

# IRRC #2218 – Milk Marketing Board #47-9

## Title: Over-Order Premium Pool

<b>(Letter of Form)</b>		
<b>NAME</b>	<b>ADDRESS</b>	<b>DATE of CORRESPONDENCE</b>
Randall B. Smith	R.D.#2, Box 120 A Williamsburg, PA 16693	10/1/01
Rodrick K. Hinish	RR2, Box 245 Williamsburg, PA 16693	10/1/01
Sterling B. Miller & Sons	815 Sterling Road Stroudsburg, PA 18360	10/1/01
R. Hess	HCR1, Box 4 Broad Top, PA 16621	10/1/01
Walter R. Adams	249 Monument Road Hamburg, PA 19526	10/1/01
Kenneth Harris	RR3, Box 193 Towanda, PA 18848-9014	10/1/01
Kenneth Jay Reist	104 Fox Road Lebanon, PA 17042	10/1/01
Carrie Arnold	Land O'Lakes, Inc 405 Park Drive Carlisle, PA 17013	10/1/01
Rob & Kathie Bailor	RR1, Box 606 Honey Grove, PA 17035	10/1/01
Terry L. Stauffer	Maple Hall Dairy Farm 332 Rossfording Road Cochranville, Pa 19330	10/1/01
Robert L. Baumgardner, Jr.	75 Deardorff Road Dillsburg, PA 17019	10/1/01
Dianna L. Harris	270 Woodland Road Rockwood, PA 15557	10/1/01
Garry L. Wilkins	Maple Springs Farm 10538 Hyndman Road Manns Choice, PA 15550	10/1/01
Denise Sanner	14 Pink Valley Road Kutztown, PA 19630	10/1/01
Dale L. Zimmerman	Zimhaven Farm 1445 Main Street East Earl, PA 17519	10/1/01
John R. Sankey	Sanview Farm R.D. 2, Box 121 Clearfield, PA 16830	10/1/01

Timothy S. Kurtz	4350 Main Street Elverson, PA 19520	10/1/01
Calvin Hostetter	186 Brocht Road Rockwood, PA 15557	10/1/01
Dwayne Peifer	Pei-Valley Farm 235 Academy Road Kirkwood, PA 17536	10/1/01
Paul I. Detwiler, Jr.	156 Snow Hill Road New Enterprise, PA 16664	10/1/01
David K. Beiler	515 A Gibbons Road Bird-in-Hand, PA 17605	10/1/01
Robert O. Drake	RD 2, Box 509 Lewisburg, PA 17837	10/1/01
David Fisher	183 Valley Road Etters, PA 17319	10/1/01
Jeremiah O. Sensenig	2671 Noble Road Quarryville, PA 17566	10/1/01
Glenn Brewer	19 Remington Road Tunkhannock, PA 18657	10/1/01
Andy & Sara Mohr	227 Mohrs Lane New Enterprise, PA 16664	10/1/01
Dean Sollenberger	2504 Pioneer Drive Saint Thomas, PA 17252	10/1/01
Curt Sweinhart	579 Texas Corner Road New Enterprise, PA 16664	10/1/01
Henry K. King	45 Little Beaver Road Strasburg, PA 17579	10/1/01
Richard C. White	RR 4, Box 139 Montrose, PA 18801	10/1/01
Christ Hess, Jr.	Creek-Knoll Farms 805 Pequea Creek Road Pequea, PA 17565	10/1/01
Michael A. Behrer	Willow Behrer Farm HC-01, Box 103-A Spruce Creek, PA 16683	10/1/01
Samuel Kauffman	1034 Prawls Hollow Road Peach Bottom, PA 17563	10/1/01
Don E. Landis	9 Mill Road Myerstown, PA 17067	10/1/01
Russell J. Dressler	RR 1, Box 2895 McAlisterville, PA 17049	10/1/01
Edmund Yost	Tri-Y Farms 50 Tri-Y Lane Bernville, PA 19506	10/1/01
James Burkholder	RR #3, Box 350 Mifflinburg, PA 17844	10/1/01

Paul Stoss	1900 Germans Road Lehighton, PA 18235	10/1/01
Charles E. Divelbiss	12861 Johnstons Lane Mercersburg, PA 17236	10/1/01
Walter M. Cornelius	RR, Box 1240 Mapleton Depot, PA 17052	10/1/01
Joseph Staltzfus	1835 Georgetown Road Christiana, Pa 17509	10/1/01
Andrew Young	Red Knob Farm 322 Balance Meeting Road Peach Bottom, PA 17563	10/1/01
John H. Stump	306 Snyder School Road Bernville, PA 19506	10/1/01
Edwin H. Zimmerman	2300 Main Street Marion, PA 17555	10/1/01
Donald H. Windle, Jr.	433 Gum Tree Road Coatesville, Pa 19320	10/1/01
Harold M. Hoffeditz	4652 Mercersburg Road Mercersburg, PA 17236	10/1/01
Andy Swartz	RR #1, Box 593 Port Royal, PA 17082	10/1/01
Dale Hostetter	439 Hostetter Lane Annville, PA 17003	10/1/01
Christopher Brechbill	3364 Mont Alto Road Fayetteville, PA 17222	10/1/01
Christine M. Hayard	No Address	10/1/01
Paul J. Heckman	No Address	10/1/01
Mary K. Arris	Brownell's Dairy 3230 Enola Road Carlisle, PA 17013	10/1/01
Daniel L. Esh	370 Cardinal Drive Quarryville, PA 17586	10/1/01
Elmer E. Kauffman, Jr.	49 Lower Valley Road Christiana, PA 17509	10/1/01
Leroy C. Zweizig	No Address	10/1/01
David L. King	1108 Stoney Hill Road Quarryville, PA 17566	10/1/01
John A. Wenger	172 S. Farmersville Road Leola, PA 17540	10/1/01
Dale M. Hornberger	HC 72, Box 38 Richfield, PA 17086	10/1/01
Ronald E. Reed, II	2161 Pinchot Road Saxton, PA 16678	10/1/01
Richard Smith	No Address	10/1/01

<b>Donald B. Replogler</b>	<b>Three Sprin Run Farms 2992 Brumbaugh Road New Enterprise, PA 16664</b>	<b>10/1/01</b>
<b>Thomas B. Williams</b>	<b>2400 Fulling Mill Road Middletown, PA 17057</b>	<b>10/1/01</b>
<b>Moses Z. Beiler</b>	<b>536 Liberty Lane Kirkwood, PA 17536</b>	<b>10/1/01</b>
<b>Melvin Stotzfus</b>	<b>805 Twin County Road Honey Brook, PA 19344</b>	<b>10/1/01</b>
<b>Arvin F. Hibbard</b>	<b>RR 6, Box 6159 Montrose, PA 18801</b>	<b>10/1/01</b>
<b>C. Neal Moyer</b>	<b>446 Bucks Road Perkasie, PA 18944</b>	<b>10/1/01</b>
<b>Daniel L. Stoltzfus</b>	<b>2224 Hobson Road Lancaster, PA 17602</b>	<b>10/1/01</b>
<b>Phillip Hamner</b>	<b>RD 1, Box 1815 McAllsterville, PA 17049</b>	<b>10/1/01</b>
<b>Glen R. Over</b>	<b>Over Lane Farms RD 1, Box 33 Williamsburg, PA 16693</b>	<b>10/1/01</b>



October 1, 2001

Over Lane Farms  
Glen and Cathy Over  
R D 1 Box 33  
Williamsburg, PA 16693

c.c. The Honorable Michael Waugh  
The Honorable Raymond Bunt, Jr.  
John R. McGinley, Jr., IRC Chair

Dear Chairperson Beverly Minor;

Although I commend the Pennsylvania Milk Marketing Board on its decision to pool the Over-Order Premium, I support a regulation for 90% pooling. Pooling the premium is a regulatory issue and does not affect consumers at all. However, it does affect dairy producers.

