NEWS RELEASE

COMMONWEALTH OF PENNSYLVANIA

MILK MARKETING BOARD

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PENNSYLVANIA MILK MARKETING BOARD INCREASES OVER-ORDER PREMIUM

ENCOURAGES NATIONWIDE USDA PRODUCER PRICING ACTION

At an April 23 Special Sunshine Meeting held via teleconference due to the ongoing COVID-19 pandemic, the Pennsylvania Milk Marketing Board approved an emergency order increasing the over-order premium for May and June 2020. The order essentially sets a Class I floor price of $15.00 and provides that the difference between the $15.00 floor and the announced Class I mover be added to the existing $1.00 per hundredweight over-order premium. For May, the over-order premium, including the $0.06 fuel adjuster, is $3.11 per hundredweight.

The increased producer pricing mandated by the Board’s order is Pennsylvania’s response to a broader effort by dairy cooperative marketing agencies throughout the country to address the economic devastation caused by the COVID-19 pandemic. The Board limited application of the emergency order to May and June because of the rapidly changing conditions in the dairy industry and the adverse competitive impacts on Pennsylvania’s fluid milk processors that could be caused by a longer-term order.

While the Board is able to require increased producer pricing in Pennsylvania, the cooperative pricing plan in the rest of the country requires coordination and voluntary cooperation among industry participants. “This is a national problem that requires a national solution implemented by USDA through the Federal Order System,” said Board Chairman Rob Barley.“Piecemeal state and regional actions are inadequate to address the scope and magnitude of the damage being incurred by the entire dairy industry. As a matter of fact, disjointed local responses risk worsening already historically bad conditions. We hope our order can provide a blueprint for further USDA action.”

“The Board appreciates the efforts of everyone in the industry to respond quickly to the emergency hearing and provide evidence and testimony to us that allowed us to make the best decision for Pennsylvania’s dairy industry,” observed Board Member Jim Van Blarcom. “This is a strength of the system and industry we have here.”

“In the absence of coordinated federal action, the Board remains capable of responding quickly and addressing the situation within our authority under the Milk Marketing Law,” added Board Secretary Carol Hardbarger.

The Board’s emergency order is available at <https://www.mmb.pa.gov/Pricing%20Information/Official%20General%20Orders/Over%20Order%20Premium/Documents/OGO%20A-1007.pdf>.

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