

**BEFORE THE PENNSYLVANIA MILK MARKETING BOARD
OVER ORDER PREMIUM HEARING
ALL MILK MARKETING AREAS**

December 4, 2013

Testimony of Dean Ellinwood

Presented on behalf of the Greater Northeast Milk Marketing Agency, Dairylea Cooperative Inc., Dairy Farmers of America, Inc., Dairy Marketing Services, LLC, Land O'Lakes, Inc., Maryland and Virginia Milk Producers' Cooperative Association, Inc. and Upstate-Niagara Cooperative, Inc.

My name is Dean Ellinwood. My business address is 5001 Brittonfield Parkway, Syracuse, New York, 13221. Through my career I have been involved in many different aspects of the dairy industry. I was raised on a dairy farm located in Candor, NY, just north of the Pennsylvania, New York State line.

I graduated with honors from the State University of New York at Morrisville with a degree in Agricultural Engineering.

My professional career includes the following:

- Plant Operator – Crowley Foods
- Field Representative – Upstate Farms
- Quality Assurance Manager – Eastern Milk Producers
- Quality Assurance Manager and Director of Milk Sales, Northeast Region - Milk Marketing, Inc.
- Director of Sales and Marketing - Dairy Farmers of America, Northeast Area
- Vice President, Sales and Marketing - Dairy Marketing Services.

Dairy Marketing Services, or DMS, is a cooperative venture that markets approximately seventeen billion pounds of milk annually, representing approximately 7,100 dairy farms throughout the Northeast and Mid-Atlantic areas. DMS markets milk produced by 26 cooperatives and approximately 1,100 independent farms. DMS works with 170 independent milk haulers that pick-up an average of 900 loads of milk per day and deliver to 60 customers representing approximately 100 dairy plants.

My primary functions include the sales and marketing of milk, contract negotiations and balancing the milk supply to meet the daily and seasonal requirements of our customers.

I am testifying today on behalf of GNEMMA whose cooperative members with producers in Pennsylvania include Dairylea Cooperative, Inc., Dairy Farmers of America, Inc.,

Dairy Marketing Services, LLC, Land O'Lakes, Inc., Maryland and Virginia Milk Producers' Cooperative Association, Inc. and Upstate-Niagara Cooperative, Inc., and specifically on behalf the approximately four thousand producers in Pennsylvania whose milk is marketed through these cooperatives and whose milk check is impacted every month by the PMMB over-order premium price.

Pennsylvania Farm Milk Production and Projected Prices

The most recent USDA Milk Production Report, for the month of September 2013, (Exhibit 1) estimated an increase in milk production in the 23 selected states of 1.1 percent compared to one year ago. According to the report, Pennsylvania's farm milk production increased by 1.5 percent with a decrease of 1,000 cows, and milk per cow increasing by 25 pounds for the month. Overall this amounted to an increase of 12 million pounds of milk produced in Pennsylvania compared to a year ago.

The US farm milk price is expected to decline in 2014. New Zealand's August 2013 milk production increased 9.2 percent over one year ago (Exhibit 2) and their expected 2014 milk production is expected to increase by 4.5 percent overall, with first half 2014 milk production expected to increase by a whopping 8 percent (Exhibit 3). This volume of milk, manufactured into exported products, will place downward price pressure on our commodity markets with the end result being a lowering of the US milk price. Dairy Farmers of America does price forecasting work as a part of its normal business planning and operations. They generate internal price forecasts based on their view of market factors. They also acquire forecast data from several outside sources including the CME Group futures markets, several dairy economics firms, and land-grant-university-based price forecasting groups. The "average"

price depicted in Exhibits 4 and 5 includes DFA's own forecast, the CME group data, and the economic firms that are surveyed.

These pricing forecasters estimate a decrease of approximately \$2.00/cwt. on the Class III price (Exhibit 4) and \$2.50/cwt. on the Class IV price (Exhibit 5), with a corresponding decline in Class I and II pricing during the late winter and early spring months of 2014, compared to this fall's milk price.

