

MIKE BRUBAKER
STATE SENATOR
36th DISTRICT

THE STATE CAPITOL
SENATE BOX 203036
HARRISBURG, PA 17120-3036
PHONE: (717) 787-4420
FAX: (717) 783-3156

mbrubaker@pasen.gov
www.senatorbrubaker.com



COMMITTEES

FINANCE, CHAIR
STATE GOVERNMENT, VICE CHAIR
AGRICULTURE & RURAL AFFAIRS
APPROPRIATIONS
GAME & FISH
LOCAL GOVERNMENT

CHESAPEAKE BAY COMMISSION, CHAIR
HUNGER CAUCUS, CHAIR
INTERNATIONAL COMMERCE CAUCUS, CHAIR

Senate of Pennsylvania

March 30, 2011

MEMORANDUM

Subject: Cosponsorship
To: All Senators
From: Senator Mike Brubaker

In the near future, I intend to introduce legislation amending the Pennsylvania Milk Marketing Law (Act 105 of 1937), to require the establishment of a Producer Settlement Fund into which the state over-order premium mandated by the Pennsylvania Milk Marketing Board (PMMB) would be deposited, then distributed to all qualified dairy producers based on their volume of milk produced.

The PMMB is authorized (by the Milk Marketing Law) to require that a premium over the minimum federally-determined price be paid to farmers on milk used as Class I (beverage) milk in response to various weather and market conditions. This over-order premium, as it is known, is currently only paid on milk that is produced, processed and sold in Pennsylvania. Class I milk sales account for approximately 45%-50% of the total milk production in Pennsylvania, but only about 40% of this milk meets the "produced-processed-and sold" test, meaning that ultimately only 15-20% of the Commonwealth's total milk production qualifies for the over-order premium. This does, however, add up to a substantial amount of money being returned to those dairy farmers that receive the premium: over \$561,000,000 since the premium's inception in 1988.

My legislation will allow for the licensing of the newly defined "distributor" to capture the total volume of milk retailed in Pennsylvania and will expand the board from the current three members to include two additional appointees. Importantly, my legislation will provide for the capture of the entire premium paid by consumers on Pennsylvania-produced milk, and will more equitably distribute this state-mandated premium to all dairy farmers in Pennsylvania.

If you would like to cosponsor this legislation or have any questions or concerns, please contact Kristin Crawford in my office at 717-787-4420, or kcrawford@pasen.gov.

MWB/kjc