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May 16, 2019

Robert N. Barley, Chairman
c/o Douglas L. Eberly, Esq.
Pennsylvania Milk Marketing Board
Room 110, Agriculture Bldg.
2301 North Cameron Street
Harrisburg, PA 17110

Dear Chairman Barley and Members of the Board:

The Pennsylvania Association of Milk Dealers (“PAMD”) have reviewed the proposed amendments to 7 Pa. Code Ch. 150, relating to milk marketing fees. PAMD understands that the fees have not been increased for approximately 15 years and that the Board has been collecting fees from our members on declining Class I volumes. Yet we believe the work load and staffing requirements have not declined.

PAMD values the important work of the Milk Marketing Board and its audit and enforcement staff. The Milk Marketing Board oversees a set of regulations that we believe have helped provide stability in the Commonwealth that is not seen in neighboring states.

PAMD supports the requested fee increases so the Milk Marketing Board can perform its important work of establishing and enforcing prices in which industry and consumers can have confidence. The Milk Marketing Board also performs other important services related to enforcement of fair trade practices and producer security.

The establishment and enforcement of minimum prices to Pennsylvania producers, processors and retailers is critical to ensuring that milk is not sold at prices that are so low there is little room for the processor to cover the cost of operations and thus be able to continue to purchase and pay for Pennsylvania produced milk. PAMD sincerely believes the lack of a three-tiered pricing structure outside of Pennsylvania is a major reason why surrounding states like New Jersey, Ohio, Maryland, and West Virginia do not have as many fluid milk processors as Pennsylvania provides as outlets for milk. Having more fluid milk processors provides valuable outlets for dairy farmer milk and plays an important role in maintaining prices and premiums at

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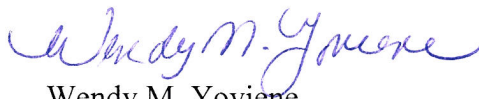
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higher levels than they would otherwise be, due in part to the impact on the federal order uniform price and the need to attract milk for non-fluid plants.

Accordingly, although cost increases are generally not preferred, PAMD supports these fee increases as necessary to the Milk Marketing Board's ability to perform its many valuable functions.

Respectfully submitted,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, PC



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