



April 2012

Dear School Partner,

I would like to thank you for the opportunity to submit a proposal for your business. We appreciate the enormous responsibility you have to provide healthy and delicious meals for your students.

At AE Dairy we understand the importance of balancing nutrition and great taste within a budget. AE Chocolate Milk is a much-loved favorite, and we believe it's because our customers young and old prefer the taste. We continue to use a gourmet blend of three European cocoas at about double the amount of cocoa compared to other dairies. In addition, we've never used high fructose corn syrup to sweeten our chocolate milk, just less sugar to bring out the rich cocoa flavor. The chocolate milk we provide to our school partners is the same high quality students can enjoy at home with their families.

AE Fat Free Chocolate Milk contains 130 calories with a total of 22 grams of sugar. It's important to point out that half of this sugar occurs naturally in all milk. In addition, recent research shows flavored milk contributes just 3% of added sugar to children's diets.¹ Children who drink flavored milk do not have higher body mass indexes, and they do not consume more added sugars or total fat than children who do not drink flavored milk.²

As an 82 year old family-owned company, we're committed to offering the highest quality dairy products. This means we're very choosy about the milk we accept, the ingredients we add, and the recipes we use to create our products. We continue to test our milk after it's packaged in our onsite state-of-the-art laboratory with up to 25 tests in all right through the freshness date stamped on the carton. AE Milks do not contain pesticides, synthetic hormones or antibiotics.

Let us put our "Ridiculously High Standards" to work for you!

Sincerely,

A handwritten signature in cursive script that reads 'Miriam Erickson Brown'.

Miriam Erickson Brown
President, CEO
Anderson Erickson Dairy, Co

¹ NHanes (2003-226), Ages 2-18 yrs.

² MM Murphy, JS Douglass, RK John, LA Spence. Drinking flavored or plain milk is positively associated with nutrient intake and is not associated with adverse effects on weight status in U.S. children and adolescents. J AM Diet 2008;108:631-639.

ESCALATOR CLAUSE

FLUID MILK PRODUCTS:

The prices in this bid are based on the Class I price (at 3.5% butterfat) plus premiums. The Class I price is established under the terms of the Central Federal Milk Market Order #32. The price established for the month of June 2012 is \$20.24 per 100 lbs. The components of this price include: Class I Skim Price - \$10.61/cwt.; Class I Butterfat Price - \$1.4279/lb; Location Adjustment - \$1.80/cwt.; Premiums - \$3.20/cwt.

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

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

ALL PRODUCTS:

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

MILK AND DIARY PRODUCT BID FOR 2012-2013 SCHOOL YEAR

Firm Anderson Erickson Dairy
 Address 2420 E University
 City & State Des Moines, IA 50317
 Phone Number 1-800-234-7257 Ext 6367
 Authorized by Bob Seidl
 Signature Bob Seidl 7-2-12

Pricing below shall be based on the Class I price for fluid milk for the month of June 2012, under the terms of the Federal Market Order. Pricing shall remain firm for the entire 2012-2013 school year except for changes (if any) in the Class I price for fluid milk.

			Plastic Bottles
1/2 pint white fat free milk	<u>.1830</u>	per carton	.2530
1/2 pint white 1% milk	<u>.1900</u>	per carton	.2600
1/2 pint fat free chocolate milk	<u>.1950</u>	per carton	.2650
1 gallon white 1% milk	<u>2.8030</u>	per gallon	
5 pound cottage cheese	<u>7.50</u>	per 5 lb. container	
1/2 gal. vanilla shake ice milk mix	<u>2.95</u>	per 1/2 gallon	
5 pound flavored fat free yogurt	<u>4.65</u>	per 5 lb. container	
6 ounce flavored fat free yogurt	<u>.47</u>	per carton	
12 16 ounce vending milk (white, skim)	<u>.6700</u>	per bottle	
12 16 ounce vending milk (white, 1%) 2%	<u>.6700</u>	per bottle	
12 16 ounce vending milk (chocolate, skim)	<u>.6700</u>	per bottle	
12 16 ounce vending milk (Strawberry, skim)	<u>.6700</u>	per bottle	
16 ounce vending milk (Malted)	<u>NA</u>	per bottle	

An additional cash discount of 0 % will be allowed for each month purchases, with payment due by the 25th of the following month.

Please indicate if your dairy purchases milk from dairy producers who use growth hormone therapy with their livestock.

Yes No Other

New Hampton Community Schools reserves the right to accept or reject any or all bids.

New Hampton Community Schools reserves the right to cancel the awarded vendor contract upon non-compliance of contract terms, including but not limited to what the District deems unsatisfactory or spoiled milk, poor product quality, untimely delivery or non delivery of product, etc.

Prices quoted are subject to the attached escalator clause.

We furnish and maintain all necessary milk coolers and provide straws. Please note that when a school system owns their own coolers .0050/1/2 pint can be deducted.