



Land O'Lakes, Inc.

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Land O'Lakes Dairy Foods

Dennis J. Schad
Manager, Regulatory Affairs.
Land O' Lakes Dairy Foods

Dennis:

Per your request, I have prepared a preliminary cost estimate to construct a butter/ powder facility with capacity to receive and process 2 mm # / D to finished product.

The estimated expense is for basic operating equipment and buildings only. This estimate does not consider land purchase, employee support facilities, in-process labs, manufacturing management offices, and capitalized interest costs.

Raw milk receiving .	2,549,000
Storage and distribution.	2,020,000
Separation, Pasteurization, Cream storage.	3,500,000
Evaporator.	4,500,000
Dryer.	6,500,000
Powder packaging.	1,260,000
Powder storage .	750,000
Butter process and packaging.	4,484,000
Freezer .	1,650,000
Utilities. Steam ,Air, Refrigeration, etc.	4,600,000
Waste water treatment.	3,650,000
Land development. (Municipal, County S.C.D., Pa.DEF. , etc.)	350,000
Eng ,& Design. Est. 5% .	1,790,650
	37,603,000
Level One Estimate, 15% contingency.	5,640,450
	\$ 43,243,450

Although these costs are based on completed projects ,I believe they could be used as a base line for green-field construction . The final pricing would be determined by the facility design.

John Vorchak
Engineering Manager
Carlisle Operations
LOL Dairy Foods