THE FOLLOWING TESTIMONY IS BEING SUBMITTED TO THE

PENNSYLVANIA MILK MARKETING BOARD

BY ARDEN TEWKSBURY, MANAGER

OF THE PROGRESSIVE AGRICULTURE ORGANIZATION

 MARCH 8, 2019

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My name is Arden Tewksbury of Meshoppen, Pennsylvania (Wyoming County).

Mr. Chairman and Members of the Pennsylvania Milk Marketing Board:

Mr. Chairman, I’m again listing all of my past activities, but I’m not going to read them. I believe it is more important to relate to the serious financial problems that are facing the majority of dairy farmers in Pennsylvania as well as many dairy farmers across the United States.

\*In addition to operating my dairy farm in Meshoppen Township, Wyoming County, Pennsylvania for over 50 years, I have also been involved with many farm organizations. In the 1960s I served on the dairy committee of the Pennsylvania Farm Bureau, later on I served on the dairy committees of the Pennsylvania Farmers Union, and the Pennsylvania State Grange for several years. In the 1970s, I was elected to the Board of Directors of Eastern Milk Producers, which I served for 9 years. While there, I was on the Executive Board for 7 years, 2 years as Vice-President, and 5 years as President of the Co-op. During my term as President, we were successful in bringing Leprino Foods into South Waverly, Pennsylvania, which took care of a substantial amount of milk that many times was homeless. After leaving the Board, I served as assistant to the General Manager, and later on, I did consulting work for Leprino Foods. During the 1980s, I was hired to do membership and dairy work for the Pennsylvania Farmers Union and was named manager of the Northern Tier Farmers Union Co-op. I also became a director of the Regional Marketing Cooperative Agency and also the Regional Bargaining Agency. In 1985, I was named Granger of the Year for the State of Pennsylvania. In 1991, several dairy farmers started the Progressive Agriculture Organization, which I have managed since that time.

Mr. Chairman, today in addition to representing the Progressive Agriculture Organization, I’m also representing the Dairy Sub-committee of the National Family Farm Coalition of Washington DC. I serve as Chairman of the Committee. The Coalition has other members in Pennsylvania in addition to Pro-Ag. Members of the Coalition come from at least 20 other states.

In addition to my credentials, I want to add that I have been a School Director of the Elk Lake School District for 59 years. I now have been elected to the Board of Directors of the Northeastern Educational Intermediate Unit (NEIU) regional Educational Board. This Board oversees 21 schools in the northeastern part of Pennsylvania. One of the benefits of this position has allowed me to obtain the support of all of these schools to officially support returning whole milk back into the school lunch program. \*

Mr. Chairman, Board members of the PMMB, along with the staff of the Board, I wish to thank you for allowing me to address this listening session today.

As I was preparing for this hearing, I reviewed my testimony for the hearing that was held on September 2, 2015. The only real difference since 2015, thousands of dairy farmers have been forced out of business.

With the passing of the new Farm Bill, I can only speculate there will be thousands of more dairy farmers forced to leave their farms.

As I studied the cost of production figures from the Economic Research Service, a division of the USDA, I realized how important these figures are. It’s very evident that when the reports are evaluated involving the dairy farmers cost of production, when prices paid to dairy farmers are realistic, then their cost of production is on the upward swing. This clearly means our dairy farmers are spending more money in operating their dairy farms. This spending by dairy farmers has a dramatic influence on maintaining a positive rural infrastructure all across the USA. We are now in the fifth year of inadequate prices being paid to dairy farmers. This is the main reason why we are witnessing the depletion of our rural economy. The only way to maintain a strong rural economy is to have our agriculture producers receive a fair price for their products. This is why some agri-businesses that are dealing with dairy farmers now tell me they are having problems to obtain adequate financing to operate their businesses. What a shame!

I firmly believe that there hasn’t been enough emphasis placed on our depleting rural economy in many areas. By using the economic figures published by the economic research service of the USDA, I can envision the national average cost of production of milk, which will be available on May 1, 2019, would be approximately $21.51 per cwt. (hundred pounds of milk). This means the average dairy farmer will be receiving a pay price of between $5 and $6 per cwt. below their cost! Pro-Ag will still predict that dairy farmers in Pennsylvania will be underpaid collectively between $500 and $550 million dollars in 2019, which in turn means the rural economy in 2019 will be shortchanged by approximately $2.5 billion dollars. However, as usual, I commend the Pennsylvania Milk Marketing Board for continuing to have hearings to determine the level of the Pennsylvania premium on bottled milk. I believe that we all recognize that PMMB premiums are not anywhere enough to ward off our dairy farmers financial dilemma. But it sure does help. What would help even more, if all of the dairy cooperatives would illustrate how much of this premium is paid to our members. It certainly was the intent of the Founding Fathers of the over-order premium to have all of the money to be returned to the qualified dairy farmers.

As I reviewed my testimony of 2015 I clearly realized how some of the dairy cooperatives of New York State were playing the same game of not returning the premiums to their dairy farmer members.

Now regarding the level of the premium in Pennsylvania, unfortunately I will not be able to pass out a Readington Farms stub as I usually do to illustrate the Readington premium that is being paid to their producers, however, it appears to me that Readington Farms has dropped their premium from $1.50 per cwt. to $1 per cwt.

I still want to remind the Board that we still have dairy farmers receiving a $1.00 premium while other dairy producers are being charged as much as $1.50 per cwt. for marketing costs.

Readington Farms and the former Durling Farms have always been the leader in paying premiums to their producers. With the drop in Readington’s premium, I cannot in good faith ask our Pennsylvania milk dealers to pay any more than $1 per cwt. premium on milk used for bottling purposes.

Therefore I would urge the PMMB to establish a $1 per cwt. over-order premium for the next six months.

Thank you.