Andrea Karns is Vice President of Marketing and Sales at Karns Quality Foods, where she spearheads various initiatives throughout the company's eight locations in Central PA.  Her day-to-day tasks include overseeing the company's rewards card program, executing promotional events, and managing production of the weekly and monthly ads.  Additionally, Andrea interacts directly with customers through a variety of platforms, ensuring their questions, comments and concerns are recognized.

Karns Foods is a family owned and operated business that started in 1959. Karns features a full-service meat department, offers a bake-from-scratch bakery and works to provide local produce and grocery items whenever possible.

PMMB Retail Minimum Price Thoughts and Impact:

Currently Karns Foods offers only one traditional liquid milk. That milk, provided by Swiss Premium Dairy, is sold at state minimum pricing every day to the consumer. (This minimum pricing is offered on non-flavored milk in gallon, half gallon and quart sizing.)

Having a state minimum price in place allows the following:

* Karns has not and does not feel the need to price shop for other producers. This allows Karns to put the priority on offering a locally sourced milk vs. a cheaper milk option
* Karns, a local grocery that supports many local vendors, is able to offer a price that is competitive with national and international retailers
* Karns advertises that the milk is sold at state minimum pricing – giving a competitive edge

Removing the state minimum price could result in:

* Milk Wars. Milk price wars would result in margin compression and loss. This situation could result in Karns looking for cheaper milk pricing, pushing back on milk pricing to the processor, which would then push back to the producer
* With margin compression one area of exploration would be milk sourcing. Is there an alternative milk processor out of the area that is able to provide better pricing?
* Review of category facings would occur. If milk turned into a loss leader the entire dairy department would be reviewed to optimize profit. That could result in less product facings within the department.
* Review of category position. Milk currently receives first (best) position within the department. This would be under review if milk lost its profitability.

In addition to the effect the removal of the state minimum pricing would have on the milk category as a whole, Karns Foods as a company would be hurt. Removing state minimum pricing could further stress small, independent markets that proactively support PA vendors, farms and producers.

In recent weeks and months Karns customers have been proactively calling, emailing and posting on social media their desire to ensure their milk is from local Pennsylvania farms. Customers want to support local, Pennsylvania farms and vendors – efforts that can be taken in order to ensure support is given to Pennsylvania product and origin awareness will help strengthen the overall community.

As local commerce continues to transition into a global market more and more businesses from out of the state and country are entering into Pennsylvania. Those businesses are increasingly utilizing producers not only out of the state but out of the country. While the conversation taking place today is regarding milk this is just part of the larger conversation of what needs to be done to help ensure the continued success of Pennsylvania farmers, producers and the overall local business community as a whole.