Even at 45% pooling, one producer may be getting as much as \$3,500 more from the premium than another. Both produce the same quality milk and have the same production costs. It is unfair that one producer should receive a greater benefit than the other does. 90% is the only way to create a fair and equitably distributed premium system in Pennsylvania.

If pooling is the right thing to do, then it shouldn't be half done. Please change the proposed regulation so that 90% pooling of the premium is pooled among all dairy producers.

Sincerely yours,

Glen R. Over (NAME)

Dairy Producer who milks 80 cows in BLAIR County, PA.

*Please Consider the above ~~A~~ Resolution*

RECEIVED  
OCT 11 2001  
MILK MARKETING BOARD

Honorable *Alvin C. Bush*

December 20, 2001

I would like to thank you for your support in the over order premium that we received in the past. It has helped my farm operation considerably since my debt load is so high. I have been farming since buying the farm in 1992. My wife and four children help me run the 137 acres with 150 total head. In 1994 we decided to switch milk markets and are now selling Rosenberger's Dairy. That market had a 90% class one utilization rate with a strong vision for the future on the producer/farmer. Today the class one utilization rate is a healthy 86% and they are looking to put on more producers.

I am concerned about changing the over order premium to a state wide pooling. Let me explain why. I am heavily in debt. When I switched markets I did it to get a higher and fairer price for my milk. When I went to my banker they were pleased that I made that business decision, because I had more money to pay back my loans. Since then I had to replace more equipment and cows. They were all sound financial decisions.

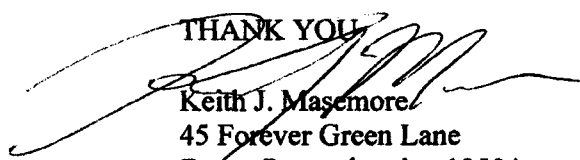
If I get less of a percentage of the premium I will have less to pay for my housing , loans and other bills. I feel it is a great disadvantage if you state wide pool the milk premium. If my milk is used for class one milk I should get that price that is collected for that product. I do not receive any benefit if another market when they sell their product, so why should they benefit on the sale of my markets product. Last month I received \$1500 in over order premium, THANK YOU. If you approve the 45% market wide pooling I would only receive \$825.

I feel this is the beginning of the end for the small processor's , because there will be no advantage for the producer/farmer to go with an independent processor. Then no competition will occur and dairy farming will end up as a megabusiness with no small family farms to help pump funds into the local economy.

At the annual Rosenberger's Dairy meeting I spoke and we handed out a petition for the farmers to sign. Enclosed please find the petition . It states 'WE THE UNDERSIGNED ARE OPPOSED TO THE PA. MILK MARKETING BOARDS EFFORTS TO ACCOMMODATE THROUGH THE INDEPENDENT REGULATORY REVIEW COMMISSION PA. MARKETWIDE POOLING.'

Thank you for your time and consideration on this matter. If you wish to have me give testimony on this issue I would be honored and available.

THANK YOU



Keith J. Masemore  
45 Forever Green Lane  
Barto, Pennsylvania 19504  
610-845-3362

01/19/02 09:00 AM  
01/19/02 09:00 AM

We the undersigned are opposed to the Pa. Milk Marketing Boards efforts to accommodate through the Independent Regulatory Review Commission (IRRC) Pa. Marketwide pooling.

<u>Name</u>	<u>Address</u>	<u>Phone</u>
1. <u>David Muehl</u>	<u>4700 Schwarz Valley Rd. Sh. Haven</u>	<u>570-735-1444</u>
2. <u>Darryl Ewars</u>	<u>130 Johnson Rd Boyertown</u>	<u>610 3691377</u>
3. <u>Harold L. Muehl</u>	<u>222 Weller BARTO, PA. 19504</u>	<u>610-754-6182</u>
4. <u>Paul W. Wesson</u>	<u>7845 Baum Farm Co. Pottsville</u>	<u>610 9635357</u>
5. <u>Burd W. Schantz</u>	<u>399 Diligent St. Pa. 18011</u>	<u>610 6827673</u>
6. <u>Art Shull</u>	<u>6960 Grandland Rd Pipersville Pa 18947</u>	<u>215-297-5627</u>
7. <u>Roy Shull</u>	<u>7060 Grandland Rd Pipersville Pa 18947</u>	<u>215 297-5038</u>
8. <u>L. VERNE For. Market House</u>	<u>411 S 7th St. Bally Pa 19502</u>	<u>610-845-3721</u>
9. <u>John G. Welker</u>	<u>91 Dairy Lane Barto Pa</u>	<u>610-845-2757</u>
10. <u>Angelo Welker</u>	<u>91 Dairy Lane Barto Pa</u>	<u>610-845-2757</u>
11. <u>Richard E. Berger</u>	<u>11 Berger Rd Kutztown Pa</u>	<u>610-683-6133</u>
12. <u>Richard Berger</u>	<u>11 Berger Rd Kutztown Pa</u>	<u>610-683-6522</u>
13. <u>Naomi Stutzman</u>	<u>50 Stutzman Ln Mertztown PA</u>	<u>610-682-7065</u>
14. <u>Marlene Stutzman</u>	<u>50 Stutzman Ln Mertztown PA</u>	<u>610-682-7065</u>
15. <u>Bruce S. Zuber</u>	<u>46 Karlma Rd. Oley Pa</u>	<u>610-987-3505</u>
16. <u>Mark R. Hoch</u>	<u>227 Hoch Rd. Oley Pa</u>	<u>610 987-6667</u>
17. <u>Ronald Johnson</u>	<u>228 Spring Brook Rd. Oley Pa</u>	<u>610-3695233</u>
18. <u>Joseph O. Beck</u>	<u>22 TOWN RD GETTSVILLE</u>	<u>610-847-5725</u>
19. <u>Jim Beck</u>	<u>7060 Grandland Pipersville</u>	<u>215-297-5536</u>
20. <u>Roy Shull</u>	<u>7060 Grandland Pipersville</u>	<u>215-297-5038</u>
21. <u>Tom Hoffmann</u>	<u>551 Berger Rd Kefford PA</u>	<u>215-723-5670</u>
22. <u>Earl W. Latschaw</u>	<u>1017 Huffs Church Rd Alburtis Pa</u>	<u>610-845-7275</u>

