

PA Milk Marketing Board  
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*PMMB Needs to Do Something!*

Following a letter to the editor in a recent edition of Lancaster Farming in which the Milk Marketing Board was criticized, I received a phone call from a very angry dairy farmer. He questioned the very existence of the Board and mentioned several times that we needed to “change something or go out of business.” Some of what was in the letter and communicated in the phone call was only partially correct, at best, so I hope to address some of those items in this article.

First, the Over-Order Premium is paid only for milk that is produced, processed and sold in Pennsylvania. It (the OOP) generates a lot of comments and criticisms, usually from cooperative members who don’t know how much they receive or from individuals who believe that it leads to milk from other states coming into Pennsylvania.

The Board is aware there are problems with the OOP distribution, and that there are a few who take advantage of loopholes present in the system. This is why we are pursuing two legislative initiatives to deal with the issues. One will allow us to collect data on milk that is brought into the state and the other will allow us to work with the Department of Revenue to generate funds we hope will be appropriated to all Pennsylvania’s dairy farmers.

We know that at least 60 percent of the milk produced in Pennsylvania leaves the state and is marketed in other areas. I can’t answer the question of, “Why, then, does so much milk come into the state if 60 percent is leaving?” And, I also can’t respond to criticisms that the milk coming in is a consequence of our OOP system. There are no data to prove this.

Second, the caller this morning was totally unaware of two important things about PMMB’s operations. I was questioned why we are promoting 3.5% milkfat milk as whole milk; we are not a marketing agency and do not have responsibilities to market milk and milk products. Also, the caller commented about how we are paid, referring to taxpayer money. PMMB receives no taxpayer dollars and operates solely on license and other fees it collects to perform its legislated functions.

Another issue that was raised is the retail price of milk in Pennsylvania, something I have addressed in several of my prior columns. The caller asked repeatedly why we don’t have sales on milk at the retail level. I can only reply that a retailer in Pennsylvania cannot sell milk below minimum pricing, and that we have no authority beyond that. The Milk Marketing Law requires a minimum retail price be established by the Board.

According to the caller, if the price of milk is reduced substantially people will buy more. From an economics standpoint, milk is a relatively inelastic commodity in that consumers will only buy so much of it—it cannot be stored the way other sale items may be. In addition, retailers in other states who sell milk cheaply are taking a loss on it and making up that loss in the cost of

other items in the store. In other words, there are no data to support PMMB deciding to do away with retail minimum pricing on milk in Pennsylvania. Even if the Board wished to do so, it would require legislative action since retail minimum pricing is in the law as stated above.

It is also difficult for us to respond to confrontational situations and questions that are not based on factual information. When I receive correspondence that tells me the Board needs to “do something,” we usually reach out to that person for suggestions of what to do and for information about what is creating difficulties at that time.

“Doing something” usually involves a change in or a new regulation, or a change in the law. These things require substantial data gathering and analysis before they can be presented to the appropriate review agency and the legislature. And, of course, like the marketing issue, the situation may even be out of our realm of responsibilities.

PMMB and Staff believe very much that receiving constructive criticism makes us a better agency. We want to hear about issues and hope that communications can provide us with background information and facts that we can investigate, discuss and possibly act on. Otherwise, we are not able to effectively respond.

PMMB is always available to respond to questions and concerns. I can be reached at 717-210-8244 or by email at [chardbarga@pa.gov](mailto:chardbarga@pa.gov).