NEWS RELEASE

COMMONWEALTH OF PENNSYLVANIA

MILK MARKETING BOARD

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PENNSYLVANIA MILK MARKETING BOARD

Closures of schools and restaurants due to the COVID-19 pandemic continue to cause severe disruption in normal milk and milk product demand. Reports received by Pennsylvania Milk Marketing Board staff indicate that some milk dealers are reacting to the demand disruption and loss of markets for packaged fluid milk and manufactured dairy products by telling farmers to dump their milk on the farm.

To encourage efforts to cooperatively address on-farm milk dumping to the best mutual outcome for milk dealers and producers, Board Staff will not strictly enforce regulations and orders regarding the dealer-producer relationship and producer payment if milk dealers and producers come to explicit agreement regarding payment and on-farm dumping. Concerned producers have contacted Board Staff because they are not sure of their status and rights when they have been asked to dump milk. Board Staff believes that explicit agreements will help ensure that both producers and dealers understand their rights and obligations.

However, Board Staff will strictly enforce all regulations and orders issued under the Milk Marketing Law pertaining to producer payment and the milk dealer-producer relationship if necessary. These provisions include minimum producer payment obligations, regulations regarding the 28-day notice required to terminate a dealer-producer relationship, and regulations prohibiting rejection of producer milk for other than quality or sanitary reasons.

Board Staff recognizes that the Pennsylvania dairy industry is facing unprecedented pressure and disruption. The Staff also recognizes that milk dealers and dairy farmers face difficult choices, but the industry recognizes that dairy farmers need viable milk dealers to buy milk while milk dealers need viable dairy farmers to supply milk. Therefore, Board Staff will work with the industry, and encourages different industry segments to work together, to address the demand disruptions and on-farm milk dumping.

“We stand ready to work with dealers and producers to create the least disruptive situation for both. And we hope both dealers and producers will contact us directly early in their agreement process with any questions they may have,” stated Board Secretary Carol Hardbarger.

Details regarding Board Staff’s enforcement decision are available in Bulletin 1575, which can be found on the Board’s website at <https://www.mmb.pa.gov/Legal/Bulletins/Documents/Bul1575.pdf>.

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