

QUARTERLY DAIRY LEGAL WEBINAR

4th Quarter 2023
February 13, 2024

Focus Topic:
***Pennsylvania Milk Marketing Law:
Beyond the Over-Order Premium***



PennState Law

Center for Agricultural
and Shale Law



Thanks to Our Partners

The Center for Agricultural and Shale Law is a partner of the National Agricultural Law Center (NALC) at the University of Arkansas System Division of Agriculture, which serves as the nation's leading source of agricultural and food law research and information. This material is provided as part of that partnership and is based upon work supported by the National Agricultural Library, Agricultural Research Service, U.S. Department of Agriculture.



Quarterly Dairy Legal Webinar Series

#14 in the series – covering the 4th quarter of 2023

- October 2023: Risk Management/Income & Revenue Protection
- July 2023: Federal Milk Marketing Order Administrative Process
- April 2023: International Dairy Trade
- January 2023: Interstate Regulation of Milk Production and Processing
- October 2022: 2023 Farm Bill and the Potential Implications for the Dairy Industry
- July 2022: Labeling Standards
- April 2022: Animal Welfare
- February 2022: Dairy Industry Carbon Reduction Programs
- December 2021: USDA's Pandemic Assistance Programs
- July 2021: Geographical Indications
- April 2021: Federal Milk Marketing Order Reform
- January 2021: International Trade with Becky Rasdall
- November 2020: Federal Milk Marketing Order 51

Find upcoming topics at <https://aglaw.psu.edu/quarterly-dairy-legal-webinar/>



QUARTERLY DAIRY LEGAL WEBINAR

4th Quarter – 2023
February 13, 2024

Round Up – 4th Quarter 2023



PennState Law

Center for Agricultural
and Shale Law



Round-up – 4th Quarter 2023

- The PA Milk Marketing Board Issued Order Continuing \$1 Over-Order Premium Until June 2024
- The PA Milk Marketing Board Issued Cost Replacement Order for All Six PA Milk Marketing Areas
- The USDA Held Several Hearings on Federal Milk Marketing Order (FMMO) Changes
- The USDA Extended Milk Loss Program Application Deadline
- The USDA Granted More than \$1 Billion Towards 81 Conservation Programs; Awarded \$23 million to Dairy Business Innovative Program
- The U.S. FDA Published Small Entity Compliance Guidance for Yogurt Standards of Identity
- The U.S. House of Representatives Passed the Whole Milk for Healthy Kids Act of 2023; the U.S. Senate Introduced O DAIRY Act of 2023
- Elanco Animal Health, Inc. and High Alpha Innovation Launched Athian, a Carbon Marketplace for Dairy Farmers
- Federal Court Dismissed Antitrust Suit Against Dairy Farmers of America
- Panel Found Canada’s Dairy TRQs “Not Inconsistent” with USMCA



PA Milk Marketing Board Issued Order Continuing \$1 Over-Order Premium Until June 2024

- On December 13, 2023, the Pennsylvania Milk Marketing Board (PMMB) [issued](#) General Order A-1018, **continuing the current \$1.00 per hundredweight over-order premium (OOP)** for all Class I milk produced, processed, and sold in Pennsylvania.
 - **Effective from January 1, 2024, to June 30, 2024.**
 - Continuance of status-quo since April 2019.



PA Milk Marketing Board Issued Cost Replacement Orders for All Six PA Milk Marketing Areas

- On December 6, 2023, the Pennsylvania Milk Marketing Board (PMMB) issued cost replacement orders for PA Milk Marketing Areas No. 3, 5, and 6; **all areas sustain a 2.7% rate of return for retailers while area No. 3 and No. 6 maintain a 3.4% rate of return for dealers and area no. 5 increases the rate of return for dealers to 3.5%.**
 - [No. 3 \(Northeastern PA\)](#)
 - [No. 5 \(Western PA\)](#)
 - [No. 6 \(West Central PA\)](#)
- On January 3, 2024, the PMMB issued cost replacement orders for PA Milk Marketing Areas No. 1, 2, and 4; **all three areas sustain a 3.5% rate of return for dealers while area No. 1 and No. 4 maintain a 2.5% rate of return to retailers and area No. 2 maintains a 2.7% rate of return to retailers.**
 - [No. 1 \(Southeastern PA\)](#)
 - [No. 2 \(East Central PA\)](#)
 - [No. 4 \(South Central PA\)](#)



USDA Held Several Hearings on FMMO Changes

- On December 29, 2023, the USDA Agricultural Marketing Service [announced](#) that the [National Federal Milk Marketing Order \(FMMO\) Hearing](#) on proposed changes to the milk pricing formula will reconvene on January 16, 2024.
 - The FMMO hearing initially started in August 2023
- The FMMO hearing [ended](#) on January 30, 2024.
 - [FMMO Hearing Transcripts](#), USDA AMS Webpage



USDA Extended Milk Loss Application Deadline

- On October 13, 2023, the USDA Farm Service Agency (FSA) [extended](#) the deadline for Milk Loss Program (MLP) applications from October 16 to October 30, 2023.
 - The Milk Loss Program provides financial assistance to farmers who were forced to dump or remove milk from the commercial milk market in calendar years 2020, 2021, and 2022, due to qualifying weather events.
 - “Eligible causes of loss also include consequences of the weather, such as power outages, impassable roads and infrastructure losses.”
 - FSA opened MLP enrollment on September 11, 2023.