Northeast Milk Marketing Conditions

Overall, farm milk production is currently in balance with milk demand in the Northeast. During the first half of September, in order to fill the school pipeline, milk was moved from manufacturing plants to meet the fluid demand. At that time Elmhurst Dairy requested the Federal Order One Market Administrator increase the Class One shipping percentages in order to meet Class One milk requirements. Pennsylvania milk that was committed to other markets was re-routed in order to fulfill the New York City Class One market.

Since the last Over-Order-Premium hearing in May 2013, the expansion of milk processing plants has continued. More expansions will be finished throughout the 2014 calendar year. Schreiber Foods has already expanded their plant in Shippensburg, PA to produce additional yogurt (Exhibit 6). Fage's yogurt plant is currently undergoing a significant expansion that should be completed in January 2014 (Exhibit 7). Byrne Dairy's new yogurt plant is planning to be open during the spring (Exhibit 8). Leprino Foods, South Waverly, Pennsylvania, is modernizing their plant for the production of mozzarella cheese and just recently, Penn Cheese, in Winfield, PA has re-opened (Exhibit 9). These are just a few examples of the many new and expanding plants which impact the demand for Pennsylvania milk.

This phenomenal growth the Northeast marketplace has seen over the past three years and into 2014 totals an additional milk requirement of more than 400 million pounds per month. All of this points to a dynamic of a very tight milk supply / demand situation.

Over-Order Premium Reductions

Effective July of this year, the PMMB Over-Order-Premium (OOP) has been \$1.60/cwt. and the fuel adjuster has been \$0.25/cwt. for a total of \$1.85/cwt. (Exhibit 10). The OOP and fuel adjuster have been reduced considerably since June 2012 (Exhibit 11), by a total of \$1.16/cwt. Using the latest eight months' posted information on the PMMB website of July 2012 through February 2013 (Exhibit 12), the average monthly volume of milk priced by the PMMB OOP and fuel adjuster is 138,156,672 pounds. Multiplying this monthly average by \$1.16/cwt. equals slightly more than \$1.6 million dollars per month reduced income to Pennsylvania dairy farmers, or \$19.2 million dollars annually. This is a very significant hit.

Comparison to Nearby Markets

The Greater Northeast Milk Marketing Agency (GNEMMA) Class I over-order-price continues to be the same for packaged Class I milk sold outside of Pennsylvania. Since the last hearing, the over-order price for Class I distribution in New Jersey has remained at a consistent level of \$1.37/cwt, including a \$0.17 fuel adjustment plus an additional premium for customers requiring rBST-free affidavit milk. The GNEMMA price for distribution in Maryland and Delaware is \$0.10 higher than the New Jersey price.

The Mideast Milk Marketing Agency was dissolved earlier this year. Thus, there is no longer a pricing letter disseminated by the Agency. Today, each individual processor negotiates an over-order price for their milk supply. This price is based on level of service and balancing an individual plant requires. Typically, the over-order price is now a uniform charge on all milk

delivered to an individual plant, regardless of the classification of milk at that plant. For processing plants that are predominately Class I, the range of service and thus, the range of the over-order price on ALL milk delivered is similar to the current PMMB Class I Over-Order Premium and fuel adjuster of approximately \$1.85/cwt.

Summary

In summary, we expect the milk price paid to dairy farmers to decline during the first half of 2014. Surrounding markets' over-order prices for Class I milk are similar to the current PMMB Class I OOP and fuel adjuster prices.

Over the past 16 months, the Board has significantly lowered the OOP and fuel adjuster by \$1.16/cwt., resulting in less income to Pennsylvania dairy farmers of approximately \$19.2 million annually.

The Northeast marketplace, of which Pennsylvania is a vital component, will experience increased demand during 2014 and is already requesting additional milk supplies. For Pennsylvania producers to be competitive supplying milk to Pennsylvania processors, such as for the "Pennsylvania Preferred" program, it is critical that the OOP not be reduced.

GNEMMA requests the Board maintain the current OOP of \$1.60/cwt. plus the current fuel adjuster formula for the time frame of January through August 2014. We request that the time period be extended 2 months beyond the usual six-month period so that the six-month periods can be reset to avoid hearings during the annual year-end holiday period.

Our dairy farmers and I thank you for the opportunity to present this important information to the Milk Marketing Board.



