

**BEFORE THE PENNSYLVANIA MILK MARKETING BOARD**

**OVER - ORDER PREMIUM HEARING**

**ALL MILK MARKETING AREAS**

**December 7, 2022**

**Rebuttal Testimony of Brittni Treichler- Harris**

Presented on behalf of the Pennsylvania Association of Dairy Cooperatives,

Dairy Farmers of America, Inc.,

Lanco Dairy Farms Co-op, Inc.,

Land O'Lakes, Inc., and

Maryland & Virginia Milk Producers' Cooperative Association, Inc.

Good day, my name is Brittnei Treichler- Harris. My business address is 405 Park Drive Carlisle, PA 17015. I am the eastern region milk supply manager for Land O' Lakes, and I represent Land O' Lakes in the Pennsylvania Association of Dairy Cooperatives (PADC). Other members of PADC include Maryland & Virginia Milk Producers Association Inc., Lanco Dairy Farms Co-op Inc. and Dairy Farmers of America, Inc. I appreciate the opportunity to offer our rebuttal testimony today.

First and foremost, I would like to offer our support for the continuation of the over order premium at a minimum of the current level of \$1.00/cwt plus fuel surcharge. Our advocacy for maintaining the over-order premium at \$1.00/cwt plus fuel surcharge is driven by the same market factors as outlined by Pennsylvania State Grange in the testimony of Mr. Espenshade and Mr. Sattazhan. Chiefly among these factors are increased costs in fuel, feed, labor, and other inputs. While it is true that milk prices remain robust today, recent history demonstrates that prices could fall rapidly, and the OOP would provide a safety net to producers.

While we continue to support the concept of a premium for Pennsylvania dairy farmers above the federal minimum price, we also have concerns about the current OOP structure. Therefore, we disagree with Pennsylvania State Grange's position that the OOP should be continued for an additional six (6) months. PADC believes that premiums paid to Pennsylvania farmers above the federal order price should meet three (3) key criteria.

1. Uniform distribution of dollars among Pennsylvania dairy producers;
2. The amount paid by Pennsylvania consumers should not substantially exceed what is distributed back to Pennsylvania dairy farmers; and
3. The distribution system used for the collection and distribution of such dollars must not provide incentives by which payment of the premium to Pennsylvania dairy farmers can be avoided by purchasing or selling milk across state lines.

The current system does not meet these requirements. In prior hearings, PADC expressed these same concerns that the current system is not equally serving of all Pennsylvania dairy producers and that action should be taken to reform the program. PADC was very appreciative of the PMMB's previous Order, OGO A-1014, which extended the over-order premium for ninety (90) days to allow the Pennsylvania General Assembly to pass critical legislation which would have given the PMMB the ability to rectify the problems existing with the OOP. However, PADC also recognizes that, while the ninety (90) day window was a step in the right direction, the legislative session ended without passage of this much-needed legislation.

PADC is willing to allow more time for these legislative changes to take place. However, the duration of the OOP must be balanced against the impetus that the program be substantially reformed to equally support Pennsylvania dairy farmers. To advocate for a six (6) months duration is tantamount to "kicking the can down the road" and does not adequately convey the sense of urgency needed to address the unequal nature of the current OOP structure. We believe that three (3) months or ninety (90) days is a reasonable timeframe for renewed legislative action in the new session of the Pennsylvania General Assembly.

PADC's position remains that the over-order premium should not be continued indefinitely without scrutiny as to whether the current system is reflective of today's marketplace and treats all Pennsylvania producers equally. We are open to being a part of the solution and would welcome the opportunity to engage in meaningful dialogue on alternative methods of collecting and distributing a market driven premium.

Thank you for the consideration of our testimony as you deliberate your decision.

## CERTIFICATE OF SERVICE

I, Jason A. Statler, Esquire, certify that on November 22, 2022, I served true and correct copies of the foregoing to the following interested parties, all of whom accept service by email:

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