Name	Address	Phone
29. <u>Jason B. Hoover</u>	<u>249 Makler Rd. Kutztown</u>	<u>610-683-6311</u>
30. <u>James Brunkholder</u>	<u>258 Deysher Road Kutztown 19530</u>	<u>683-5688</u>
31. <u>Elton Sander</u>	<u>590 Bowers Rd Kutztown 19531</u>	<u>682-2130</u>
32. <u>James B. Zimmerman</u>	<u>1026 Richmond Rd Fleetwood</u>	<u>610-944-574</u>
33. <u>John D Hoover</u>	<u>61 Beaver Creek Rd Fleetwood Pa. 19522</u>	<u>610-944-2445</u>
34. <u>Edward W. Brunkholder</u>	<u>258 Deysher Rd Kutztown PA 19530</u>	<u>610-683-5688</u>
35. <u>Raymond S. Hoover</u>	<u>613 Tipton Rd. Kutztown</u>	<u>610-683-3513</u>
36. <u>Margaret M. Masemore</u>	<u>45 Forever Green Lane Barto,</u>	<u>(610) 845-3362</u>
37. <u>Kevin J Brunkholder</u>	<u>1408 Richmond Rd Fleetwood</u>	<u>(610) 944-1919</u>
38. <u>Natali Bros</u>	<u>1430 Derstiner Rd SouderTown</u>	<u>215-723-7323</u>
39. <u>Dan R. Wofsyjen</u>	<u>116 Park Dr. E. Ottsville</u>	<u>610-847-2619</u>
40. <u>Lester B Hoover</u>	<u>80 Hoover Lane Mortytown</u>	<u>610-682-7335</u>
41. <u>L. Masemore</u>	<u>45 Forever Green Lane Barto Pa</u>	<u>610 845-3362</u>
	<u>NAME ADDRESS PHONE</u>	
57. <u>Conrad Schel</u>	<u>471 INDIAN CREEK Hacksville PA</u>	<u>215 256 1642</u>
58. <u>Earl B. Martz</u>	<u>402 Hunt Latta Rd Kutztown Pa</u>	<u>610 682-5893</u>
59. <u>Denn E. Hoffman</u>	<u>1849 Huffs Church Rd. Barto Pa. 19504</u>	<u>610-845-7208</u>
60. <u>Walter Detweibe</u>	<u>138 Walter Rd Chalfont 18914</u>	<u>215-822-9696</u>
61. <u>W. Carl Detweibe</u>	<u>140 Walter Rd Chalfont 18914</u>	<u>215-997-6692</u>
62. <u>Janet Detweibe</u>	<u>140 Walter Rd Chalfont 18914</u>	<u>215 997-6692</u>
63. <u>Marian Hoover</u>	<u>249 Konler Rd Kutztown</u>	<u>610-683-6311</u>
64. <u>Elmer Zimmerman</u>	<u>15416 Kutztown Rd Kutztown PA</u>	<u>610-683-7994</u>
65. <u>Arlene K. Zimmerman</u>	<u>" "</u>	<u>"</u>
66. <u>Beckel Z Hoover</u>	<u>61 Beaver Creek Rd Fleetwood PA</u>	<u>"</u>



Commonwealth of Pennsylvania Official General Posted August 10, 1988  
Milk Marketing Board Order No. A-856 Eff: Sept. 1, 1988

---

Original: 2218

ESTABLISHMENT OF A DROUGHT RELIEF ORDER  
FOR ALL MILK MARKETING AREAS

It is ordered that the applicable provisions of the Official General Order for each milk marketing area shall be amended by this Official General Order to be known as Official General Order No. A-856, effective September 1, 1988, and remain effective through February-28, 1989. The amendments shall be carried out as set forth in Sections I-IV below.

SECTION I

To the Class I price established by each Official General Order \$1.05 shall be added.

SECTION II

In Official General Orders A-852, A-853 and A-854A, the prevailing area milk cost for any month shall be (1) the weighted average over price supply premium for the third month preceding that month plus (2) the price of Class I milk purchased for processing and resale in the respective area for that same month provided that in determining the prevailing area milk cost, the weighted average over price supply premium for the third month preceding shall be included only to the extent such amount exceeds \$1.05. The intent of this language is to allow dealers to pass through the full amount of the temporary (September 1, 1988 - February 28, 1989) Class I price increase without duplicating existing over-order supply premium.

SECTION III

The Board shall monitor any changes which may occur as the result of legislative or regulatory activity of the Federal government which could have an impact on this Order. If the Board determines that these changes have a significant impact on this Order, they may call a public hearing to receive testimony from all interested parties concerning possible amendments to this Order.

RECEIVED  
AUG 21 1988  
MILK MARKET BOARD

Commonwealth of Pennsylvania Official General Posted August 10, 1988  
Milk Marketing Board Order No. A-856 Eff: Sept. 1, 1988

SECTION IV

The provisions of this Order shall become effective September 1, 1988 and remain effective through February 28, 1989, subject to the provisions of Section III of this Order.

PENNSYLVANIA MILK MARKETING BOARD

Chairman

*Paul A. O'Keefe, Sr.*

Member

*Leon A. Johnson*

Member

FINDINGS OF FACT AND  
CONCLUSIONS OF LAW FOR EMERGENCY HEARING  
RE: PRODUCER PRICES IN MILK MARKETING  
AREAS 1 THROUGH 6 HELD ON JULY 27, 1988

I. Findings of Fact

A. Procedural History

1. On July 13, 1988, at the regularly scheduled monthly sunshine meeting of the Pennsylvania Milk Marketing Board, the Board granted petitions for an emergency hearing filed by the Pennsylvania Farmers Association, the Pennsylvania Grange, and the Pennsylvania Farmers Union. Notice of this meeting was provided in accordance with the provisions of the Sunshine Act, 65 P.S. Section 271 et seq. (1988 Supp.).

2. The petitions requested a hearing to determine whether or not the Board should increase the price producers in Pennsylvania receive per hundredweight of milk. Petitioners sought an increase in the producer price as a result of the drought conditions in the Midwest and in Pennsylvania.

3. The hearing was set for 10:00 A.M. on July 27, 1988, in Room 309, Agriculture Building, Harrisburg, PA.

4. Notice of the emergency hearing was provided by mailing a copy of PMMB Bulletin No. 152 to the Board's mailing list of over 800 producers, milk dealers and other interested parties. (N.T. at 6). Notice was also published in eleven newspapers of general circulation which collectively covered all six milk marketing areas. (Id.).

5. The hearing was held on July 27, 1988, at 10:00 A.M. in Room 309, Agriculture Building, Harrisburg, PA.

B. Summary of Testimony

6. Testimony was presented by Richard E. Denison, General Manager of the Pennsylvania Farmers Association (PFA), Member Service Corporation and Manager of the PFA Farm Management Services. (N.T. at 7-8).

7. Denison presented a statement on behalf of the Pennsylvania Farmers Association (PFA). (N.T. 10-14; Pet. Ex. 1).

8. Denison's statement contained the following relevant information:

a) PFA represents approximately 23,000 farm families, of which approximately 50% are dairy farms. (N.T. at 10)

b) The USDA reported that through the week of July 11, 1988, 39% of the Pennsylvania corn crop was in "poor to very poor" condition. (N.T. at 11). Through the week of July 20, 1988, the price of corn in Pennsylvania had risen 94% over the same period in 1987, and soybean oil meal rose 33% during the same period. (N.T. at 11-12; Pet. Ex 1, Table 1 & 2).

c) These increases resulted in an average increased price for purchased feed of 34% for Pennsylvania dairy farmers in 1988 over the same period in 1987. (N.T. 12-13; Pet. Ex 1, Table 3).

d) This 34% increase in feed costs translates to an additional \$1.05/cwt for purchased feed. (N.T. at 13).