Milk Production

ISSN: 1949-1557

Released November 1, 2013, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

September Milk Production up 1.1 Percent

Milk production in the 23 major States during September totaled 14.8 billion pounds, up 1.1 percent from September 2012. August revised production at 15.7 billion pounds, was up 2.5 percent from August 2012. The August revision represented a decrease of 33 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,741 pounds for September, 12 pounds above September 2012.

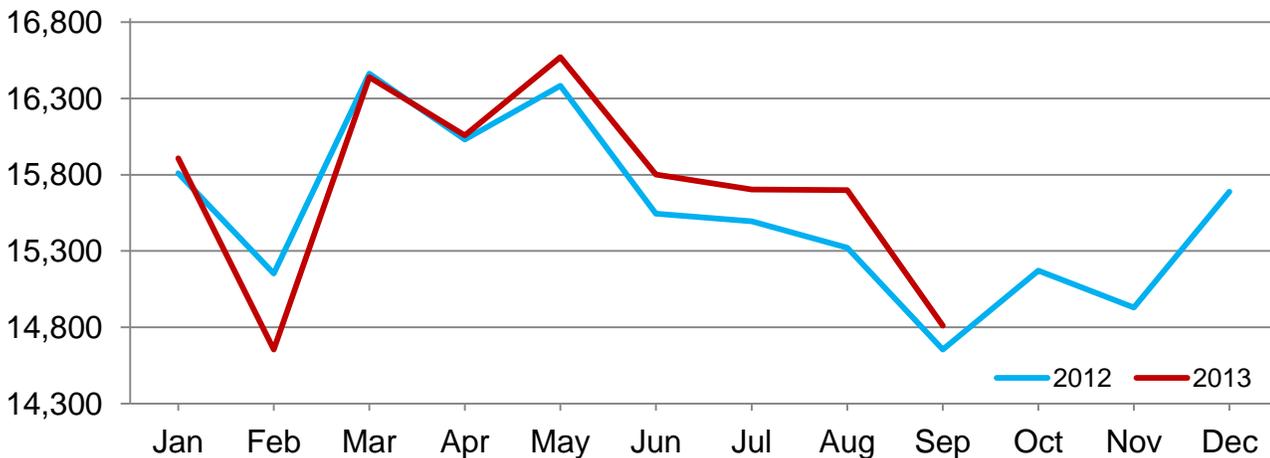
The number of milk cows on farms in the 23 major States was 8.51 million head, 33,000 head more than September 2012, but 19,000 head less than August 2013.

July - September Milk Production up 1.5 Percent

Milk production in the United States during the July - September quarter totaled 49.4 billion pounds, up 1.5 percent from the July - September quarter last year. The average number of milk cows in the United States during the quarter was 9.23 million head, 16,000 head more than the same period last year.

Monthly Milk Production – 23 Selected States

Million pounds



Milk Cows and Production – 23 Selected States: September 2012 and 2013

[May not add due to rounding]

State	Milk cows ¹		Milk per cow ²		Milk production ²		
	2012	2013	2012	2013	2012	2013	Change from 2012
	(1,000 head)	(1,000 head)	(pounds)	(pounds)	(million pounds)	(million pounds)	(percent)
Arizona	181	188	1,745	1,720	316	323	2.2
California	1,779	1,781	1,790	1,795	3,184	3,197	0.4
Colorado	135	137	1,955	1,965	264	269	1.9
Florida	123	123	1,250	1,340	154	165	7.1
Idaho	579	570	1,930	1,930	1,117	1,100	-1.5
Illinois	100	98	1,470	1,490	147	146	-0.7
Indiana	174	177	1,685	1,710	293	303	3.4
Iowa	201	207	1,720	1,765	346	365	5.5
Kansas	126	134	1,740	1,730	219	232	5.9
Michigan	374	381	1,900	1,930	711	735	3.4
Minnesota	465	465	1,550	1,550	721	721	
Missouri	93	92	1,110	1,110	103	102	-1.0
New Mexico	326	322	1,960	1,955	639	630	-1.4
New York	610	610	1,740	1,770	1,061	1,080	1.8
Ohio	270	270	1,540	1,545	416	417	0.2
Oregon	123	123	1,665	1,660	205	204	-0.5
Pennsylvania	533	532	1,545	1,570	823	835	1.5
Texas	433	440	1,705	1,700	738	748	1.4
Utah	88	91	1,760	1,780	155	162	4.5
Vermont	133	133	1,550	1,560	206	207	0.5
Virginia	95	95	1,380	1,430	131	136	3.8
Washington	261	265	1,935	1,935	505	513	1.6
Wisconsin	1,271	1,272	1,730	1,745	2,199	2,220	1.0
23-State Total	8,473	8,506	1,729	1,741	14,653	14,810	1.1

