PA Milk Marketing Board Carol A. Hardbarger

Are We Heading Toward Another Dairy Crisis?

Note to reader who called me about where to find Randall Linebacks for purchase in Pennsylvania: I lost your phone number. Please see the breed association at <a href="https://www.randallineback.org/">https://www.randallineback.org/</a>.

Last week's column stated that I would be doing a follow up this week on actual PA dealer sales to schools; however, activities of the past few weeks have changed the focus for today's article.

Recently on the news I heard that a few big-box stores are considering limits on purchase of some products, including toilet paper (Oh, no!). I have also heard that close to 100 ships are languishing off the coast of several western US ports, and that Savannah, GA, on the east coast and the 3<sup>rd</sup> largest US port cannot unload tankers due to lack of space.

Not only is there a shortage of dock space, there is also a shortage of dock workers and truck drivers to transport what is off-loaded at the docks.

If you listen to the nightly news, you are becoming aware of issues with the supply chains for normal transport of imported and domestic goods and products. I think that some are becoming acutely aware because they are directly affected. And it is only going to get worse.

How does this affect the PA dairy industry?

One direct affect happened to one of our staff members. We had been in communication with a milk hauler about some missing monthly reports; when we did not hear back from the person, we had our legal staff get involved, which is our normal procedures when regulations are not followed.

The individual called our office and spoke inappropriately to one of our staff, screaming so loud that others in the office could hear what was said even though they were at the other end of the office area. Inappropriate language was also used. Fortunately, we care about those we serve and understand fully that this individual was under a great deal of stress, not having workers to make his milk runs and having to do the work himself—five loads of milk backed up to move at the time he called.

A few weeks ago, I sent a list of approximately 15 "issues" identified by our milk processors in 2019 as being critical issues or needs faced by the industry. I asked the dealers to rank them, delete any that are no longer issues, and add any emerging items. While I haven't been able to analyze the data fully at this point, I can see that several items that were lower ranked in 2019 have moved up to be more critical concerns at this point.

The main issue for these respondents, ranked at #1, is worker shortage.

And schools are also experiencing shortages that create cafeteria production and cleaning issues; some report running out of paper supplies and vendor defaults on deliveries.

I recently found out, also, that approximately 200 waivers have been requested from the PA Department of Education school nutrition program to allow for flexibility in school milk purchases. The waivers would be granted if schools were having COVID safety OR supply chain issues. Nearly 100 percent of the requests for waivers were granted, and I have since learned that many schools, particularly those in the eastern part of the state, are experiencing difficulties obtaining milk.

What is going on in the real world of milk transport to schools? I would venture that it is not just schools that are (or will be) affected, but the greater retail market as well.

In the words of one PA milk processor: "We are dealing with staff shortages, issues getting parts, issues getting cartons, etc. It's a real problem." The dealer goes on to say that a recent order of cartons is now back-ordered 12 weeks. The company has had to put a freeze on any new business (which hurts dairy farmers, as well, and consumers) so that current workers are not stressed to the point of quitting or becoming ill.

Are we headed toward another crisis within the PA dairy industry? It is hard to believe, but I think we are. If we ever needed a "Rapid Response Team" in Pennsylvania to address the issues as well as effective interagency collaboration at the state and federal levels, this is the time. The crises of the past were not one-time phenomena.

PMMB is supportive of current efforts by our PA Department of Agriculture and other commonwealth agencies, such as the Department of Education, to deal with issues as they emerge. We are willing to do our part and continue to seek and provide information that may help facilitate discussions and solve local problems. We are always available to address questions and concerns. I can be reached at 717-210-8244 and by email at <u>chardbarge@pa.gov</u>.