9. Denison's testimony was based on a cross-section of Pennsylvania producers, including small, medium, and larger producers in all Pennsylvania milk marketing areas, and producers of high, average, and low efficiency. (N.T. at 14).

10. Denison further testified that while practices among dairy farmers varied widely, and thus accurate figures are not readily available, Pennsylvania is a grain deficient state. (N.T. at 16-21).

11. Also testifying for PFA was Donald Unangst, Executive Director of the Agricultural Stabilization Conservation Service in Harrisburg, Pennsylvania (N.T. at 22).

12. Unangst presented a statement summarizing crop damage in 66 counties in Pennsylvania (N.T. at 26; Pet. Ex 2). Estimates of crop damage were \$50 million to \$75 million for hay and \$150 million to \$200 million for corn (N.T. at 26-27; Pet. Ex. 2). The drought has resulted in a lack of feed and high feed costs. (N.T. at 28; Pet. Ex. 2).

13. Unangst also testified that recent rains, while helpful for late hay cuttings and some soy beans, will not help much of the corn crop, a major source of feed for dairy cows. (N.T. at 31-39).

14. Karl Kroeck, a dairy farmer and a member of the State Board of PFA, and Chairman of its Dairy Advisory Committee, also testified for PFA and introduced a prepared statement. (N.T. at 40, Pet. Ex. 3). The statement reiterated the previous testimony of feed price increases, and calculated that these increases resulted in an average increase in the cost of production of \$1.06/cwt. of milk. (Pet. Ex. 3, Exhibit "A"). These price increases have occurred at a time when the Minnesota-Wisconsin price series is at its lowest level since 1983. (N.T. at 44; Pet. Ex. 3). Increased efficiencies in production, and the resulting reduced costs, have not been able to keep pace with the combined effect of increased feed costs and reduced price supports.

15. It was Kroeck's testimony that the requested \$1.05/cwt. increase would constitute a set price for six months, beginning September 1, over the price in each milk marketing area. These prices are in turn based on the M-W price, with an added differential (N.T. at 57-58).

16. James A. Fraher, the Chief Economist for Atlantic Dairy Cooperative, and an expert witness, testified for ADC and presented a written statement. (N.T. at 63-94; 155-165; 217-218; Pet. Ex. 4).

17. Fraher's testimony and statement contained the following relevant information.

- a) The prolonged drought has dramatically increased the cost of purchased feed and curtailed the locally available supplies of feedstuffs. (N.T. at 67).
- b) Since December, 1983, the U.S. support price for milk has decreased \$2.50/cwt. (Id.)
- c) Pennsylvania producers were experiencing a cost/price "squeeze" price to the onset of the drought, due to increased cost of production and decreased producer prices. (N.T. at 69; Pet. Ex.4 at 3-4).
- d) Decreasing milk production in Pennsylvania and an increase in milk consumption for both fluid and manufactured uses had created a very tight market for milk even before the drought. This condition will be exacerbated by the drought conditions. (N.T. at 69-73).
- e) The margins (the difference between wholesale price and cost of production) available to the average Pennsylvania producer for the year ending March 31, 1988 were largely inadequate to provide a reasonable return to management and net worth. (N.T. at 73-74; Pet. Ex. 4, Tables 7-9).

- f) There has been an additional decline in producer prices from March, 1988 to June, 1988 for the 84% of Pennsylvania milk pooled in Federal Orders 2, 4, and 36 of \$0.43/cwt. (N.T. at 75-76; Pet. Ex. 4, Table 11).
- g) The increase in feed costs incurred by Pennsylvania producers between March 31, 1988 and mid-July, 1988, amounted to \$0.56 to \$0.59 per hundredweight. (N.T. at 76-79; Pet. Ex. 4; Table 12).
- h) Fraher recommended that the Board increase the Class I price in all milk marketing areas by \$1.00 to \$1.10 per hundredweight, effective September 1, 1988 through February 28, 1989.

18. Fraher testified that the over-order pricing mechanism presently in place in Pennsylvania should remain in effect, but that the relief requested in the hearing would, for the effective period of the Order, take the place of these premiums. (N.T. at 85-86; Fraher's graph - supplemental attachment to Pet. Ex. 4).

19. Fraher testified that the producer price for bottled milk sold outside of Pennsylvania should be adjusted to reflect the prevailing prices for farmer milk outside of Pennsylvania (N.T. at 92 (a)-93).



20. Testimony of a number of individual Pennsylvania dairy farmers and a representative of Milk Marketing Inc. (MMI), reiterated the previous testimony on the impact of the drought and reduced producer prices on Pennsylvania dairy farmers. (N.T. at 95-135; 166-170; 208-216; Pet. Exs. 5, 7, 8).

21. Testimony was also presented by representatives of Pennsylvania Farmers Union (PFU). (N.T. at 137-150 (Rynd); 183-208 (Tewksbury); Pet. Exs. 6 and 9).

22. The testimony of PFU which requested a \$2.00/cwt. increase in the blend price, was based on individual experience and observation, rather than on a cross-section of Pennsylvania dairy farmers. (N.T. at 144-145; 204). Also, the invoices attached to Petitioners Ex.9 are not dated in the same sequence as the serial numbering in the invoices, and they therefore cannot be considered by the Board.

23. Finally, the Board received letters from Rep. John Shovers, a member of the House Agriculture and Rural Affairs Committee, and Sen. Edward W. Helfrick, Chairman of the Senate Agriculture and Rural Affairs Committee. These letters, both stating full support for the relief requested by the petitioners, were read into the record and made part thereof as Board Exs. 1 & 2. (N.T. at 150-155).

C. Findings of Fact

24. The testimony presented by petitioners PFA and the Pennsylvania State Grange was clear and credible, and is accepted by the Board as an accurate representation of the economic impact of the present drought conditions.

25. Specifically, the board finds that the prolonged drought has resulted in dramatically increased feed prices for Pennsylvania dairy farmers, amounting to an increase of \$0.56 to \$0.59 per hundredweight since March 31, 1988, and approximately \$1.05/cwt over the same period last year (1987).

26. This dramatic feed price increase occurred at the same time that the M-W price, the driving mechanism for producer prices in Pennsylvania was at its lowest point since 1983.

27. Despite increased efficiencies in production, the Board finds that Pennsylvania producers have been unable to reduce costs sufficiently to offset the reduction in producer price and the effects of the drought, specifically the increased cost of feed.

28. The Board finds that an increase in the Class I price of \$1.05 per hundredweight is fully supported by the competent and credible evidence presented in the record.

29. The Board further finds that given present market conditions and the potential for action by the Federal government to aid dairy farmers, the \$1.05/cwt. shall remain in effect from September 1, 1988 till February 28, 1989. The Board will monitor Federal government activity and will call a hearing, if necessary, to reevaluate this order based on such activity.

30. The Board finds that the current system for calculating over-order milk supply premiums shall remain in effect, but that the payment of such premiums shall have no effect on the resale pricing of milk unless the weighted average of such premiums when added to minimum prices otherwise prevailing, exceeds \$1.05 when added to the prevailing prices in PMMB Areas 1-6 on September 1, 1988.

## II. Conclusions of Law

31. The hearing was called pursuant to Sections 801 and 803 of the Milk Marketing Law, in response to petitions filed by PFA, PFU and the Pennsylvania State Grange.