¹ Average number during year, excluding heifers not yet fresh.

² Excludes milk sucked by calves.

New Zealand Milk production ('000 ton)								
Month ³	2008/0 9	2009/1 0	2010/1 1	2011/1 2	2012/1 3	2013/1 4	± % on 2012/13	± % on 2011/12
June	100	92	96	127	131	122	-6,87%	-3,94%
July	155	141	149	162	195	185	-5,13%	+14,20%
August	926	959	1.003	1.067	1.218	1.330	+9,20%	+24,65%
September	1.971	2.100	2.061	2.319	2.436			
October	2.498	2.526	2.639	2.890	2.994			
November	2.353	2.447	2.530	2.645	2.848			
December	2.158	2.247	2.144	2.432	2.595			
January	1.950	1.975	2.020	2.208	2.302			
February	1.447	1.613	1.683	1.874	1.763			
March	1.460	1.468	1.592	1.737	1.446			
April	1.109	952	1.269	1.479	969			
May	456	493	709	802	580			
Total	16.583	17.013	17.895	19.742	19.477	1.637		
<i>Variation</i> %	+8,87%	+2,59%	+5,18%	+10,32%	-1,34%	+6,02% ₁		+20,72% ²

Last update: 16-10-2013

1) change from the same period of previous year

2) change from the same period of two years ago

3) Dairy Season Year from June 1 to May 31

Source: [DCANZ](#)

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 10/17/2013

GAIN Report Number: NZ1316

New Zealand

Dairy and Products Annual

New Zealand 2014 Milk Supply Rebounds after 2013 Drought

Approved By:

Hugh Maginnis

Prepared By:

David Lee-Jones

Report Highlights:

New Zealand milk production in 2014 is expected to rebound from 2013's drought-impacted levels to reach 20.6 million metric tons, essentially equaling the record production levels seen in 2012.

Exports will also bounce back to top 2.9 million metric tons in 2014. Farmers are smiling at the moment enjoying a productive spring and the prospect of the highest milk price payout ever received in New Zealand. Confidence is good despite the setback Fonterra received over the contaminated whey protein concentrate issue.

Executive Summary

Barring another nationwide drought New Zealand farmers look set to increase the milk supply in 2014 to a forecast 20.6 million metric tons (MT). This represents a 4.5 percent increase from the amended estimate for 2013 of 19.7 million MT. The longer term weather forecasts are for normal rainfall and temperatures through the first quarter of 2014. Milk prices are forecast to reach a record \$NZ 8.60/kilogram of milk solids in for the first half of 2014 which will encourage farmers to produce as much as they can in the first half of the year. Slightly higher cow numbers (5.1 million versus 5.0 million) going into the second half of the year should ensure milk supply continues to grow.

The drought that took place in the first half of 2013 is over. Farmers have capitalized on good cow condition and a mild winter to make an excellent start to the 2013/2014 production year. This should result in the milk supply for the July to December 2013 period topping the record achieved during the same period in 2012. The influence of the drought means that production in 2013 is expected to be 4.3 percent less than 2012.

The milk supply in 2014 is forecast to be processed into a total of 3.19 million MT of products, a 4percent increase on the total of 3.07million MT estimated for 2013. Whole milk powder (WMP) remains the key commodity representing around 40 percent of total production. In 2014 WMP production is forecast at 1.3 million MT up two percent from the 2013 total of 1.275 million MT. Even though exports for the 2013 year to August were 86,000 MT behind 2012 it is expected the extremely high financial margins for WMP which have opened up since April 2013 and the extra production capacity now commissioned will see that gap closed by year end. The tight global supply is expected to last until the end of Q1, 2014. This should set the scene for the forecast WMP production increase in 2014.

