORK 12235

DIVISION OF MILK CONTROL AND DAIRY SERVICES
518-457-5731

TO: Retailers of Milk

DATE: August 22, 2003

SUBJECT: Announcement of threshold price relative to milk price gouging law, **effective SEPTEMBER 2003**

THRESHOLD PRICE

For **SEPTEMBER 2003**, threshold prices for milk, lowfat milk, or skim milk offered for retail sale in the state are:

	Gallon	Half Gallon	Quart
Metro Region: (NYC and Counties of Nassau, Suffolk, Rockland, Westchester, Orange, Putnam and Dutchess)	\$3.16	\$1.63	\$0.85
Upstate Region: (Remaining Counties)	\$2.94	\$1.52	\$0.80

A retailer who sells above the threshold price may be in violation of the law unless such selling price is justified as not being unconscionably excessive. Such justification includes net invoice price paid for the milk item plus actual costs incurred in handling and selling that milk item.

Compared to the previous month, the threshold prices increased \$0.47 a gallon, \$0.24 a half gallon and \$0.12 a quart in Metro NY and increased \$0.47 a gallon, \$0.23 a half gallon and \$0.12 a quart in Upstate NY. These increases reflect the underlying monthly change in the federal order Class 1 price (3.5% butterfat) which increased \$2.74 per hundredweight or \$0.236 per gallon. The threshold price is calculated by multiplying by two the total of two components, the minimum federal order price and the premium paid for Class 1 milk.

Appendix C

New York State Attorney General Press Release
Investigation Reveals Apparent Milk Price Gouging

Home

Press Releases

Tour the AG's Office

Contact the AG's Office

Links to Other Sites

Search

Index

Privacy Policy
Updated 1-24-03

Disclaimer

Department of Law
120 Broadway
New York, NY 10271

Department of Law
The State Capitol
Albany, NY 12224

For Immediate Release
July 04, 2003

INVESTIGATION REVEALS APPARENT MILK PRICE GOUGING

Spitzer Notifies Retailers of Possible Enforcement Actions

Attorney General Eliot Spitzer said today that an investigation by his office has revealed that many retailers across the state are failing to pass on historically-low milk prices to consumers and appear to be violating state law.

Over a three-day period in mid-June, investigators from the Attorney General's office conducted a statewide survey and found that dozens of stores were charging prices for milk that may be defined as "excessive" under the state's milk price gouging law.

"With prices to farmers at historic lows, retailers must answer why their milk prices continue to be so high," Spitzer said.

Investigators checked the retail price of a gallon of milk at 190 supermarkets, convenience stores and other retail shops throughout New York State. The investigation found that nearly 30 percent of the stores were selling milk at prices that exceeded the state-published "threshold price."

Unlike virtually all other products, milk is regulated by the state. State law limits the retail price for milk to 200 percent of the price of Class I fluid milk paid to farmers.

At the beginning of June, the New York State Department of Agriculture and Markets set the threshold price at $2.44 per gallon in the New York City area and $2.27 for the upstate region.

The stores in the metropolitan New York City region that were identified as possible violators charged an average of $2.82 per gallon. Upstate New York stores identified as possible violators charged an average of $2.59 per gallon of milk. Some stores were charging as much as $3.49 per gallon.

John Lincoln, President of the New York Farm Bureau, said: "At a time when dairy farmers struggle to cut costs on their farms to help make ends meet, it is troubling to find there are some retail operations violating state law. New York farmers simply desire to work in a fair system, and I applaud Attorney General Spitzer and his office for ensuring that retail stores play by the rules."

Russ Haven, Legislative Counsel for the New York Public Interest Research Group, said: "Shame on the supermarkets for gouging consumers on the price of milk. Jacking up the retail price of milk certainly doesn't help New York's struggling farmers or encourage shoppers to choose nutritious milk over junk beverages."

The stores found selling milk above the threshold price are being sent a warning notice from the Attorney General's office and may face enforcement actions under the state's price gouging statute if they fail to reduce prices or justify the increased price as attributable to charges beyond their control.