USDA Granted More than \$1 Billion for 81 Conservation Programs; Awarded \$23 Million to Dairy Business Innovative Program

- On November 1, 2023, the USDA Natural Resources Conservation Service (NRCS) [allocated](#) more than \$1 billion towards 81 conservation projects through the Regional Conservation Partnership Program.
 - Dairy Farmers of America (\$22,865,854.00) – Climate-Smart Dairies: A Partnership for Enteric Methane Reduction using Novel Feed Additives.
 - California Dairies Inc. (21,431,689.00) – Absolute Enteric Methane Reductions in California Dairies; a New Frontier in the Journey to Net Zero.
 - Maryland & Virginia Milk Producers Cooperative Association (\$10,000,000.00) – Mid-Atlantic Dairy Farmers Producing Tangible Results Through Climate Smart Solutions.
- On October 3, 2023, the USDA Agricultural Marketing Service (AMS) [granted](#) \$23 million to four Dairy Business Innovation (DBI) Initiatives:
 - California State University Fresno
 - The University of Tennessee
 - Vermont Agency of Agriculture, Food & Markets (\$7,053,333.00)
 - The University of Wisconsin



The U.S. FDA Published Small Entity Compliance Guidance for Yogurt Standard of Identity

- On November 28, 2023, the U.S. Food and Drug Administration (FDA) [published](#) a new guidance document to help small businesses understand and comply with recent changes to the yogurt standard of identity (21 CFR parts 130 and 131)
- Recent changes include: (1) [Milk and Cream Products and Yogurt Products; Final Rule to Revoke the Standards for Lowfat Yogurt and Nonfat Yogurt and to Amend the Standard for Yogurt](#) (86 FR 31117) issued in June 2021, and (2) [Final Order; IFDA: Response to the Objections and Requests for a Public Hearing on the Final Rule to Revoke the Standards for Lowfat Yogurt and Nonfat Yogurt and Amend the Standard for Yogurt](#) (88 FR 22907) issued in April 2023.
 - On June 11, 2021, the U.S. FDA revoked the standards of identity for lowfat and nonfat yogurts.
 - On April 14, 2023, the U.S. FDA announced revision of the rule adopted in June 2021 for yogurt standard of identity: (1) FDA eliminated minimum titratable acidity options and (2) yogurt must have a pH of 4.6 or lower measured within 24 hours after filing—producers must comply with the revised rule starting January 1, 2024.



U.S. House of Representatives Passed Whole Milk for Healthy Kids Act of 2023; U.S. Senate Introduced O DAIRY Act of 2023

- On December 13, 2023, the U.S. House of Representatives [passed](#) H.R. 1147—**the Whole Milk for Healthy Kids Act of 2023**.
 - Introduced on February 21, 2023, by U.S. Representative Glenn “GT” Thompson (PA-15).
 - Would allow schools participating in the National School Lunch Program to serve whole milk to students, flavored or unflavored, reduced-fat, low-fat, or fat-free.
 - Current regulations only permit low-fat or fat-free milk.
- On October 19, 2023, the U.S. Senate [introduced](#) S. 3097—**the Organic Dairy Assistance, Investment, and Reporting Yields Act of 2023 (O DAIRY Act of 2023)**.
 - Would provide organic dairy farmers with financial assistance to offset organic feed and input cost increases exceeding 10% of annual net income.
 - Would establish a USDA safety net program specifically for organic dairy farms
 - Would provide \$20 million to support investments in organic dairy processing infrastructure
 - Would create regional research and advisory positions dedicated to organic dairy marketing



Elanco Animal Health, Inc. & High Alpha Innovation Launched Athian, a Carbon Marketplace for Dairy Farmers

- On November 2, 2023, Elanco Animal Health, Inc. and High Alpha Innovation [launched](#) new Athian platform, a “first-of-its-kind livestock carbon inset market.”
 - “This new carbon marketplace creates an opportunity for farmers to monetize their greenhouse gas emission reductions.”
 - Allows farmers to earn income by reducing emissions through verified practices and approved feed management solutions
 - Allows companies to offset Scope 3 emissions by purchasing Athian’s tradable carbon credits, derived from verified dairy farm emission reductions.
- Athian CEO Paul Myer wrote, “This marketplace, specifically designed for the animal protein industry, is different than traditional offsetting carbon marketplaces because it keeps the value-economic value as well as positive environmental value—in the animal protein value chain.”



Federal Court Dismissed Antitrust Suit Against Dairy Farmers of America

- On October 5, 2023, the U.S. District Court for the District of Vermont [dismissed](#) with prejudice a class action lawsuit filed by dairy farmers against Dairy Farmers of America, *S.R.J.F., Inc. v. Dairy Farmers of America*, No. 2:22-cv-147.
 - Class-action comprised of “all dairy farmers, whether individuals or entities, who produced and sold raw Grade A milk within Dairy Farmers of America, Inc.’s (DFA) Northeast Area region at any time from at least May 10, 2016, until the present.”
 - The [class-action complaint](#) filed in July 2022 alleged **anti-competitive practices** by DFA
 - Farmers sought compensation for lost profits
- On September 26, 2023, the court [granted](#) partial summary judgment to DFA due to violation of a previous settlement agreement in the case *Allen, et al. v. Dairy Farmers of America, Inc. et al*, USDC Vermont, No. 5:09-cv-230.



Panel Found Canada's Dairy Tariff-Rate Quota (TRQ) “Not Inconsistent” with the USMCA

- On November 24, 2023, the Office of the U.S. Trade Representative [announced](#) the publication of a [USMCA dispute settlement panel report](#) on Canada's dairy tariff-rate quota (TRQ) allocation measures.
 - The United States raised four claims regarding Canada's dairy TRQ allocation measures:
 - **U.S. claim regarding Canada's treatment of certain types of TRQ applicants.**
 - **U.S. claim regarding Canada's use of a market share allocations system with different criteria for different types of applicants.**
 - **U.S. claim regarding Canada's 12-month activity requirements.**
 - **U.S. claim regarding Canada's mechanism for return and allocation of unused allocations.**
- The panel found that Canada's dairy TRQ allocation measures did not violate the USMCA provisions; the panel remains undecided regarding return and allocation of unused allocations.
- *Background*—the Office of the U.S. Trade Representative [submitted](#) dispute settlement consultations in May 2022; [requested](#) further dispute settlement consultations with Canada in December 2022 to address additional aspects of Canada's TRQ allocation measures.

4th Quarter – 2023
February 13, 2024

Focus Topic:
***Pennsylvania Milk Marketing Law:
Beyond the Over-Order Premium***



PennState Law

Center for Agricultural
and Shale Law



Board's name changed via legislation:



pennsylvania
MILK BOARD

[Act 25 of 2023](#)

Introduced as HB 1170 on 5/18/23, Gov. signed 11/6/23. All votes were unanimous in both chambers.



