



Commonwealth of Pennsylvania
Milk Marketing Board

CHAIRMAN

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Harrisburg, Pennsylvania 17110-9408
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DATE: June 12, 2019

SUBJECT: Cooperative Procurement Costs
Implementation hearing date

TO: Interested Parties

FROM: Robert N. Barley
Chairman

The Board conducted hearings November 5, 2018, through November 8, 2018, and January 28, 2019, through January 30, 2019, regarding the Pennsylvania Association of Dairy Cooperatives' ("PADC") petition to mandate recognition and payment of a cooperative milk procurement cost.

On January 31, 2019, the Board ordered that PADC provide additional evidence regarding implementation of its procurement cost request. We requested evidence relative to calculation of the milk dealer procurement cost obligation and recovery of the cooperative procurement cost through minimum resale prices. The January 31, 2019, order provided that the Board would establish a hearing schedule to consider the implementation portion of the request upon receipt of PADC's implementation submission.

The Board received PADC's initial submission regarding implementation of its proposal on May 24, 2019.

Between January 31 and May 24 the Board began the process of scheduling annual cost replacement hearings, a workshop related to cost replacement hearings, one of the bi-annual over-order premium hearings, and an in-store handling cost hearing. We engaged in the hearing planning because we are extremely short-staffed and need to carefully manage our staff's workloads and commitments. The Board has also committed to conducting the six cost replacement hearings each autumn going forward.

The Board internally developed a hearing schedule that accounted for the known hearings and our staffing levels. We did not plan for the procurement cost hearing because we had not received the submission from PADC that would trigger scheduling that hearing.

After receiving PADC's initial implementation submission the Board, based on Board staff's workload and the hearings we knew we could plan for and had already internally scheduled, determined that the cooperative procurement cost hearing could continue on February 12, 2020. As a courtesy, our Chief Counsel relayed that information to PADC's Counsel prior to the Board issuing a scheduling order. We received correspondence from PADC on June 7, 2019, requesting that the implementation hearing be scheduled in September or October 2019. On June 11, 2019, we received correspondence from the Pennsylvania Association of Milk Dealers ("PAMD") requesting that, based on PAMD's hearing preparation workload, the implementation hearing be scheduled in February 2020.

The Board will re-examine our staff's workload to determine whether any adjustments can be made that would allow scheduling the procurement cost hearing prior to February 2020. We will issue a scheduling order at the end of June 2019.