Cheese production is likely to be stable at just on 320,000 MT in both 2014 and 2013. However there are signs that in the future cheese will assume greater importance in the product mix. New production technologies and new markets opening up in the developing countries are providing a platform for future growth.

Skim milk powder (SMP) and cream products (butter and anhydrous milk fat) are likely to stage a production upswing in 2014 at 420,000 MT (eight percent up) and 525,000 MT (four percent up) respectively.

Exports for 2014 look set to show a distinct increase over 2013, of 5.8 percent, to reach 2.9 million MT. For 2013 it is now estimated 2.75 million MT of product will be exported, down 2.4 percent from 2012, which is the result of the drought induced reduction to the milk supply. To some extent the 2014 export performance is likely to benefit from an anticipated inventory buildup of WMP at 2013 year end which will be wound back in the first half of 2014.

Even though Infant Milk Formula (IMF) exports at \$US 320million in 2012 comprised only three percent of total dairy export value it is a high value product and often seen as a model for the future for dairy processing in NZ. Over the last decade exports have expanded from 12,000 MT to 33,000 MT in 2012 and the price has appreciated from \$US 3.00/kilogram to over \$US 9.50/kilogram. The price increase has attracted many new players over the last few years. The growth in the Chinese market seems to be a big part of this. However the once lightly regulated Chinese market is undergoing a significant restructure. New regulations, increased testing, and better border control are being assembled. In addition the Chinese Government is moving briskly to rationalize and strengthen the domestic suppliers to increase their market share.

New Zealand suppliers' share of the IMF market in China was disrupted during August and September by the whey protein concentrate contamination issue sustained by Fonterra. The contamination by bacteria was found in the end not to be a food safety issue. However in the interim an extensive product recall was instituted which affected IMF products in several markets. The negative publicity played badly on the NZ brand image in China. However it is likely this will pass and the new regulations will likely benefit reputable NZ producers of IMF in the future.