Enabling Legislation: *Milk Marketing Law*

- 1937 – preamble is worth a read. Very colorful.
- [31 P.S. § 700j-101 through 700j-1302](#). (31 P.S. is titled “Food.” Chapter 13 is titled “Milk and Cream.” There is no 31 Pa.C.S.A. Food statutes now become part of 3 Pa. C.S.A.)
- PMB implementing regulations at [7 Pa. Code Part VI, Chapters 141 through 151](#) -- with PDA regulations.
- **Note**: “Milk Sanitation Law” administered by PDA Bureau of Food Safety (actual title is “[Permits for Sale of Milk or Manufactured Dairy Products](#)”) is also in 31 P.S. and all of PDA’s milk regulations are also in 7 Pa. Code, Part III, [Chapters 57](#) and [Chapter 59a](#) respectively.



Milk Marketing Law

- [31 P.S. PA ST Ch. 13, Milk Marketing Law, Refs & Annos](#)
- [Article I. Purpose, Short Title, Definitions](#)
- [Article II. Organization of the Board](#)
- [Article III. General Powers of the Board](#)
- [Article IV. Licenses of Milk Dealers](#)
- [Article V. Bonds of Milk Dealers](#)
- [Article V.1. Milk Haulers](#)
- [Article VI. Weighing and Testing](#)
- [Article VII. Records, Reports and Information](#)
- [Article VIII. Prices of Milk](#) -----
- [Article IX. Appeals and Review](#)
- [Article X. Penalties and Remedies](#)
- [Article XI. Moneys and Expenses of Board](#)
- [Article XII. Saving Provisions](#)
- [Article XIII. Repeals and Effective Date](#)





MMB Regulations – 7 Pa. Code § 141.1 – 151.13

Chapters:

- 141. [Preliminary provisions](#)
- 143. [Transactions between dealers and producers](#)
- 144. [Electronic methods for testing milk for fat and component content](#)
- 146. [Transactions between dealers and customers](#)
- 147. [Records and reports](#)
- 149. [Uniform system of accounts](#)
- 150. [Milk marketing fees](#)
- 151. [Security funds, bonding and alternative security](#)



Who needs a dealer license? - Definition

“ **‘Milk dealer’** or **‘handler’** means any person, who purchases or receives or handles on consignment or otherwise milk within the Commonwealth, for processing or manufacture and further sale, within or without the Commonwealth, whether on behalf of himself or others, or both.

A producer who delivers milk to a milk dealer or handler only shall not be deemed a milk dealer or handler.

If a cooperative distributes or makes available on consignment or otherwise milk within this Commonwealth to stores, as defined in this act, or to consumers, as defined in this act, or to other milk dealers or handlers, as defined in this act, or acts as an agent for its members, it shall be deemed to be a milk dealer or handler as to that part of its business, and shall be governed by the provisions of this act applicable thereto.

Such cooperative shall be governed by the applicable provisions of this act as to the prices at which it sells, markets, or bargains to sell or make available on consignment or otherwise milk within this Commonwealth to milk dealers, handlers and others.”



Who needs a dealer license? – §700j-401

“Except as herein otherwise specifically provided, a milk dealer or handler, as defined in this act, shall not buy or handle milk, whether as a broker, factor, bailee, consignee, or otherwise, and whether or not by contract or operation of law title passes to the handler, from producers or others within this Commonwealth for storage, consignment, brokerage, manufacture, processing, distribution, or sale within or without this Commonwealth, or manufacture, process, handle, sell or distribute milk within this Commonwealth, unless such dealer or handler be duly licensed as herein provided;

and it shall be unlawful for a milk dealer or handler to buy or receive milk from, or sell or consign milk to, or handle as broker, factor, consignee or otherwise, milk for, a milk dealer or handler who is not either licensed or exempted as herein provided, or, in any way, to deal in or handle milk which he has reason to believe has previously been dealt in or handled in violation of the provisions of this act.”



Who needs a dealer license ? – 700j-402

“The board may, by official order, **exempt** from the license requirements provided by this act milk dealers or handlers who purchase or handle milk in a total **quantity not exceeding one thousand five hundred pounds in any month, and milk dealers or handlers selling milk in any quantity only in markets of a population of one thousand, or less, for local consumption.** However, milk dealers or handlers exempted by this section from the license requirements of this act shall **continue to be subject to all the other provisions of this act** relating to milk dealers or handlers: **Provided, however, That in cash sales of milk to consumers, if he shall have produced all the milk on the farm where sold and such milk has at no time left the producer's farm prior to its sale to the consumer and he shall have neither purchased, handled or received any milk from other producers or handlers for cash sale or any other purpose and his total sales to consumers do not exceed two gallons to any one consumer in any one day, the producer so selling milk shall be exempt from the provisions of this act.**”



Current Commonwealth-wide OGOs

- [OGO A-1016 Minimum Retail Prices](#) April 2023
- [OGO A-1010 Cooperative Procurement Costs](#) January 2021
- [OGO A-1009 Over Price Premium Amended](#) January 2021
- [OGO A-1009 Over Price Premium](#) December 2020
- [OGO A-1004 Cooperative Milk Procurement Costs Interim](#) Jan. 2020
[Bulletin 1570 Calculation and Enforcement of Minimum Dealer Obligation](#) January 2020
- [OGO A-992 Cooperative Costs; Over-Price Premium](#) November 2015
- [OGO A-989 Over-Price Premium](#) January 2015
- [OGO A-987 Small Delivery Cost Adjustments](#) October 2014
- [OGO A-985 Area Discounts](#) June 2014

- [OGO A-980 Flavored Nonfat Milk](#) July 2012
- [OGO A-978 Timing and Manner of Price Announcements](#) June 2012
- [OGO A-975 Service Contracts](#) March 2012
- [OGO A-972 Price Adjustment to Milk Price Discounts](#) October 2011
- [OGO A-946 Timing and Manner of Price Announcements](#) Nov. 2007
- [OGO A-942 Class II Fixed Add-ons](#) February 2007
- [OGO A-937 Heating Fuel Add-Ons & Ingredient Costs](#) June 2006
- [OGO A-925 Over Price Premium within Minimum Prices](#) March 2004
- [OGO A-903A Producer Pricing](#) September 1999

Over Order Premium OGOs:

- [OGO A-1018](#) January 2024;
- [OGO A-999 Diesel Fuel Add-On](#) October 2017;
- [OGO A-893 Over Order Premium Base Order](#) November 1996