32. The notice requirements of the Milk Marketing law and the Sunshine Act were complied with.

33. Section 803 of the Milk Marketing Law states that the Board "shall fix, by official order, the minimum prices or a formula for the setting of minimum prices to be paid by milk dealers or handlers to producers for milk or milk components."

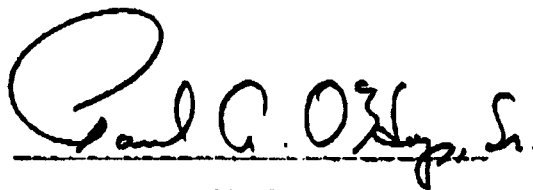
34. Petitioners have demonstrated by substantial evidence that the recent drought conditions have resulted in dramatic increases in the cost of feedstuffs, an increase which has occurred at the same time that producer prices are at their lowest point since 1983. The substantial and credible evidence presented on cost of production, price received, and return on equity supports the granting of an additional \$1.05/cwt. for the price of Class I milk established by each Official General Order for each milk marketing area.

35. This attached order, Official General Order A-856, will become effective on September 1, 1988 and remain in effect until February 28, 1989, or until such time prior to February 28, 1989 as the Board shall amend this Order following a public hearing.

36. The board will monitor the legislative and regulatory activity of the Federal government to determine whether such activity has an impact which warrants Board action.

---

Chairman



Member



Member



Original: 2218

**COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD  
2301 North Cameron Street  
Harrisburg, Pa 17110  
(717) 787-4194**

**FAX COVER SHEET  
(717) 783-6492**

NOV 21 10:47 AM '01  
COMMUNICATIONS SECTION

DATE: 11-21-2001  
PAGES TO FOLLOW: \_\_\_\_\_  
TO: Chris  
FROM: Rebecca Lopez  
NOTES: Call me if you need anything else.

This message is intended only for the use of the individual or entity to whom it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return



November 20, 2001

Mr. John R. McGinley, Jr., Chair  
Independent Regulatory Review Commission  
14<sup>th</sup> Floor Harrisstown 2  
333 Market Street  
Harrisburg, PA 17101

Dear Mr. McGinley:

Dairy Marketing Services is a joint marketing and membership venture between Dairylea Cooperative Inc and the Northeast Council of Dairy Farmers of America. Collectively, Dairylea and the Northeast Council of DFA represent over 2,000 Pennsylvania dairy farmers and market approximately 200 million pounds of Pennsylvania produced milk each month. Our Pennsylvania marketings represent about 22 percent of Pennsylvania's total milk production.

Dairy Marketing Services, Dairylea and the Northeast Council of DFA (The Cooperatives) are supportive of the Pennsylvania Milk Marketing Board's efforts to regulate the State's Class I plants and efforts to improve the profitability of the State's dairy farmers. However, The Cooperatives oppose the Milk Marketing Board's proposal to pool the Class I over-order premium.

The Milk Marketing Board's proposal:

- ❑ Reduces the economic incentive for delivering to and servicing Class I plants, but leave those supplying the Class I plants with 100% of the servicing and balancing costs;
- ❑ Inappropriately provides additional compensation for manufacturing plants, whose owners already receive a subsidy from the Federal order pool for manufacturing milk powder and butter;
- ❑ Unfairly alters the competitive dynamics that already have equalized inter-cooperative member pay prices throughout most of Pennsylvania;
- ❑ Fails to address the need for performance criteria, common provisions in market wide pools;
- ❑ Reduces premiums to Dairylea and DFA members that earn them by supplying the Class I market;
- ❑ Would likely reduce total premiums paid to dairy farmers in Pennsylvania. Recent history has shown that pooled premiums cannibalize voluntary premiums;
- ❑ Undermines Class I premium levels throughout Pennsylvania;
- ❑ Will change the competitiveness of Pennsylvania's Class I plants in relation to out of state plants; and,

- Has not been adequately analyzed regarding its impact on dairy farmers and their profitability nor on how it will impact the competitiveness of the State's valuable Class I processing sector.

The Milk Marketing Board's proposal, while well meaning, is a burdensome regulation that will not benefit Pennsylvania's dairy farmers. It is an inequitable attempt to do the work of the legislature by taxing those farmers supplying Pennsylvania's Class I plants and redistributing the proceeds as it sees fit and in the name of the State of Pennsylvania.

On behalf of The Cooperatives, I ask that you reject this unwarranted regulatory intrusion.

Thank you for your consideration of our request. If I can be of any assistance to you in this matter, please feel free to contact me at 1-800-654-8838, extension 658.

Sincerely,

*Edward W. Gallagher*  
Edward W. Gallagher  
Vice President, Planning and  
Regulatory Policy

P.S. As a means of an introduction, a brief bio is attached.

## Bio for Edward Gallagher

Edward Gallagher is the Vice President of Planning and Regulatory Policy at Dairylea Cooperative Inc. headquartered in Syracuse, NY. In this position, he advises management on milk marketing issues, and provides assistance in the development and sustenance of Dairylea's business ventures. Currently, he manages Dairylea's milk price forward contacting program, is involved in Dairy Marketing Services, the milk marketing and membership joint venture with Dairy Farmers of America's Northeastern Council, and is active in other regulatory and business development issues. He was instrumental in the development of the Dairylea Cooperative electricity deregulation pilot program, New York's passage of Dairy Compact legislation and the recent Federal Order reform process. He has appeared numerous times before the Pennsylvania Milk Marketing Board as an expert in milk marketing and dairy economics.

Prior to joining Dairylea's management team in 1996, Ed was employed for 12 years at the Office of the Federal Milk Market Administrator, New York-New Jersey Marketing Area, the last five as its Chief of Market Analysis, Research and Information.

Ed received a Bachelor of Science degree, majoring in Agricultural Economics, from Cornell University in 1984, and a Master of Science degree, also in Agricultural Economics, from The Ohio State University in 1989.

Ed was raised on his family's dairy farm in Sangerfield, New York. The third-generation farm is now being operated by his brother and sister-in-law. Ed and his wife, Jackie, reside in Cazenovia, NY.

Dairylea Cooperative Inc. is an agricultural marketing and service organization. It is cooperatively owned by 2,800 dairy farmers throughout the Northeast. Dairy Farmers of America is the largest milk marketing cooperative in the United States. Their Northeast Council represents 2,100 members. In 1999, Dairylea and DFA's Northeast Council created a milk marketing entity, Dairy Marketing Services, LLC (DMS) to jointly market milk together. Including other marketing relationships, DMS now serves as the marketer of 11.5 billion pounds of raw milk produced annually on over 7,000 Northeastern U.S. farms.

2011/05/25 14:39:05  
Dairy Marketing Services, LLC  
Dairylea Cooperative Inc.



**COMMENTS OF THE PENNSYLVANIA ASSOCIATION  
OF MILK DEALERS  
RE: POOLING**

RECEIVED  
SEP 15 11 06

MILK COMMISSION

**I. Introduction**

Presently pending before this Board are regulations which establish a market-wide pooling system for producer payments through which the Board would equalize the distribution of the Pennsylvania mandated over-order premium among producers of all classes of milk. The Pennsylvania Association of Milk Dealers respectfully submits that the Board is without the power to establish a market-wide pool and that, in any case, pooling would be harmful to the majority of farmers in Pennsylvania.