"An additional thirty or forty cents on gallon of milk may not seem like a lot money, but it quickly adds up for working families," Spitzer noted.

Spitzer's office conducted a similar survey of milk prices in 1999 and found that many retailers had not passed on to consumers a significant decline in the price of milk paid to farmers. After the survey was released and retailers were notified of pending enforcement actions, milk prices dropped by an average of 50 cents.

"What we have seen repeatedly is that the price of milk can be raised with incredible speed, but declines extremely slowly," Spitzer said. "This apparent manipulation of milk prices benefits only the retailers."

"Our goal is always to enhance compliance with the state's milk pricing law," Spitzer said. "The law was implemented to protect consumers and dairy farmers and must be complied with fully. "

Separately, Spitzer has proposed legislation to strengthen the state's milk pricing law by reducing the threshold price from 200 percent to 150 percent and by making other changes to facilitate enforcement.

This investigation was handled by Deputy Attorney General Marty Mack and Assistant Deputy Attorney General Christopher Walsh of the Division of Regional Offices.

Related Material

- Highest Retail Prices for Whole Milk in Upstate Region
- Retail Prices Exceeding June 2003 Milk Threshold Price (Upstate Region)
- Highest Retail Prices for Whole Milk in Metro Region
- Retail Prices Exceeding June 2003 Milk Threshold Price (Metro Region)

Retail Prices Exceeding June 2003 Milk Threshold Price

METRO REGION THRESHOLD PRICE- $2.44

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
BROOKLYN						
SEVEN ELEVEN	**Tuscan**	$2.65		$2.65		A-34-0670, B-36-7999
C TOWN	**Parmalat**	$2.89		$2.89		36-7914
PATHMARK	**Farmland**	$2.54	$2.54			34-0705
HARLEM						
GRISTEDE'S 3rd Ave.	**Tuscan**	$2.89	$2.89	$2.89	$2.89	34-0670, 36-7999
GRISTEDE'S 86th & Lex	**Tuscan**	$3.19	$3.19	$3.19	$3.19	34-0670, 36-7999
FOOD EMPORIUM Greenwich St	**America's Food Choice**	$3.09	$3.09	$2.99	$2.99	36-7999
FOOD EMPORIUM B'Way & 90th	**America's Food Choice**	$2.89	$2.89	$2.89	$2.89	36-7999
	Elmhurst				$2.89	36-7999
C TOWN Ave. D	**Hygrade**	$2.49	$2.49	$2.49	$2.49	1041 ?
C TOWN B'Way	**Hygrade**	$2.79	$2.79	$2.79	$2.79	36-8269
D'AGOSTINO	**Farmland**	$3.47	$3.47	$3.47	$3.47	34-0705
NASSAU						
SEVEN ELEVEN	**Tuscan**	$2.65				34-0670
WALDBAUMS E. Meadow	**America's Choice**	$2.51	$2.51	$2.51	$2.51	36-3687
WALDBAUMS Carle Place	**America's Choice**	$2.51	$2.51	$2.51	$2.51	36-3687
C TOWN	**Parmalat**	$2.99	$2.99	$2.99	$2.99	36-7914

Retail Prices Exceeding June 2003 Milk Threshold Price

METRO REGION THRESHOLD PRICE- $2.44

Store	Milk Brand	Prices for 1 Gallon Jugs of Regular Milk: Whole	2%	1%	Skim	Code
POUGHKEEPSIE						
MOBIL	**Crowley**	$3.49	$2.49	$2.49	$3.49	36-1376
SUNOCO Plank	**Byrne Dairy**	$2.69	$2.29	$2.29	$2.69	36-3661
SUNOCO 17M	**Byrne Dairy**	$2.49	$2.49	$2.49	$2.49	36-3661
SUFFOLK						
SEVEN ELEVEN	**Tuscan**	$2.65	$2.65	$2.65	$2.65	34-0670, 36-7999
WESTCHESTER						
A & P	**American Choice**	$2.57	$2.57	$2.57	$2.57	34-0705
SEVEN-ELEVEN	**Tuscan**	$2.89	$2.89	$2.89	$2.89	34-0670, 36-7999
DUANE READE	**Parmalat**	$2.61	$2.61	$2.61	$2.61	36-7914
HESS EXPRESS	**Upstate Farms**	$2.69	$1.99	$1.99	$1.99	36-1880
A-PLUS	**Tuscan**	$2.99	$1.99 (sale from $2.99)	$2.99	$2.99	34-0670, 36-7999
MOBILE MART (prices asked for)	**Tuscan**	$3.00	$3.00	n/a	n/a	34-0670, 36-7999

