

PENNSYLVANIA MILK MARKETING BOARD

PROPOSED AMENDMENT TO 7 PA. CODE CHAPTER 143

JULY 2, 2018 HEARING

PMMB STAFF

OUTLINE OF EXPECTED TESTIMONY

Board Staff supports amending section 143.31 of the PMMB regulations to increase the termination notice that must be given to producers from 28 days to 90 days. Ninety days will give a producer additional time to find another buyer for the milk or make other decisions.

A dealer who is terminating a producer contract may be having serious financial difficulties that led to the decision to terminate. Therefore, we recommend including paragraph (c) which allows a dealer to petition the Board for permission to give less notice. The dealer must show that giving 90 days notice would cause financial hardship that is likely to result in additional producers being unpaid or terminated. The notice must still be at least 30 days.

We recommend including paragraph (d). Section 809 of the Milk Marketing Law provides that the Law shall not be deemed or construed to affect the contracts of cooperatives and their producers unless specifically provided in the Law. We believe it is consistent with the intent of that section to say that if the coop and its members have a contract stating the amount of notice required to terminate the contract, the contract would govern, rather than the regulation.

We also support deleting regulation 143.32. That regulation says that producers who are selling milk on their own farms forfeit the right to receive the notice required by section 143.31. In our view, producers who have a contract with a dealer should receive this notice whether or not some of the milk is being sold on their own farm.

June 27, 2018

Steven Zalman
Auditor Supervisor