**II. Background<sup>1</sup>**

Raw milk is sold by farmers for four classes of uses – Classes I-IV. “Class I milk” includes milk utilized to produce fluid milk products (whole, skim, 2%, etc). Class II milk includes milk utilized to produce products such as fluid creams, yogurt, ice cream and other frozen deserts. Class III milk includes milk utilized to produce cheese products. Class IV includes milk utilized to produce powder products and butter.

The price paid to farmers for most raw milk is regulated on two levels. First, the federal government sets an absolute minimum price which must be paid to farmers in certain areas of the country (Pennsylvania has some areas which are not within the geographical areas regulated by the Federal Government). That price varies for each class of usage. The price is highest for milk

---

<sup>1</sup>It is the understanding of the PAMD that these comments will be forwarded to the relevant legislative committees and the Independent Regulatory Review Committee. Accordingly, this memorandum will attempt to provide sufficient background to allow those entities to understand the underlying issues.

sold for Class I usage. However, under the federal system, the money paid for all raw milk is “pooled” in a common fund and distributed to farmers in an amount based on the average price paid for all raw milk in the relevant geographical area, after component adjustments.

PMMB also has the power and duty to set minimum prices for raw milk (and for Class I products sold at wholesale and retail). Obviously, it cannot set a minimum price for raw milk which is lower than that established by the federal regulatory agency. However, it may set a higher price.

With regard to Classes II, III and IV, PMMB has historically set the minimum price at the same level as that established by the federal government. However, the Board has, for the last thirteen years, established a premium (the “over-order premium”) which must be paid for raw “Class I milk” which is produced, processed and sold in Pennsylvania.

Historically, that premium has been paid by the milk processors (dealers) directly to the farmers from whom they purchase their milk. Farmers receive the PMMB over-order premium only if they sell milk for Class I usage. The amount of that premium is based on the extent of the dealer’s Class I usage. For example, if 50% of the milk purchased by a dealer is utilized as Class I milk, that dealer is required to pay all of the Pennsylvania farmers from whom it purchases milk a premium equal to 50% of the amount set by the Board as the over-order premium. Under this system, dealers are able to utilize the premium to ensure that there will be an adequate supply of high quality milk for Class I uses since farmers selling milk for Class I usage receive the largest part of the premium.

The proposed regulations seek to change that. They would require a pooling of a certain percentage of the premiums paid for Class I milk on a state-wide basis among all Pennsylvania

farmers selling raw milk in Pennsylvania. Under this system, dealers (and consumers of fluid milk products) end up paying premiums to all farmers whether or not they supply milk for Class I usage. Stated otherwise, dealers and consumers ( to whom the cost of premiums is passed through when minimum retail prices are set) end up subsidizing farmers who have nothing to do with supplying the milk they are processing and drinking.

## **II. The Proposed Market-Wide Pooling System**

The Board has issued as proposed regulations which would establish a system by which all Pennsylvania producers would share in the mandatory over-order premium which has traditionally been paid only for Class 1 milk. Such a system would require some dealers to pay their producers more than they do under the present system and others to pay less. Those paying less would subsidize those who pay more. In order to accomplish this transfer between dealers, the Board would establish a pooling fund, held by the State Treasurer and managed by the Board, into which some dealers would pay and from which other dealers would receive payments.

Under the proposal, 45% of the total over-order premium would be pooled among all producers selling milk for any purpose in Pennsylvania. The Board would determine a blended raw milk price on a market-wide basis based on market wide pooling of that 45%. Those dealers with Class I utilization would end up paying their producers less than before and would pay that difference into the pooling fund. Those milk handlers with Class II, III and IV utilization would pay their producers the market-wide blend price and receive payments from the fund equal to the difference between the blend price and the lower price they would have paid under the existing system. The effect of such a system would be to require consumers (and makers) of Class I products to subsidize producers whose milk is used to make entirely different products.

Moreover, the dealers with Class I utilization still have to pay the same amount of money to their producers in order to compete with other handlers. Thus, those dealers are doubly penalized.

In order to implement such a system, the Board would have to calculate a market-wide blend price, create a pooling fund and calculate and mandate the payment of funds into and out of the fund. For the reasons set forth below, the Board is without power to take such actions.

### **III. The Milk Marketing Board Is Without Power to Establish a Market-Wide Pool**

It has long been the law of this Commonwealth that "the power and authority to be exercised by administrative commissions must be conferred by legislative language clear and unmistakable. A doubtful power does not exist. Such tribunals are extrajudicial. They should act within the strict and exact limits defined." Pennsylvania Human Relations Commission v. St. Joe Minerals Corp., 476 Pa. 302, 310, 382 A.2d 731, 735-736 (1978) (quoting Green v. Milk Control Comm'n, 340 Pa. 1, 3, 16 A.2d 9 (1940) ). See also United Artists' Theater Circuit, Inc. v. City of Philadelphia, Philadelphia Historical Commission, 535 Pa. 370, 389; 635 A.2d 612, 622 (1993); Lookenbill v. Garrett, 490 A.2d 857 (Pa. Super. 1985); Com. v. Tilghman, 531 A.2d 441 (Pa. Super. 1987).

That this principle applies fully to the Milk Marketing Law is also clear. In Green, the Supreme Court held that:

The principle guiding to decision is this: The power and authority to be exercised by administrative commissions must be conferred by legislative language clear and unmistakable. A doubtful power does not exist. Such tribunals are extrajudicial. They should act within the strict and exact limits defined: *Citizens Passenger Ry. Co. v. Public Service Com.*, 271 Pa. 39, 114 A. 642; *Swarthmore Borough v. Public Service Com.*, 277 Pa.472, 121 A. 488; *Blue Mountain Cons. Water Co. v. Public Service Com.*, 125 Pa. Superior Ct. 1, 189 A. 545; *State*

*Board of Milk Control v. Richman Ice Cream Co.*, 117 N.J. Equity 296, 175 A. 796. With the principle stated before us, turning to the law embodying the powers of the Milk Control Commission, we find nothing said about milk shipped to dealers on consignment. It speaks of the "purchase" of milk by dealers, its "delivery and sale" to them; it uses the words "buy," "purchase," "prices," "bought or sold," "sell or buy." The words "consign" or "consignment" nowhere appear. We are asked by the Commonwealth to interpolate these words into the Act. This we cannot do without violating the important principle to which we have adverted. If the legislature desires to change the law, this can shortly be demonstrated by an amendment at the coming session, writing into the Act a provision covering milk sent to dealers on consignment.

340 Pa. at 3. Thus, unless there is language which clearly and unmistakably grants the Board the power to create and administer a system by which producer payments can be blended, pooled or otherwise equalized, the Board lacks the power to mandate market-wide pooling. There is no such language.

Significantly, the Milk Marketing Law does refer to "blending," but only to state the

Legislature's intent:

that no provision contained herein shall be deemed or construed to prevent any cooperative . . . from blending the net proceeds of its sales or consignments or deliveries in all its markets or of its sales or deliveries within any particular market in various classes and whether in fluid form or as manufactured products, both within and without the Commonwealth, and paying its producers such blended price, with such deductions and differentials as may be authorized under contract between such association or corporation, and its producers, and with prior written approval of the board, or from making collective sales of the milk of its members and other producers represented by it, or from making such sales or deliveries at a blended price based upon sales or deliveries thereof in the various classes, and whether in fluid form or as manufactured products, both within and without the Commonwealth, which price is to be paid either directly to the producers or to the cooperative agricultural association or corporation.

