

**BEFORE THE PENNSYLVANIA MILK MARKETING BOARD
OVER - ORDER PREMIUM HEARING
ALL MILK MARKETING AREAS
December 7, 2022**

Surrebuttal Testimony of Troye Cooper

Presented on behalf of Maryland & Virginia Milk Producers' Cooperative
Association, Inc.

Good day, my name is Troye Cooper. My business address is 1985 Isaac Newton Square, West, Reston, VA 20190. I am currently the Director of Operations, Milk Marketing and Member Services for Maryland and Virginia Milk Producers Cooperative Association, Inc. (MDVA).

Maryland & Virginia is a milk marketing cooperative that markets the milk of its 940 member owners spanning ten states along the east coast from New York to South Carolina with 750 of those members located in Pennsylvania. Thank you for the opportunity to present our rebuttal testimony to you today. Just to be clear, I am offering this testimony on behalf of MDVA and NOT on behalf of the entire Pennsylvania Dairy Cooperatives Association (PADC) of which we are a member.

I will reiterate from my earlier testimony that Section 801 of the Law requires the Board to establish minimum producer prices that allow producers to recover their cost of production plus a reasonable profit... and the over-order premium is actually a component of the minimum producer price.

Recalling other testimony that has been offered in this hearing which includes:

- “...we are aware and agree with the testimony of the State Grange witnesses that **dairy farmers have faced and continue to face increasing costs for feed, fuel, and supplies.**” – Glen Stoltzfus, Pennsylvania Farm Bureau
- “**Costs have been on the rise for milk producers and are expected to stay high for some time.** Input costs affecting dairy products rose and remain at some of the highest levels in years.” – Sara Dorland, Pennsylvania Association of Milk Dealers
- “**Higher costs tend to negatively affect smaller farms disproportionately** as those operations have fewer units to absorb additional costs or lower output-per-cow to

absorb shifts in variable costs. But, given the **significant cost increases over the last year**, mid-to-larger dairies are also feeling the impact.” – Sara Dorland,
Pennsylvania Association of Milk Dealers

- “The \$1 level makes sense to me because our **producers are facing inflationary costs** so a reduction would be tough for them to take. I’m not seeing any cheaper milk available to our West. Even if there is, the transportation cost to get it to PA will negate any small difference in premium.” – Chuck Turner, Pennsylvania Association of Milk Dealers

Not to ignore or overwrite the testimony of the other interested parties in this hearing, we ask you to evaluate the entire testimony that you have heard. Repeatedly, the message that production costs for dairy farms are high and look to remain high for the foreseeable future. Dairy farm margins are going to be squeezed. While the current method of collection and distribution of the Over-Order premium is flawed in its design to equitably and equally support all Pennsylvania dairy farmers, it is the mechanism we currently have and so it needs to be used to the fullest extent possible until alternatives can be developed and implemented.

Keeping that in mind, MDVA requests this Board to consider increasing the over-order premium from the current \$1.00 per cwt to \$2.00 per hundredweight to help deflect the headwinds our members and all of Pennsylvania producers are facing in the coming months and to help ensure a reasonable profit to Pennsylvania dairy producers.

Thank you for your consideration of our testimony in your decision.