

3154



RECEIVED
IRRC

2016 NOV 28 PM 3:15
SPRINGER

Mr. Doug Eberly
PA Milk Marketing Board
2301 N. Cameron Street
Agriculture Building, Room 110
Harrisburg, PA 17110

RECEIVED - PDMP

Dear Mr. Eberly:

Thank you and Mr. Moyer again for visiting with the PDMP Board of Directors last month. We appreciated the opportunity to raise questions to better understand the process which so directly impacts our family businesses. As was mentioned, one of the items we were trying to grasp was the PMMB's interest in the Proposed Regulation – Uniform System of Accounts: Cost centers and operating accounts; Cooperative cost centers, and more specifically the addition of section 149.46 to 7 Pa. code Chapter 7. While we are aware that the official comment period has ended, the Professional Dairy Managers of Pennsylvania (PDMP) nonetheless would like to share our thoughts on the Board's action.

PDMP is an organization of dairy farmers committed to increasing profit opportunities and securing a future for the dairy industry in Pennsylvania. Our members are not defined by size or by region within the state, but rather by attitude and commitment to securing a profitable future for Pennsylvania's dairy families. Our Mission states that we seek to advance the dairy industry in the state through improved productivity and profitability by education, promotion, advocacy and research. Clearly, with our focus on profitability, matters related to milk marketing and price, including actions of the PA Milk Marketing Board, are of considerable interest to our members.

Our membership includes producers who supply milk to both independent processing dealers and those who rely on a cooperative to market their milk. Collectively, we are acutely aware of how essential it is to ensure that all milk produced in the commonwealth finds a competitive market and recognize the role cooperatives play in not only supplying milk for fluid and manufacturing uses, but in balancing the milk among these competing uses.

Likewise, we recognize that thorough data collection and analysis is essential for any entity to make informed decisions. Therefore, with respect to the proposed regulatory change: Uniform System of Accounts, we commend the Board for taking action to correct what would seem to be an inconsistency in data access as it exercises its price setting authority: namely, procurement cost information from processing dealers who purchase milk directly from independent farmers but not the same data from cooperatives that supply milk to dealers.

We applaud the Board for moving to correct this anomaly by issuing Official General Order No. A-992 in November of 2015 to develop a framework, set of regulations and reporting mechanism for cooperative to imitate that in place for milk dealers which will allow the PMMB to accurately determine relevant cooperative costs. We agree with the Board that this is an appropriate step and offer our support for this step toward correcting what we agree is a disparity in how the board considers parallel, if not identical, costs when determining minimum wholesale and retail prices.

Thank you for your consideration of our comments and please feel free to share them with the members of the Board if you so wish.

Sincerely,

Alan Novak
Executive Director