Other Laws Administered by MMB

- [Milk Marketing Fee Act \(1978\)](#) – authorizing various fees; set by regulation:
 - Milk dealer fees (flat fee plus computation based upon milk volumes)
 - Milk hauler license fee.
 - Milk tester’s certificate fee.
 - Milk weigher and sampler certificate fee.
- [Milk Producers’ Security Act \(1984\)](#) – see subsequent slides



Milk Marketing Fee Act

- [§ 700k-1. Short Title](#)
- [§ 700k-2. Definitions and Construction](#)
- [§ 700k-3. Milk Dealer License Fees Generally](#)
- [§ 700k-4. License Fees for Certain Milk Dealers](#)
- [§ 700k-5. Computation of License Fees](#)
- [§ 700k-6. Milk Haulers License](#)
- [§ 700k-7. Fees for Milk Tester's Certificates](#)
- [§ 700k-8. Fees Paid by Milk Weighers and Samplers](#)
- [§ 700k-9. Transfer Fee](#)
- [§ 700k-10. Miscellaneous Fees](#)
- [§ 700k-10.1. Disposition of Fees](#)



Milk Producers' Security Act

- [§ 626.1.](#) Short Title
- [§ 626.2.](#) Declaration of Policy
- [§ 626.3.](#) Scope of Coverage
- [§ 626.4.](#) Definitions
- [§ 626.4a.](#) Title to Milk
- [§ 626.5.](#) Prompt Payment of Milk
- [§ 626.6.](#) Cooperative Licensing Requirements
- [§ 626.7.](#) Security Bonds
- [§ 626.8.](#) Bonds
- [§ 626.9.](#) Security Fund
- [§ 626.10.](#) New Licensees
- [§ 626.10a.](#) Review of Security
- [§ 626.12.](#) Procedure for Disbursing Proceeds
- [§ 626.13.](#) Prohibitions and Violations
- [§ 626.14.](#) Rules and Regulations
- [§ 626.15.](#) Penalties



§ 626.7. Security bonds

(a) Each milk dealer, as required by this act, shall file with the board a corporate surety bond or collateral bond. The bond shall be on a form prescribed by the board conditioned for the payment by the milk dealer or handler of all amounts due under this act and all other applicable Federal laws in addition to the orders of the board for milk purchased or otherwise acquired from producers by the milk dealer or handler during the license year, which payments shall be made within the time limits specified in this act or the regulations of the board and shall be upon such other terms and conditions as the board may prescribe.

(c) The bond shall be filed in accordance with the following:

- (1) Except as set forth in paragraph (2), a milk dealer shall file with the board a bond equal to a minimum of 75% of the highest aggregate amount owed by the milk dealer to all producers for a 40-day period during the preceding 12 months.
- (2) A vested milk dealer shall file with the board a bond in a sum equal to a minimum of 30% of the highest aggregate amount owed by the vested milk dealer to all producers for a 40-day period during the preceding 12 months.



Recent Insolvency & Bond Matters

- **2019 – Trickling Springs:** “The Pennsylvania Milk Marketing Board issued an order on November 6, 2019, distributing the proceeds of Trickling Springs Creamery’s milk dealer bond. The bond proceeds of \$453,749.40 will be distributed to the three producers who were not paid when Trickling Springs ceased operations at the end of September.”
- **2019 Dean Foods:** “The Pennsylvania Milk Marketing Board confirms that the former Dean Foods Company and its subsidiaries have paid Pennsylvania independent dairy farmers all amounts owed for milk shipments to Dean Foods plants. Dean Foods filed for Chapter 11 bankruptcy protection in November 2019. Dean Foods continued to pay dairy farmers during the bankruptcy proceedings . . . the final payment for April milk was made late. Board audits have confirmed, though, that all independent Pennsylvania dairy farmers have now been paid.”
- **2020 – Borden Dairy:** “Borden Dairy Company voluntarily filed for Chapter 11 bankruptcy protection on January 6. Borden does not operate any dairy processing or manufacturing plants in Pennsylvania and does not purchase Pennsylvania producer milk.”
- **2020 Dean Foods’ Preference Payments Claims:** The Dean Foods bankruptcy trustee hired a national debt collection law firm who sought reimbursement from PA dairy farmers of payment for milk made within 90 days of Deans’ bankruptcy filing as alleged preference payments under the Bankruptcy Code. “The Pennsylvania Milk Marketing Board, working with the Pennsylvania Attorney General’s office and ASK LLP, has developed declarations to respond to avoidance claim settlement offers received by Pennsylvania dairy farmers and milk haulers. The declarations, available on the Board’s website at <https://www.mmb.pa.gov/Consumer/Pages/default.aspx>, are a simple and standardized way for farmers and haulers to demonstrate that they received payments from Dean Foods in the ordinary course of their business with Dean. Dairy farmers and milk haulers should read the explanation on the Board’s website and return the appropriate declaration to ASK. We emphasize that it is vitally important that farmers and haulers return the completed declarations to ASK as soon as possible. ”



