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Senate of Pennsylvania

November 13, 2001

COMMITTEES

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 FARM SHOW COMMISSION

Sharon L. Grottola, Chief Counsel
 Pennsylvania Milk Marketing Board
 110 Agriculture Building
 2301 North Cameron Street
 Harrisburg, PA 17110-9408

RE: 7 Pa. Code Section 148
 PA Over-Order Premium Pool Regulation, I.D. No. 47-9

Dear Ms. Grottola:

Presently pending before the Pennsylvania Milk Marketing Board is a proposed regulation that would establish a partial (forty-five percent), market-wide pool on all milk processed in Pennsylvania for the state mandated over-order premium currently paid to dairy farmers on Class I milk produced, processed and sold in Pennsylvania. As part of the formal Independent Regulatory Review Process, members of the Senate Agriculture and Rural Affairs committee may make comment on the proposed regulation on or before this date.

As we are all aware, this has been a highly controversial issue from the beginning. The decision to pool 45 percent of the premium market-wide was not an easy one and I commend the Board and staff for the diligence exhibited on this issue and dedication to the well-being of the dairy industry as a whole.

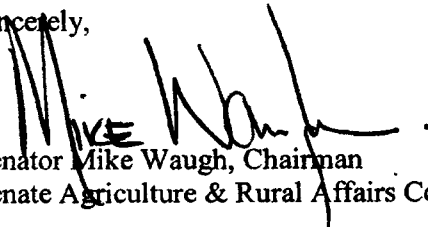
Various interests have called for 0 pooling (no change in the current system) and 90 percent to 100 percent pooling market-wide. I can understand, appreciate and sympathize with both of these positions and do agree with certain aspects from both of these points of view.

I have considered the arguments carefully from the correspondence received in my office, conversations with individuals, meetings with various groups and interested persons, the public briefing set by the Senate Agriculture and Rural Affairs committee to hear from yourself and members of your staff, as well as my own readings and examination. While I do not profess to be an expert on pooling, I have studied the issue in-depth and feel that my colleagues on the Senate Agriculture and Rural Affairs committee have made a genuine effort to understand this very complex issue as well.

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At this point I have not taken a position per-se, however, I will continue to weigh each contention as it is brought to me and I encourage the Board to consider the arguments made to them by all interested parties carefully, and to do so with the mandate under the Milk Marketing Law, particularly §801 and §803, in mind. The committee members and I look forward to continuing our excellent working relationship with the Board on this most difficult of issues.

Sincerely,



Senator Mike Waugh, Chairman
Senate Agriculture & Rural Affairs Committee

MW/kje

cc: Beverly Minor, Chairperson
Luke Brubaker, Member
Barbara Grumbine, Member