Milk Production

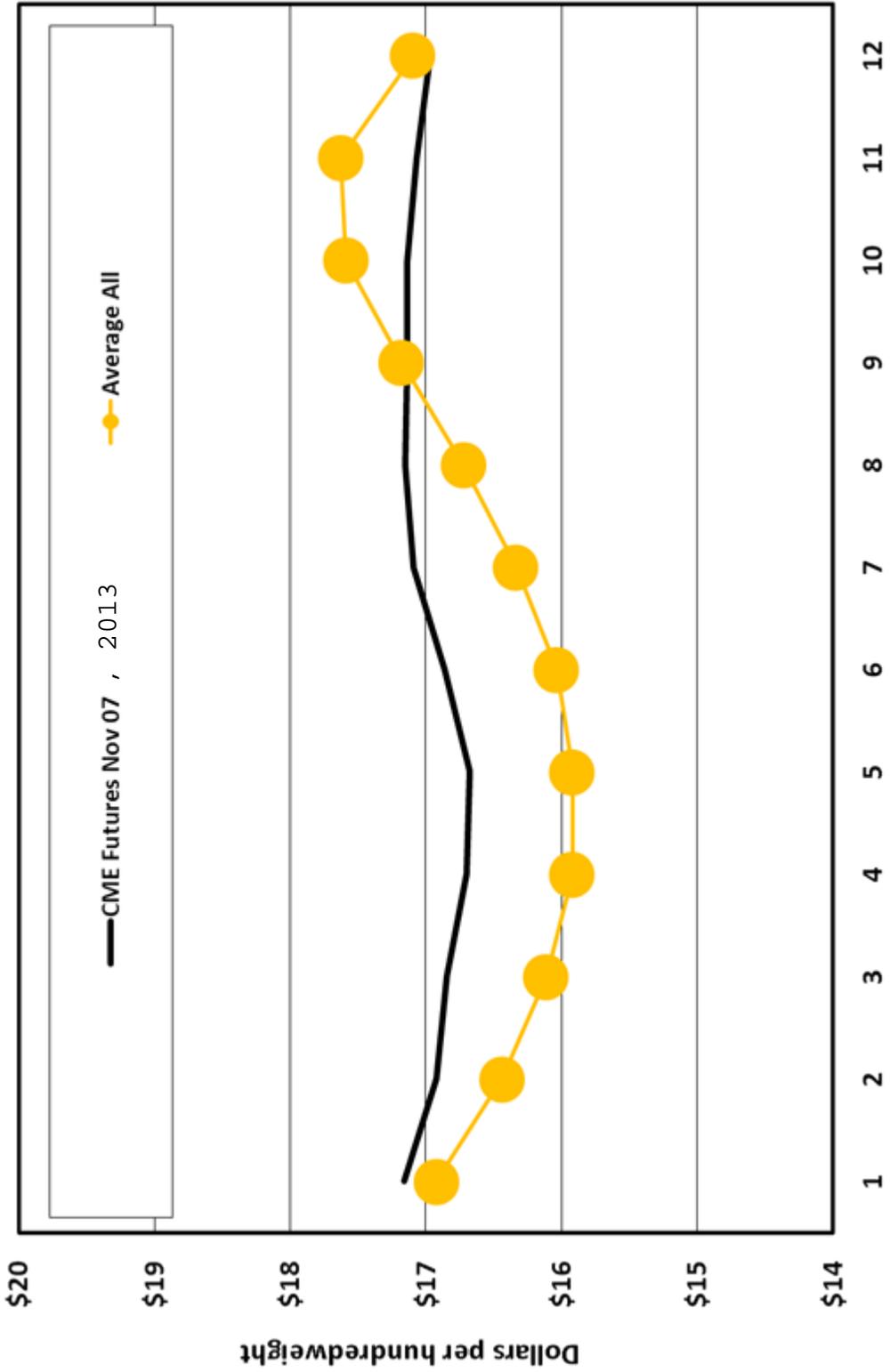
2014

Total milk production is forecast for 2014 (the CY is the MY) at 20.6 million (M) metric tons (MT) which would be 4.5 percent ahead of the production expected for 2013. Milk production in New Zealand is not typically analyzed on a calendar-year basis. For example, the 2013/14 lactation season runs from July 2013 to June 2014. Similarly, the 2014/15 lactation season runs from July 2014 to June 2015. Quite often there may be different drivers acting as the main influencers of milk supply between production seasons.