PMB's Minimum Pricing Scheme

1. Minimum Producer Price

2. Minimum Wholesale

3. Minimum Retail



PMB's Minimum Producer Price

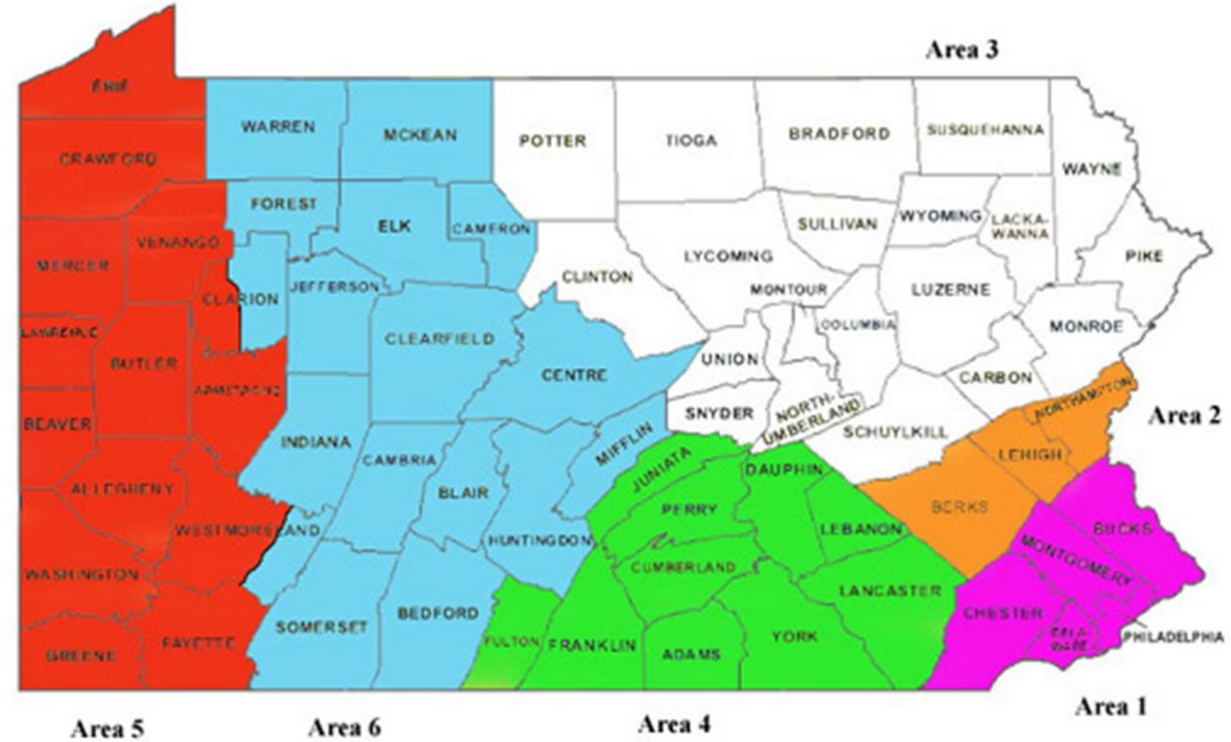
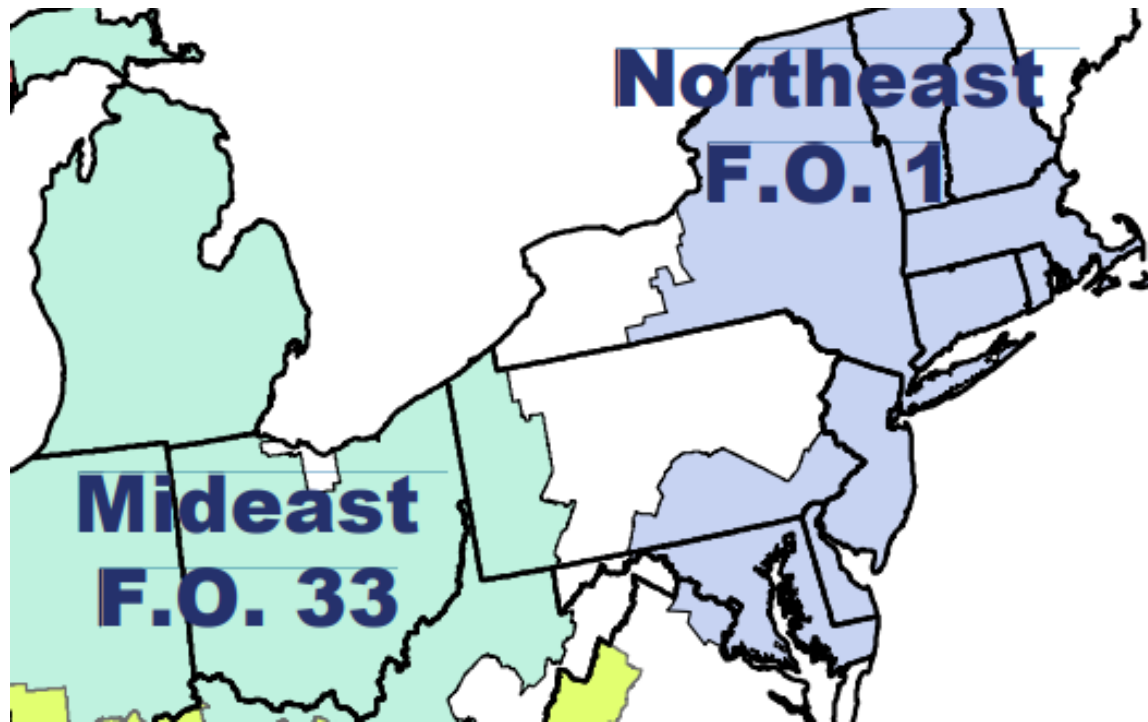
WEB SITE: www.pmb.pa.gov

Minimum Producer Price Data										
For Milk Purchased From Producers in January 2024										
AREA-ZONE		CLASS I DIFF.	CO-OP PROCUREMENT COST	OVER ORDER PREM ¹ (A999 & A1018)	PURCHASED FROM CO-OPS			PURCHASED FROM INDEPENDENTS		
					BUTTERFAT VALUE (per lb.)	SKIM VALUE (per cwt.)	CLASS I PRICE	BUTTERFAT VALUE (per lb.)	SKIM VALUE (per cwt.)	CLASS I PRICE
1-0	Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$0.2416	\$1.38	\$3.0558	\$12.91	\$23.15	\$3.0534	\$12.67	\$22.91
2-0	East Central Pennsylvania Milk Marketing Area	\$2.80	\$0.2416	\$1.38	\$3.0533	\$12.66	\$22.90	\$3.0509	\$12.42	\$22.66
3-0	Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$0.2416	\$1.38	\$3.0533	\$12.66	\$22.90	\$3.0509	\$12.42	\$22.66
4-0	South Central Pennsylvania Milk Marketing Area	\$2.90	\$0.2416	\$1.38	\$3.0543	\$12.76	\$23.00	\$3.0519	\$12.52	\$22.76
5-0	Western Pennsylvania Milk Marketing Area	\$2.30	\$0.2416	\$1.38	\$3.0483	\$12.16	\$22.40	\$3.0459	\$11.92	\$22.16
6-0	West Central Pennsylvania Milk Marketing Area	\$2.50	\$0.2416	\$1.38	\$3.0503	\$12.36	\$22.60	\$3.0479	\$12.12	\$22.36

