



NATIONAL DAIRY
PRODUCERS
ORGANIZATION, INC.

"Our number one priority and responsibility is producer profitability"

From: National Dairy Producers Organization
Sent: May 11, 2018
To: PMMB
Subject: May 16, 2018 PMMB Hearing

Dear: PMMB

The National Dairy Producers Organization first took notice of the PMMB while HB1265 was a point of contention amongst dairy farmers across the state.

It was obvious to many that the real reason HB1265 was not taken seriously, was simply because it would have given the power back to the one who produced the milk, defining them as the "farmer". The word that is currently used, "Producer", is such a broad term that also includes the co-ops. The co-ops have the ability to spread the premium across its membership base as they see fit. It's NDPO's interpretation that HB1265's intent of disclosing the amount of over-order premium paid to individual farmers was secondary to the primary effect of removing the co-op as the middleman.

This disclosure of premium on each farmer's milk check would have gone a long way in being able to work the math equation backwards. It would have also allowed everyone to have an honest conversation with more relevant information.

All that being said, we are now on this side of HB1265, known as the milk transparency bill, which expired at the end of the 2014 and 2016 sessions. So what can we learn about having honest conversations? I think today is a start in that

process. The best way to be able to have honest conversations is to first be able to have access to information.

It's no secret that the PMMB was not designed only to benefit farmers, but to also have processors, dealers, retailers and Pa jobs be the beneficiary. The question remains to what level of each? Once again before that answer can be given we need to be able to see who currently benefits the most.

I have witnessed in previous hearings that the PMMB currently has no authority to seek information in regards to the amount of milk sold in retail in the state of Pennsylvania. Therefore it is the recommendation of the National Dairy Producers Organization that the state give the authority to the PMMB to do so, or create an entity that has such authority.

This I can tell you, someone must take action very soon, or dairy farmers in this state will have no other choice but to draw conclusions that the State legislators, department of Agriculture and the PMMB board have no intention of being transparent or worse yet having something to hide. The farmers feel as if they are on the short end of the stick and no one cares.

What a shame it would be to have farmers seek the removal of the entire program not knowing to the level it may be currently benefiting them. So let's get the information out there. Whatever it takes. Let's discuss the amount that it costs the co-ops to balance processing plants. Let's find out how much milk comes across state lines seeking higher retail prices. Let's talk about royalties that have been grandfathered into the equation.

First, this all starts by knowing the VOLUME of milk and the PRICE of that milk sold in RETAIL.

I repeat that the priority must be ACCESS to RETAIL information.

Sincerely,

Mike Eby
Chairman
National Dairy Producers Organization
Costa Mesa, California