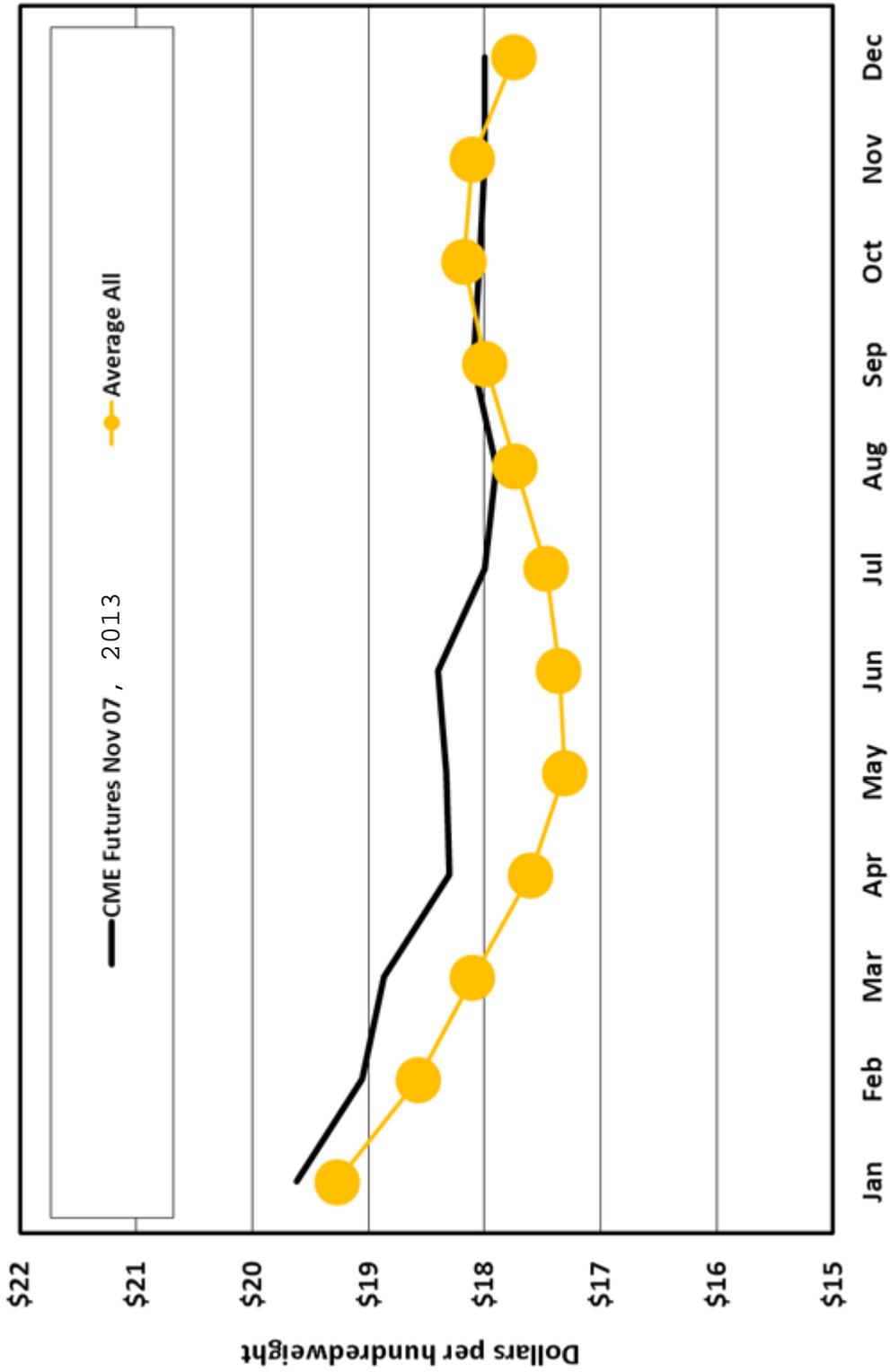
For the first half of 2014 production is forecast to be eight percent ahead of the same period in 2013 because: Summer and autumn milk production is highly weather dependent, if rainfall is normal production is normal but if rainfall is below normal generally, production drops significantly which was the case in early 2013. At this stage the National Institute for Water and Atmospheric Research (NIWA) says the outlook for the climate is neutral between El Niño and La Niña weather patterns which would most likely lead to normal amounts of rainfall through into the autumn. In addition for the 2013/2014 production season farmers have been given forecasts that the milk price will be \$NZ 7.60 to 8.60 per kilogram (kg) of milk solids up from an average of \$NZ 6.15 per kg milk solids for the 2012/2013 season. This is likely to enable farmers to purchase supplementary feed to buffer any short term pasture deficits. In addition cow numbers being milked through this period are likely to be greater than 2013 because of an additional 40-50 new farms which came into production in 2013 and little pressure to dispose of cull cows until the end of the lactation season.

For the second half of 2014 production is forecast to be 2.2 percent greater than the same period in 2013. This is at the lower end of trend production increases of two percent to four percent per annum because: Firstly it is likely that the milk price will drop as global milk supply catches up with global demand. Higher supplies could result in a drop in the milk price to around \$NZ 6 to 6.50/kg milk solids for the 2014/2015 production season. This will mean farmers will become cautious about additional spending especially for supplementary feed as it may not be profitable. Secondly environmental limits for nitrogen, phosphorus, and effluent discharges are becoming tighter. This coupled with water availability for irrigation becoming more restricted or costly to access is leading to increased caution being exercised by the banks with regard funding land conversions to dairy and farmers are not quite so confident to expand or develop.

2014 Class III Forecasts



2014 Class IV Forecasts



[Home](#) » [Featured](#), [Shippensburg Area News](#)

Agreement reached in expansion in Shippensburg

17 June 2011 No Comment

By [MARCUS RAUHUT](#) Staff writer

After six months of negotiations, Shippensburg Borough Authority reached an agreement with Schreiber Foods over water service for a planned expansion.

