

# Berks area farmers meet with Senator on milk law

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Special for Farmshine

BERNVILLE, Pa. — On Wednesday evening, May 18, a small group of Berks County, Pennsylvania dairy producers and allied industry members met with State Senator Judy Schwank (D-11th) to discuss the Pennsylvania Milk Marketing Law, the state-mandated over-order premium and Senate Bill 993, which was introduced last month by Senator Mike Brubaker (R-36th) and 14 co-sponsors in bipartisan fashion.

William and Lolly Leshar graciously offered a table and their delicious Way-Har Farms ice cream to the dozen who gathered at the Way-Har Farms Store for the informal discussion. The Leshers are third generation dairy producers, who also have a milk bottling and ice cream business.

Senator Schwank is the ranking member of the Pennsylvania Senate Committee on Agriculture and Rural Affairs, and she said she was there to listen and learn more about the issue. Previously, at the podium during the Virginville Grange's 2011 legislative banquet, April 28, Sen. Schwank was asked about S.B. 993 and acknowledged the issue is complicated.

"There is a 25-cent (per gallon) over-order premium consumers pay. It should go to the dairy farmers, but how to distribute the premium is the question," she had indicated. "I am working with Chairman Elder Vogel on this issue. We want to look at the big picture, and we need to learn more."

A productive discussion with dairy farmers followed this week. Lifelong dairy farmer and former state ag secretary Dennis Wolff joined the Berks County producers in the discussion, tracing the history of the over-order premium, which was added to the state's Milk Marketing Law in 1988 during a time of severe drought



**Berks County area dairy producers sat down with PA Senator Judy Schwank (D-11th) to talk about Senate Bill 993 to amend the state's Milk Marketing Law. The informal discussion was hosted by William and Lolly Leshar at their Way-**

**Har Farms Store, Bernville. Attending were area dairy producers and allied industry members, including David Bitler and his son Jesse, David Poole, Nelson Troutman, Zachary Meck, Roy Hetrick, Carl Brown, and Dennis Wolff.**

affecting the livelihoods of Pennsylvania's dairy farm families.

"Legislators decided at that time that the vehicle was to put a premium on the already existing state-minimum retail milk price to help the Pennsylvania dairy farmers," Wolff explained. "Even then, there was concern about the way the premium was distributed, and in 1992, an attempt was made to 'pool' the premium in two of the state's largest regions."

But because the premium was, at that point, only four years old and it was unclear if it would continue to be needed, the issue was dropped.

At that time, the premium was less than \$1.00 per hundredweight, where today it approaches \$3.00 per hundredweight and in 2009 and 2010 reached above \$3.00 per hundredweight, including the fuel-adjuster.

Equitable distribution of the premium was considered again in 1998 by the Pennsylvania Milk Marketing Board (PMMB).

More recently, in 2009, the issue of 'strand-

ed' revenue, which reflects premium dollars paid by consumers that are not reaching dairy producers, became a top drawer issue for the dairy farming sector because that year was devastating in terms of low milk prices and high input costs. Meanwhile, the premium had reached its highest levels ever, and the amount of disparity grew larger, and commanded more notice. The PA Senate Ag Committee, in fact held hearings on the milk pricing issues in December of 2009 and in June of 2010.

"The system is complex," Wolff acknowledged. "But this part is not complicated. The reforms suggested here clean up the system so the premium is paid equitably to dairy farmers."

Nelson Troutman, Richland, and Zach Meck, Womelsdorf—both members of the Dairy Policy Action Coalition (DPAC) board—explained that when the truck comes to pick up their milk, "we don't decide where that trailer goes, if its for fluid milk or to make a product, and we don't know what we're going to be paid for that milk."

David Poole of Robesonia wondered: "Why is it so hard, and why do we have to get down on our knees for what the law already says is ours?"

S.B. 993 amends the Milk Marketing Law to accomplish a few key things:

First, a new definition of milk "distributor" would capture information that allows the PMMB to know what the "stranded" premium amounts to.

Second, the state mandated over-order premium would be captured at the wholesale level. A producer settlement fund would receive the premium and then equitably distribute the revenue directly to qualified producers on the basis of pounds of milk produced and shipped.

Third, the bill defines "qualified producer" to mean the dairy farmer, not the milk cooperative.

Fourth, the bill changes Pennsylvania's Milk Marketing Board (PMMB) from three members to five members, including farmers and consumers, with a dairy farmer serving as chair. The current six-year term would be decreased to four-years, with a two term limit on the PMMB. The bill also seeks to update portions of the 1937 law that regulate how the milk income is shared between components of the milk industry.

In addition to the Dairy Policy Action Coalition (DPAC), S.B. 993 is supported by the PA Farm Bureau, state Grange, and PDMP.

The dairy producers attending Wednesday night's discussion said they appreciate that Senator Schwank took the time to meet with them, and that the Ag Committee is looking at this bill. Several said they "just hope this bill moves forward from the committee."