31 P.S. § 700j-809 (emphasis added). Thus, the Legislature was certainly aware of both the concept and the practice of blending and consciously chose to grant the cooperatives broad power

to blend their proceeds. Its failure explicitly to grant the Board similar power is, therefore, especially telling and prevents a finding that that power is implied in the Law.

The Board also lacks the power to require dealers to subsidize each other with regard to producer payments. While the Law does authorize the Board to require and regulate payments by dealers to producers for raw milk, it contains no grant of authority to require or regulate payments among dealers (either directly or through a pooling fund) with regard to raw milk purchased from producers. Absent a clear and unmistakable grant of authority to require such payments, the Board is without power to do so and, therefore, has no power to enforce a market-wide pool.

The principle is clear as is its application to the issue of market-wide pooling. Under Greene, the Board cannot implement a system of market-wide pooling without a clear grant of power. There is no such grant of authority in the Milk Marketing Law. Clearly, the Legislature was familiar with the practice of blending and chose not to grant the Board the authority to adopt that practice. Similarly, there is no grant of authority to require the dealers to make payments to each other related to their purchase of raw milk from producers. Accordingly, this Board is without power to implement a system of market-wide pooling of producer payments and should not convene a hearing for the purpose of considering such a system.

**1. Market-Wide Pooling Will Adversely Affect A Significant Number of Pennsylvania Producers**

The proposal for marketwide pooling is an attempt by one large national cooperative, Land O'Lakes, headquartered in Minnesota, to extend the scope of subsidies which independent

family farmers who supply Class I fluid plants will have to make to manufacturing plants which Land O' Lakes owns and operates and which largely ship their products outside of Pennsylvania.

Of the 67 counties in Pennsylvania, 28 are now covered by Federal milk orders which require some form of pooling. What Land O' Lakes wants to do is extend that pooling to cover the other 39 counties, encompassing all of Pennsylvania. In the more than 60 years of milk control in Pennsylvania, we have never had the need for market pooling in the majority of Pennsylvania counties which Land O' Lakes now wants to pool.

The independent Pennsylvania family farm will be profoundly damaged by the extension of pooling across the Commonwealth. Based on data from February of 2001, the pooling proposed by the Board would have the following effects on producers selling milk for Class I utilization.

1. A dealer with 91% Pennsylvania Class I utilization would pay its producers \$.45 per hundredweight less than was actually paid in February of 2001.
2. Another dealer with 80% Pennsylvania Class I utilization would pay its producers \$.374 per hundredweight less. That dealer has 13,000,000 pounds of class I sales.
3. Another dealer with over 21,000,000 pounds and a Pennsylvania Class I utilization rate of 47% will pay its producers \$23.4 less.

In each case, most of the producers affected are, in fact, independent farmers.

On other hand, manufacturers with no Class I utilization, the largest of which belongs to Land O' Lakes, will pay their producers a \$.226 premium. Because Pennsylvania manufacturing plants will export a greater percentage of their product out of state as compared with fluid milk plants, the effect of the proposed regulations with respect to Pennsylvania consumers is that

Pennsylvania consumers will pay more for drinking milk as a subsidy to manufacturing plants who will ship manufactured product for consumption outside of Pennsylvania. This is particularly inequitable when one considers that the vast majority of states to which the manufactured product is going to be delivered have not seen fit to take any steps to protect their family farms.

As a more outrageous inequity of Land O' Lakes proposal, it must be noted that the subsidy which Land O' Lakes seeks from Pennsylvania consumers and the damage that they would visit upon Pennsylvania independent family farms will serve not simply to give them a status of equitable fairness, but will give them a competitive advantage over their manufacturing competitors in other states. This is simply because - if Pennsylvania provides for a pooling subsidy to their manufacturing plants, that subsidy will reduce their costs and will advantage them because their competitors in other states where there is no similar pooling mechanism, will not have such a subsidy. It is not fair, appropriate, or equitable to expect Pennsylvania farmers and Pennsylvania consumers to provide a competitive advantage to Land O' Lakes.

Land O' Lakes is asking this Board to provide to it a double advantage in Pennsylvania which will not exist to the north, to the south, nor to the west of the Commonwealth. It is asking not only for support prices which will not be imposed in those other areas around us, but their asking for a pooling system which will give them an economic subsidy for their manufacturing operations. If there is a fall of prices around Pennsylvania, this will mean that Pennsylvania consumers will be paying prices that are grossly excessive when compared with the prices in surrounding areas and the only beneficiaries of those excessive prices will be the Land O' Lakes. If such happens, Pennsylvania dealers will be driven to source raw milk from out of state;



Pennsylvania consumers along state borders will object to the Board's actions; and Pennsylvania farms will ultimately lose a market for their milk.

Yet another reason why the big co-ops' proposal is inequitable lies in a simple and cursory look at the effects of changing the size of pool milk in eastern Pennsylvania. For example, under Order 1 which encompasses dealers located in PMMB Areas 1 and 4, the current Class I utilization was 43.7% in August of 2001. If we go to a Pennsylvania only pool that utilization rate will drop to 30.5%. This means that whereas previously, consumers in all of Order 1, that is, in New York, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, the District of Columbia and the rest of Pennsylvania (outside Order 1) have been subsidizing manufacturing plants, those plants which are largely located in Pennsylvania, will be subsidized only by Pennsylvania consumers. The result of this is that in order to carry the larger percentage of Pennsylvania manufacturing plants, the consumer may have to pay significantly more for their fluid milk products.

Finally, and perhaps most importantly, there is absolutely no guarantee premiums paid to Land O' Lakes will go to Pennsylvania producers. To the contrary, Land O' Lakes is a national co-op with members all over the country. There is no requirement that it use Pennsylvania premiums solely for the benefit of Pennsylvania farmers. Nor could there be. Rather, Land O' Lakes is entitled to, and presumably does, use all of its revenues to benefit all of its members. There is absolutely no reason that Pennsylvania dealers and consumers should be subsidizing farmers in other states who provide no benefit in return to Pennsylvania.

**V. Pooling Would Impose an Unfair and Undue Burden on Consumers of Class I Products**

The necessary effect of pooling producer proceeds on a market-wide basis would be to cause consumers of Class I products, primarily fluid milk products, to subsidize producers for milk used to produce other products such as cheese and ice cream. This Board has a duty to protect the consumers, as well as the producers and dealers. Requiring consumers of fluid milk products to pay a higher price to subsidize other dairy products is wholly inconsistent with that duty.