Retail Prices Exceeding June 2003 Milk Threshold Price

UPSTATE REGION THRESHOLD PRICE- $2.27

Store	Milk Brand	Prices for 1 Gallon Jugs of Regular Milk: Whole	2%	1%	Skim	Code
ALBANY						
STEWART'S Cropseyville	**Stewart's**	$2.39	$2.39	$2.39	$2.39	36-2151 (2.17 if club member)
STEWART'S Troy- 100 N Drive	**Stewart's**	$2.39	$2.39	$2.39	$2.39	36-2151 (2.17 if club member)
STEWART'S Troy- 985 Hoosick	**Stewart's**	$2.39	$2.39	$2.39	$2.39	36-2151 (2.17 if club member)
STEWART'S Clifton	**Stewart's**	$2.29	$2.29	$2.29	$2.29	36-2151
HANNAFORD E Greenbush	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1370
HANNAFORD Troy	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376
HANNAFORD Wyantskill	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376
HANNAFORD Latham	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376
BINGHAMTON						
HESS Endicott	**Upstate Farms**	$2.65	$2.59	$2.59	$2.59	36-1880
HESS Johnson City	**Upstate Farms**	$2.69	$2.69	$2.69	$2.69	36-1880
HESS Binghamton	**Upstate Farms**	$2.89	$2.69	$2.69	$2.69	36-1880
SUNOCO	**Crowley (sale)**	$2.69	$1.99	$1.99	$1.99	B-0718
MIGHTY MART Endicott	**Crowley (sale)**	$2.69	$1.99	$1.99	$1.99	B-1342
MIGHTY MART Vestal	**Crowley**	$2.69	$1.99	$1.99	$1.99	36-1781
MIGHTY MART Binghamton	**Crowley**	$2.69	$1.99	$1.99	$1.90	36-1781
CITGO	**Crowley**	$2.69	$2.29	$2.29	$2.29	B-1214
QUICKWAY	**Crowley**	$2.69	$2.29	$2.29	$2.29	36-1781
CVS	**Crowley**	$2.99	$2.99	$2.99	$2.99	36-1781

Retail Prices Exceeding June 2003 Milk Threshold Price

UPSTATE REGION THRESHOLD PRICE- $2.27

BUFFALO

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
KWIK FILL Fredonia	**Meadow Brook**	$2.69	$2.59			42030-A1,A3
KWIK FILL Buffalo	**Meadow Brook**	$2.75	$2.59			42030-A4,A2

PLATTSBURGH

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
BIG M	**Big M**	$2.55	$1.89			36-1880
	Hood	$2.69	$2.59	$2.55	$2.59	50-13
	Upstate Farms			$1.89	$1.89	36-1880

ROCHESTER

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
HESS Avon	**Upstate**	$2.99	$2.99	$2.99	$2.79	36-1880
HESS Geneseo	**Upstate**	$2.99	$2.99	$2.99	$2.79	36-1880
HONEOYE FALLS	**Upstate**	$2.41	$2.41	$2.41	$2.41	36-1880
RUSH DELI	**Upstate**	$2.29	$1.89	$1.89	$1.89	36-1880

SYRACUSE

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
WAL-MART	**Great Value**	$2.43	$2.38	$2.24	$2.16	35187-188-189
	Byrne Dairy	$2.57	$2.27	$2.27	$2.18	
TEMPLE'S	**Byrne Dairy**			$2.79	$2.79	
	Husted	$2.99	$2.79			