1. Includes a Fuel Adjustment of \$0.38 per Hundredweight.



PMB Minimum Producer Price = statewide



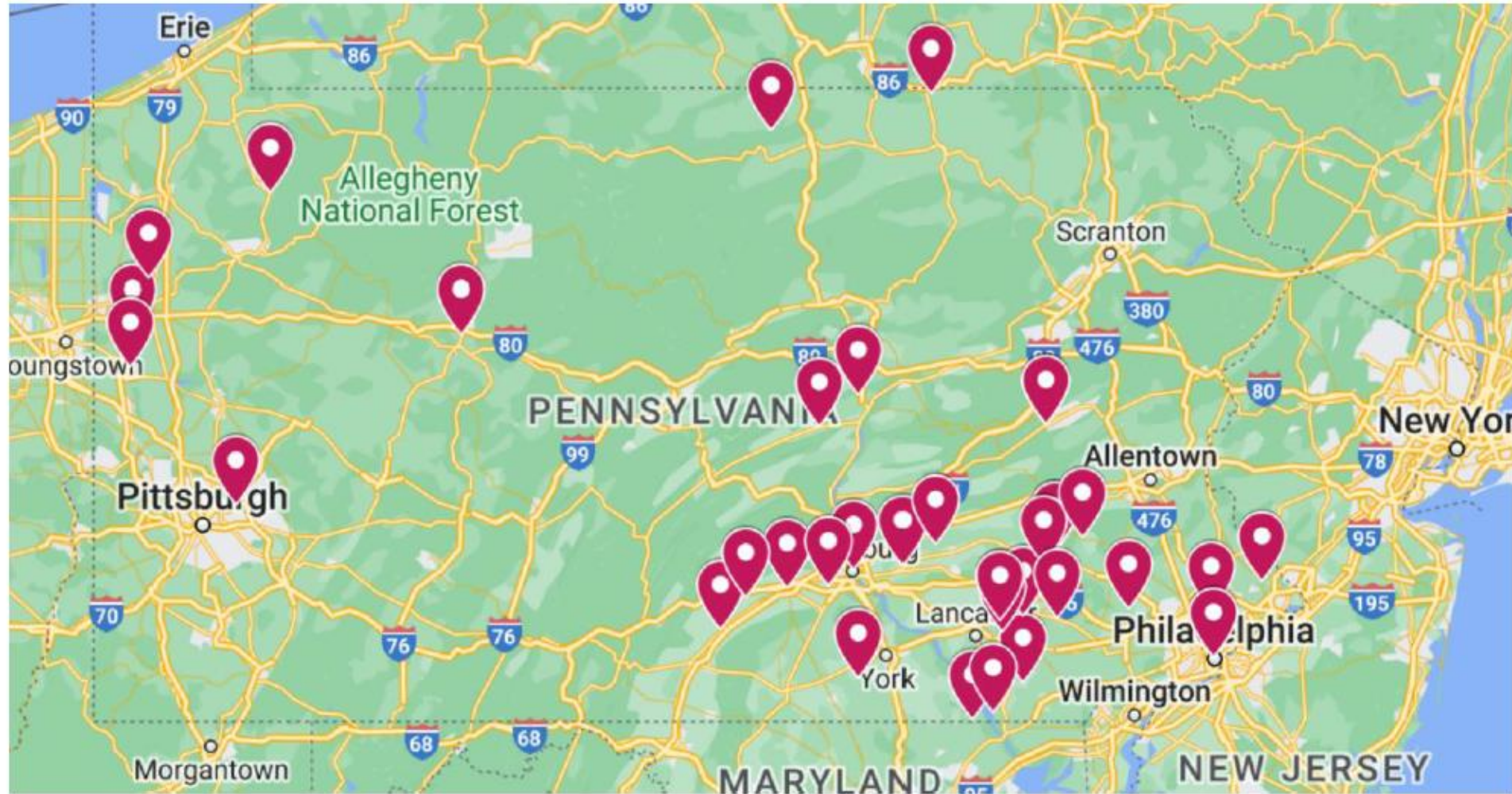


Figure 3.3 Pennsylvania Licensed Manufacturing Plants in 2023 (N=37)

Minimum Wholesale Price – to Dealer

AREA 1

PENNSYLVANIA MILK MARKETING BOARD
SOUTHEASTERN MILK MARKETING AREA
MINIMUM WHOLESALE PRICES
SCHEDULE I

	CLASS I	CLASS II
SKIM RATE	\$ 13.65	\$ 10.01
BUTTERFAT RATE	\$ 2.8129	\$ 3.3909

January 2024

A-993 (CRO 7)

