



*A coalition of grassroots dairy producers
actively participating, with a unified voice,
on policies and issues
affecting milk pricing.*

890 North Reading Road, Ephrata, PA 17522
800.422.8335



Auditor General Jack Wagner
229 Finance Building
Harrisburg, PA 17120-0018

January 5, 2010

Dear General Wagner:

We are a coalition of grassroots dairy producers concerned about the lack of transparency in the distribution of the Pennsylvania Milk Marketing Board (PMMB) Over-Order Premium via the state's milk marketing law.

In public testimony given during the December 9, 2009, Pennsylvania Senate Agriculture and Rural Affairs Committee hearing on milk price transparency, it was revealed that millions of the dollars paid by Pennsylvanians in the state-minimum per-gallon milk price are not making it back to the dairy farms for which the Over-Order Premium is, by law, intended.

Pennsylvania's Over-Order Premium currently amounts to about 25 cents per gallon paid at retail by the consumers of the Commonwealth. This portion of the state-minimum retail milk price is specifically intended for dairy farmers, whereas the milk dealer/handler costs and profit margin as well as the retailer costs and profit margin are calculated separately by PMMB for inclusion in the minimum retail price of milk in the Commonwealth.

Please consider our request for an investigation into the distribution of the PMMB Over-Order Premium dollars.

Thank you for your consideration of our request.

Yours Truly,

Clifford Hawbaker, DPAC Chairman

cc: Pennsylvania Attorney General Tom Corbett