UTICA

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
NICE N'EASY Rome	**Nice N'Easy**		$1.89	$1.89		36-1781
	Crowley	$2.69			$2.69	36-1781
NICE N'EASY Utica	**Nice N'Easy**		$1.89	$1.89		B0920
	Crowley	$2.69			$1.99	B1505
BIG M	**Big M**	$2.39	$2.29	$2.29	$2.29	36-1781
	Upstate Farms	$2.39	$2.29	$2.29	$2.29	

WATERTOWN

		Prices for 1 Gallon Jugs of Regular Milk				
Store	**Milk Brand**	**Whole**	**2%**	**1%**	**Skim**	**Code**
NICE N'EASY	**Crowley**	$2.69			$1.89	B1501, B1601
STEWART'S	**Stewart's**	$2.39	$2.39	$2.39	$2.39	36-2151

Highest Retail Prices for Whole Milk in Metro Region
In Descending Order

THRESHOLD PRICE: $2.44

rank	Store	Milk Brand	Price of 1Gallon of Regular Milk				Code	Region
			Whole	2%	1%	Skim		
1	MOBIL	Crowley	$3.49	$2.49	$2.49	$3.49	36-1376	Poughkeepsie
2	D'AGOSTINO	Farmland	$3.47	$3.47	$3.47	$3.47	34-0705	Harlem
3	GRISTEDE'S 86th & Lex	Tuscan	$3.19	$3.19	$3.19	$3.19	34-0670, 36-7999	Harlem
4	FOOD EMPORIUM Greenwich St	America's Food	$3.09	$3.09	$2.99	$2.99	36-7999	Harlem
5	MOBILE MART (prices asked for)	Tuscan	$3.00	$3.00	n/a	n/a	34-0670, 36-7999	Westchester
6	A-PLUS	Tuscan	$2.99	$1.99 (sale)	$2.99	$2.99	34-0670, 36-7999	Westchester
6	C TOWN	Parmalat	$2.99	$2.99	$2.99	$2.99	36-7914	Nassau
7	C TOWN	Parmalat	$2.89		$2.89		36-7914	Brooklyn
7	GRISTEDE'S 3rd Ave.	Tuscan	$2.89	$2.89	$2.89	$2.89	34-0670, 36-7999	Harlem
7	FOOD EMPORIUM B'Way & 90th	America's Food	$2.89	$2.89	$2.89	$2.89	36-7999	Harlem
		Elmhurst				$2.89	36-7999	
7	SEVEN- ELEVEN	Tuscan	$2.89	$2.89	$2.89	$2.89	34-0670, 36-7999	Westchester
8	C TOWN- B'Way	Hygrade	$2.79	$2.79	$2.79	$2.79	36-8269	Harlem
9	SUNOCO- Plank	Byrne Dairy	$2.69	$2.29	$2.29	$2.69	36-3661	Poughkeepsie
9	HESS EXPRESS	Upstate	$2.69	$1.99	$1.99	$1.99	36-1880	Westchester
10	SEVEN ELEVEN	Tuscan	$2.65		$2.65		34-0670, 36-7999	Brooklyn
10	SEVEN ELEVEN	Tuscan	$2.65				34-0670	Nassau
10	SEVEN ELEVEN	Tuscan	$2.65	$2.65	$2.65	$2.65	34-0670, 36-7999	Suffolk
11	DUANE READE	Parmalat	$2.61	$2.61	$2.61	$2.61	36-7914	Westchester
12	A & P	America Choice	$2.57	$2.57	$2.57	$2.57	34-0705	Westchester
13	PATHMARK	Farmland	$2.54	$2.54			34-0705	Brooklyn
14	WALDBAUMS E. Meadow	America Choice	$2.51	$2.51	$2.51	$2.51	36-3687	Nassau
14	WALDBAUMS Carle Place	America Choice	$2.51	$2.51	$2.51	$2.51	36-3687	Nassau
15	C TOWN - Ave. D	Hygrade	$2.49	$2.49	$2.49	$2.49	1041 ?	Harlem
15	SUNOCO - 17M	Byrne Dairy	$2.49	$2.49	$2.49	$2.49	36-3661	Poughkeepsie