DESCRIPTION	PRODUCT CODE	BUTTERFAT % RANGE		BULK PER QT. EQUIV.	NON-RETURNABLE							
		LOW	HIGH		/1/ GAL.	/2/ 1/2 GAL.	QUART	PINT	12 OZ.	10 OZ.	/5/ 1/2 PT.	4 OZ.
STANDARD MILK	400	3.10	6.00	\$ 1.1584	\$ 4.2926	\$ 2.2070	\$ 1.2648	\$ 0.7158	\$ 0.4260	\$ 0.3550	\$ 0.3103	\$ 0.1916
REDUCED FAT MILK, 2% MILKFAT	800	1.50	3.09	\$ 1.0788	\$ 3.9742	\$ 2.0478	\$ 1.1851	\$ 0.6760	\$ 0.3962	\$ 0.3302	\$ 0.2904	\$ 0.1817
LOWFAT MILK, 1% MILKFAT	900	0.50	1.49	\$ 1.0199	\$ 3.7383	\$ 1.9298	\$ 1.1262	\$ 0.6465	\$ 0.3741	\$ 0.3117	\$ 0.2756	\$ 0.1743
NONFAT MILK	1200	0.00	0.49	\$ 0.9713	\$ 3.5443	\$ 1.8329	\$ 1.0776	\$ 0.6223	\$ 0.3559	\$ 0.2966	\$ 0.2635	\$ 0.1682
FLAVORED MILK	500	3.10	6.00	\$ 1.2377	\$ 4.6099	\$ 2.3656	\$ 1.3440	\$ 0.7554	\$ 0.4558	\$ 0.3798	\$ 0.3302	\$ 0.2016
FLAVORED REDUCED FAT MILK	600	0.50	3.09	\$ 1.0906	\$ 4.0212	\$ 2.0713	\$ 1.1969	\$ 0.6819	\$ 0.4006	\$ 0.3339	\$ 0.2934	\$ 0.1831
FLAVORED NONFAT MILK	700	0.00	0.49	\$ 1.0193	\$ 3.7361	\$ 1.9287	\$ 1.1256	\$ 0.6462	\$ 0.3739	\$ 0.3116	\$ 0.2755	\$ 0.1742
BUTTERMILK	1000	0.00	6.00	\$ 1.0924	\$ 4.0287	\$ 2.0750	\$ 1.1988	\$ 0.6828	\$ 0.4012	\$ 0.3344	\$ 0.2938	\$ 0.1833
EGG NOG	510	0.00	17.99	\$ 1.6093	\$ 6.0963	\$ 3.1088	\$ 1.7156	\$ 0.9412	\$ 0.5951	\$ 0.4960	\$ 0.4230	\$ 0.2480
MIXED MILK /3/	1500	6.10	17.99	\$ 1.8336		\$ 3.5573	\$ 1.9399	\$ 1.0534	\$ 0.6793	\$ 0.5660	\$ 0.4791	\$ 0.2761
LIGHT CREAM	1700	18.00	29.99	\$ 2.3961		\$ 4.6822	\$ 2.5024	\$ 1.3346	\$ 0.8902	\$ 0.7418	\$ 0.6197	\$ 0.3463
MEDIUM CREAM	1800	30.00	35.99	\$ 3.2126		\$ 6.3155	\$ 3.3190	\$ 1.7429	\$ 1.1965	\$ 0.9970	\$ 0.8238	\$ 0.4485
HEAVY CREAM	1900	36.00	50.00	\$ 3.7446		\$ 7.3794	\$ 3.8509	\$ 2.0089	\$ 1.3960	\$ 1.1632	\$ 0.9568	\$ 0.5149
SOUR CREAM /4/	1600	0.00	29.99	\$ 1.3043 / LB. \$ 2.7748		\$ 5.4607	\$ 2.8013	\$ 1.4562	\$ 1.0323	\$ 0.8602	\$ 0.7098	\$ 0.3795

Minimum Retail Price – to Retailer

AREA 1

PENNSYLVANIA MILK MARKETING BOARD
 SOUTHEASTERN MILK MARKETING AREA
 MINIMUM RETAIL OUT-OF-STORE (CASH AND CARRY)
 SCHEDULE II /4/

January 2024

A-993 (CRO 7)

DESCRIPTION	PRODUCT CODE	BUTTERFAT % RANGE		BULK PER QT. EQUIV.	NON-RETURNABLE							
		LOW	HIGH		/1/	/2/	QUART	PINT	12 OZ.	10 OZ.	/5/	4 OZ.
					GAL.	1/2 GAL.						
STANDARD MILK	400	3.10	6.00	\$ 1.28	\$ 4.57	\$ 2.35	\$ 1.38	\$ 0.86	\$ 0.55	\$ 0.46	\$ 0.40	\$ 0.23
REDUCED FAT MILK, 2% MILKFAT	800	1.50	3.09	\$ 1.21	\$ 4.29	\$ 2.21	\$ 1.31	\$ 0.83	\$ 0.52	\$ 0.44	\$ 0.38	\$ 0.22
LOWFAT MILK, 1% MILKFAT	900	0.50	1.49	\$ 1.16	\$ 4.09	\$ 2.10	\$ 1.26	\$ 0.80	\$ 0.51	\$ 0.42	\$ 0.37	\$ 0.21
NONFAT MILK	1200	0.00	0.49	\$ 1.12	\$ 3.92	\$ 2.02	\$ 1.21	\$ 0.78	\$ 0.49	\$ 0.41	\$ 0.36	\$ 0.21
FLAVORED MILK	500	3.10	6.00	\$ 1.35	\$ 4.85	\$ 2.48	\$ 1.45	\$ 0.90	\$ 0.58	\$ 0.48	\$ 0.41	\$ 0.24
FLAVORED REDUCED FAT MILK	600	0.50	3.09	\$ 1.22	\$ 4.34	\$ 2.23	\$ 1.32	\$ 0.83	\$ 0.53	\$ 0.44	\$ 0.38	\$ 0.22
FLAVORED NONFAT MILK	700	0.00	0.49	\$ 1.16	\$ 4.09	\$ 2.10	\$ 1.25	\$ 0.80	\$ 0.51	\$ 0.42	\$ 0.37	\$ 0.21
BUTTERMILK	1000	0.00	6.00	\$ 1.23	\$ 4.34	\$ 2.23	\$ 1.32	\$ 0.83	\$ 0.53	\$ 0.44	\$ 0.38	\$ 0.22
EGG NOG	510	0.00	17.99	\$ 1.68	\$ 6.14	\$ 3.13	\$ 1.77	\$ 1.06	\$ 0.70	\$ 0.58	\$ 0.49	\$ 0.28
MIXED MILK	1500	6.01	17.99	\$ 1.87		\$ 3.56	\$ 1.96	\$ 1.16	\$ 0.77	\$ 0.64	\$ 0.54	\$ 0.30
LIGHT CREAM	1700	18.00	29.99	\$ 2.40		\$ 4.69	\$ 2.51	\$ 1.40	\$ 0.96	\$ 0.80	\$ 0.67	\$ 0.36
MEDIUM CREAM	1800	30.00	35.99	\$ 3.22		\$ 6.32	\$ 3.32	\$ 1.76	\$ 1.22	\$ 1.02	\$ 0.84	\$ 0.45
HEAVY CREAM	1900	36.00	50.00	\$ 3.75		\$ 7.38	\$ 3.86	\$ 2.01	\$ 1.40	\$ 1.17	\$ 0.96	\$ 0.52
SOUR CREAM /3/	1600	0.00	29.99	\$ 2.78		\$ 5.47	\$ 2.81	\$ 1.51	\$ 1.08	\$ 0.90	\$ 0.74	\$ 0.39



PMMB “Board Initiatives”