Date: 10/22/01

Respectfully submitted,



Allen C. Warshaw, Esquire  
Attorney Id No. 17145  
Duane, Morris & Heckscher LLP  
305 North Front Street, 5th Floor  
P.O. Box 1003  
Harrisburg, PA 17108-1003  
(717) 237-5500

Counsel for Pennsylvania Milk  
Dealers Association  
Association

**DEALER MEMBERS OF PENNSYLVANIA**  
**ASSOCIATION OF MILK DEALERS**

Bechtel's Dairy & Restaurant  
Lewisburg, PA

Brookwood Farms  
Harrisburg, PA

Clover Farms Dairy  
Reading, PA

Carl Colterayahn Dairy, Inc.  
Pittsburgh, PA

Cream-O-Land Dairy  
Florence, NJ

Dean Dairy Products Co.  
Sharpsville, PA

Dietrich's Milk Products, LLC  
Reading, PA

Fairmont Products - (Division of Dean Dairy Products)  
Belleville, PA

Fike's Dairy, Inc.  
Uniontown, PA

Galliker Dairy Company  
Johnstown, PA

Guers Dairy  
Pottsville, PA 17901

Harrisburg Dairies, Inc.  
Harrisburg, PA

Hershey Foods Corporation  
Hershey, PA

High View, Inc., t/a Vale Wood Farms  
Loretto, PA

Kemps Foods, Inc./Crowley Foods, Inc.  
Lancaster, PA

Longacre's Modern Dairy, Inc.  
Barto, PA

Marburger Farm Dairy, Inc.  
Evans City, PA

Meadow Brook Farms Dairy Co.  
Pottstown, PA 19464

Pocono Mountain Dairies  
Blakeslee, PA

Ritchey's Dairy, Inc.  
Martinsburg, PA

Rosenberger's Dairies, Inc.  
Hatfield, PA

Ruter Bros. Dairy, Inc.  
York, PA

Schneider's Dairy, Inc.  
Pittsburgh, PA

Schneider-Valley Farms, Inc.  
Williamsport, PA

Turkey Hill Dairy  
Conestoga, PA

Turner Dairy Farms, Inc.  
Pittsburgh, PA

Tuscan/Lehigh Dairies, L.P.  
Lansdale, PA

United Dairy, Inc.  
Martins Ferry, OH

University Creamery  
University Park, PA

Upstate Farms Cooperative, Inc.  
LeRoy, NY

Wawa Dairy, Division of Wawa, Inc.  
Wawa, PA

Wengert's Dairy  
Lebanon, PA

HBG84615.1

COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. John Fisher  
1117 Long Lane  
Mt. Joy, PA 17552

Dear Mr. Fisher:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,



Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File

JOHN L. FISHER  
1117 LONG LANE, MT. JOY, PA 17552

October 28, 2002

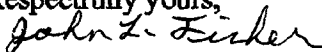
From: JOHN L. FISHER

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours,



JOHN L. FISHER  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

Original: 28

Original: 2218

**COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD**

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. Amos Zook  
284 Zook's Lane  
Leola, PA 17540

Dear Mr. Zook:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,



Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File



AMOS ZOOK  
284 ZOOK'S LANE, LEOLA, PA 17540

October 28, 2002

From: AMOS ZOOK

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours, *Amos Zook*

AMOS ZOOK  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

Original: 2218

COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

November 7, 2002

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

SECRETARY

Mr. Alvin Stoltzfus  
Country Lane  
Paradise, PA 17562

Dear Mr. Stoltzfus:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,



Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File

ALVIN STOLTZFUS  
COUNTRY LANE, PARADISE, PA 17562

October 28, 2002

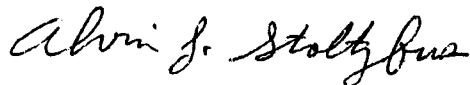
From: ALVIN STOLTZFUS

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours,



ALVIN STOLTZFUS  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

Original: 2218

COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. Roman Stoltzfoos  
1143 Gap Road  
Kinzers, PA 17535

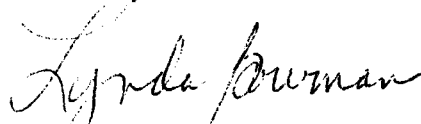
Dear Mr. Stoltzfoos:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,

  
Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File

ROMAN STOLTZFOOS  
1143 GAP RD., KINZERS, PA 17535

02-11-01 11:11 AM PG 1 22

October 28, 2002

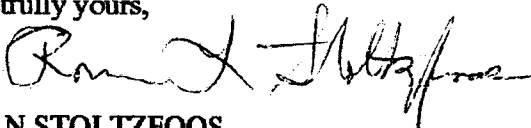
From: ROMAN STOLTZFOOS

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours,



ROMAN STOLTZFOOS  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

Original: 2218

**COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD**

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. Levi King  
523 Valley Road  
Quarryville, PA 17566

Dear Mr. King:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,



Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File

LEVI S. KING  
523 VALLEY RD., QUARRYVILLE, PA 17566

October 28, 2002

From: LEVI S. KING

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours,

*Levi S. King*

LEVI S. KING  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

*If for some reason you can not be exempted us please write me a letter explaining in detail why not. Levi S. King  
Thank You!*

Original: 2218

COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. John Fisher  
2661 W. Eby Road  
Bird-in-Hand, PA 17505

Dear Mr. Fisher:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,



Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File



JOHN K. FISHER  
2661 W. EBY RD., BIRD-IN-HAND, PA 17505

October 28, 2002

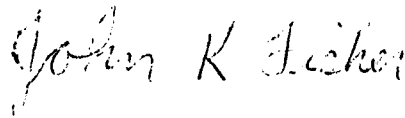
From: JOHN K. FISHER

To: Pennsylvania Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110

Attention: Lynda Bowman,

I am writing with concern about the new over order premium pool regulation. I am a member of Lancaster Organic Farmers Co-op, a group of certified organic dairy farmers who produce milk in Pennsylvania. Our milk is processed in Pennsylvania as well. What concerns me and my fellow certified organic dairy farmers is that the over order pooling process will cause us substantial financial harm. Our figures show us that the over order pool will take between \$0.70 and \$0.80 cents per hundredweight from us farmers, which puts us in a position where we are being penalized. We have worked very hard to become certified organic dairy producers and have put a great deal of effort into building our markets. We feel that we have carved a successful niche out of the market and have the right to benefit from our hard work. We respectfully request that organic milk be exempted from the over order premium pool. If it would not be possible to exempt us from the over order pool we would ask to be exempted from the over order premium all together, because we feel that we can bargain that value of our milk directly with our processor. Thank you for your consideration in this matter and I will try and contact you in the near future.

Respectfully yours,



JOHN K. FISHER  
CERTIFIED ORGANIC FARMER

P.S. I realize that this is being requested after the closing of the comment period, however we were only notified after September 23, 2002. We will appreciate your consideration in light of our situation.

Original: 2218

COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

November 7, 2002

SECRETARY

2301 NORTH CAMERON STREET  
HARRISBURG, PENNSYLVANIA 17110  
A.C. 717-787-4786

Mr. David Fisher  
6124 Meadville Road  
Narvon, PA 17555

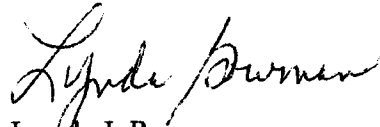
Dear Mr. Fisher:

Thank you for your letter expressing your concerns on pooling the Pennsylvania Milk Marketing Board's over-order premium. A copy of your letter will be forwarded to the Independent Regulatory Review Commission for their files.

Our responsibility, as a state agency, is to provide a stable regulatory environment which benefits the industry as a whole.

Thank you for your interest in this matter. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,

  
Lynda J. Bowman

cc: Beverly Minor, Chairwoman  
Luke Brubaker, Member  
Barbara Grumbine, Consumer Member  
Independent Regulatory Review Commission  
File