Highest Retail Prices for Whole Milk in Upstate Region

In Descending Order

THRESHOLD PRICE: $2.27

rank	Store	Milk Brand	Price of 1Gallon of Regular Milk: Whole	2%	1%	Skim	Code	Region
1	CVS	Crowley	**$2.99**	$2.99	$2.99	$2.99	36-1781	Binghamton
1	HESS- Avon	Upstate	**$2.99**	$2.99	$2.99	$2.79	36-1880	Binghamton
1	HESS- Geneseo	Upstate	**$2.99**	$2.99	$2.99	$2.79	36-1880	Rochester
1	TEMPLE'S	Husted	**$2.99**	$2.79				Syracuse
2	HESS- Binghamton	Upstate Farms	**$2.89**	$2.69	$2.69	$2.69	36-1880	Binghamton
3	KWIK FILL- Buffalo	Meadow Brook	**$2.75**	$2.59			42030-A4,A2	Buffalo
4	HESS- Johnson City	Upstate Farms	**$2.69**	$2.69	$2.69	$2.69	36-1880	Binghamton
4	SUNOCO	Crowley (sale)	**$2.69**	$1.99	$1.99	$1.99	B-0718	Binghamton
4	MIGHTY MART Endicott	Crowley (sale)	**$2.69**	$1.99	$1.99	$1.99	B-1342	Binghamton
4	MIGHTY MART Vestal	Crowley	**$2.69**	$1.99	$1.99	$1.99	36-1781	Binghamton
4	MIGHTY MART Bing.	Crowley	**$2.69**	$1.99	$1.99	$1.90	36-1781	Binghamton
4	CITGO	Crowley	**$2.69**	$2.29	$2.29	$2.29	B-1214	Binghamton
4	QUICKWAY	Crowley	**$2.69**	$2.29	$2.29	$2.29	36-1781	Binghamton
4	KWIK FILL Fredonia	Meadow Brook	**$2.69**	$2.59			42030a1	Buffalo
4	NICE N'EASY Rome	Crowley	**$2.69**			$2.69	36-1781	Utica
4	NICE N'EASY Utica	Crowley	**$2.69**			$1.99	B1505	Utica
4	NICE N'EASY	Crowley	**$2.69**			$1.89	B1501, B1601	Watertown
5	HESS - Endicott	Upstate Farms	**$2.65**	$2.59	$2.59	$2.59	36-1880	Binghamton
6	BIG M	Big M	**$2.55**	$1.89			36-1880	Plattsburgh
7	WAL-MART	Great Value	**$2.43**	$2.38	$2.24	$2.16	35187-188-189	Syracuse
8	HONEOYE FALLS	Upstate	**$2.41**	$2.41	$2.41	$2.41	36-1880	Rochester
9	STEWART'S Cropseyville	Stewart's	**$2.39**	$2.39	$2.39	$2.39	36-2151	Albany
9	STEWART'S 100 N Dr	Stewart's	**$2.39**	$2.39	$2.39	$2.39	36-2151	Albany
9	STEWART'S 985 Hoos.	Stewart's	**$2.39**	$2.39	$2.39	$2.39	36-2151	Albany
9	BIG M	Big M&Upstate	**$2.39**	$2.29	$2.29	$2.29	36-1781	Utica

THRESHOLD PRICE: $2.27

rank	Store	Milk Brand	Price of 1Gallon of Regular Milk				Code	Region
			Whole	2%	1%	Skim		
9	**STEWART'S**	**Stewart's**	**$2.39**	$2.39	$2.39	$2.39	36-2151	Watertown
10	**RUSH DELI**	**Upstate**	**$2.29**	$1.89	$1.89	$1.89	36-1880	Syracuse
10	**STEWART'S Clifton**	**Stewart's**	**$2.29**	$2.29	$2.29	$2.29	36-2151	Albany
10	**HANNAFORD** E Greenbush	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1370	Albany
10	**HANNAFORD** Troy	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376	Albany
10	**HANNAFORD** Wyantskill	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376	Albany
10	**HANNAFORD** Latham	**Hannaford**	$2.29	$2.29	$2.29	$2.29	36-1376	Albany