Economic Impact of Eliminating Pennsylvania's Minimum Milk Pricing System

The Board commissioned Ken Bailey Dairy Consulting to conduct a study to determine the impact of eliminating Pennsylvania's minimum milk pricing system. The study concluded that eliminating minimum milk prices would result in

- short- to medium-term 1.3% increase in fluid milk consumption
- decrease in farm milk prices
- bankruptcy for 57% of fluid milk processors with 66% loss in fluid milk processing volume
- \$182 million loss to dairy farmers
- \$717 million loss to milk processors
- \$2.8 billion reduction in state-wide economic activity
- \$683 million in lost wages
- 10,047 lost jobs



Economic Impact of Elimination of Pennsylvania's Minimum Milk Pricing System

For the Pennsylvania Milk Marketing Board

November 2023

PA Milk Marketing Board:

Robert N. Barley, Chair
Kristi Kassimer Harper, Consumer Member
James Van Blarcom, Member

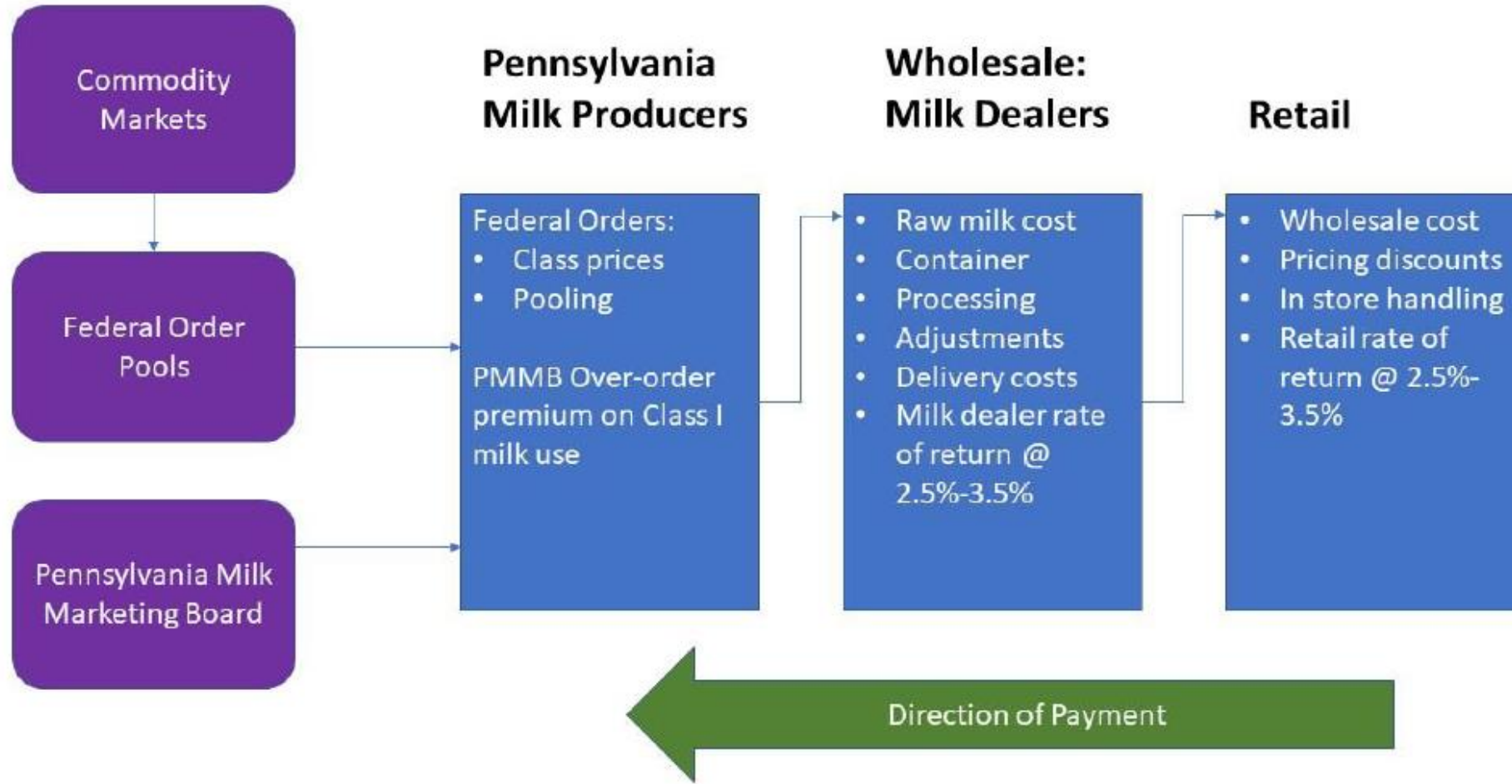


Figure 2.3 Pennsylvania Milk Marketing Board Over-order Premium and the Farm-to-retail Markup



PENN STATE CENTER FOR AGRICULTURAL AND SHALE LAW

329 Innovation Blvd., Suite 118
University Park, PA 16802
Phone: 814-865-4290
Website: AgLaw.psu.edu

PROFESSIONAL STAFF

Center Director

Ross H. Pifer
rpifer@psu.edu

Staff Attorney
Brook Duer
dhd5103@psu.edu

Staff Attorney
Audry Thompson
aet17@psu.edu

Staff Attorney
Jackie Schweichler
jks251@psu.edu

Research Specialist
Chloe Marie, LL.M.
cjm445@psu.edu

CENTER MISSION AND BACKGROUND

The Center for Agricultural and Shale Law conducts research and educational programs to serve a wide variety of stakeholders including agricultural producers, landowners, mineral interest and royalty owners, business professionals, judges, attorneys, legislators, government officials, community groups, and the general public. Center programs are funded in part by the Commonwealth of Pennsylvania through the Pennsylvania Department of Agriculture. The Center for Agricultural and Shale Law is a partner of the National Agricultural Law Center (NALC) at the University of Arkansas System Division of Agriculture, which serves as the nation’s leading source of agricultural and food law research and information.

This publication is available in alternative media on request. Penn State is an equal opportunity, affirmative action employer, and is committed to providing employment opportunities to all qualified applicants without regard to race, color, religion, age, sex, sexual orientation, gender identity, national origin, disability, or protected veteran status.