Schreiber Foods, which is increasing production at its Shippensburg plant, agreed to construct an equalization tank on its property and 3,700 feet of new 12-inch water line for improved flow.

The company will also make a contribution to water system upgrades, including larger well pumps and a proposed water tank at Timber Hill.

“Schreiber and the Shippensburg Borough Authority have shown their commitment to each other in this important public-private partnership in a deal which is fair to both sides,” said attorney G. Bryan Salzmann, special counsel hired by the authority to negotiate the deal. “The issues were complex and everyone involved had to work tirelessly to reach compromises which enables Schreiber Foods to make quality American-made products by American workers.”

Tom Hedge, vice president of operations for Schreiber Foods, said in a news release the company was “excited” about reaching the agreement.

Wisconsin-based Schreiber Foods, a global manufacturer of dairy foods, acquired the Dykeman Road facility when it bought Raskas Cheese in 2002.

A company spokesman said there will be “considerable employment opportunities” because of the expansion but did not have an exact number of expected new jobs. Schreiber employs more than 400 in Shippensburg.

Andrew Tobisch said the plant primarily makes cream cheese, and the expanded capacity will focus on yogurt production.

Omar Shute, executive director of the Cumberland Area Economic Development Corp., said Schreiber Foods is a major employer in the Shippensburg area, and its expansion will likely have a ripple effect.

“This is certainly an economic development addition that is going to strengthen Shippensburg’s economy and also the economies of Cumberland and Franklin counties,” he said.

The expansion will likely have an impact on the area dairy industry.

“Schreiber purchases a great deal of milk from area farmers. What better way to support agriculture in our community than to purchase the goods the dairy farmers make,” said authority board member Geno Torri.

Marcus Rauhut can be reached at mrauhut@publicopinionnews.com and 262-4752.

Albany Business Review Morning Edition

Dec 5, 2012, 7:07am EST Updated: Dec 5, 2012, 8:04am EST

FAGE plans \$100M expansion of Johnstown plant in early 2013

Staff Albany Business Review

FAGE USA Dairy, which makes Greek yogurt, is planning a \$100 million expansion in 2013 that will double the size of its Johnstown, New York, plant and create 150 jobs, the Times Union is reporting.

Mike Reese, president of the Fulton County Center for Regional Growth, said construction is expected to begin in early 2013 and production at the plant could begin as early as the first quarter of 2014, the Times Union reported.

FAGE did not return a call seeking comment.

Construction to start on Cortland County yogurt plant and tourism center

Published: 7/15 10:31 am

Updated: 7/15 10:45 am

Cortlandville, NY (WSYR-TV) - A project to build a Byrne Dairy yogurt plant and agritourism center in Cortland County is moving ahead.

By the end of July, construction crews are expected to break ground on the site.

The 127 acre site in Cortlandville off Route 13 will be home to a Byrne Dairy Greek Yogurt and cheese plant.

These will both be new products for the company, using ten million gallons of milk a year coming from Cortland County cows.

On top that, Byrne Dairy will be building a tourism center where people will be able to see how yogurt and cheese are made.

They'll also be able to see different farm animals to see how the dairy industry works.

The Cortland County Industrial Development Agency estimates the new plant will bring in around 300 jobs over the next several years.

Also planned on the massive site is an amphitheater for outdoor concerts in the summer.

We're told Byrne Dairy plans to incorporate this aspect into the tourism portion to try and attract more people.

The plant is expected to open by spring 2014.

Laid Off Workers Get Their Jobs Back

Posted on: 5:43 pm, October 16, 2013, by Nikki Krize, updated on: 06:10pm, October 16, 2013

UNION TOWNSHIP — Crews are busy renovating the inside of Penn Cheese, near Lewisburg, getting the factory ready to reopen! The business closed in July and laid off all of its employees. The company was scheduled to go up for auction next week.

“Everything had a tag on it, a yellow tag. It was going to be sold piece by piece to the highest bidder,” said Jonathan Weber, general manager.

Weber said the company’s bi-product costs too much money, so the bank forced Penn Cheese to close and lay off all of its employees. Tom Weber worked at Penn Cheese for 34 years.

“It was a lot of disappointment, a lot of families here. My sons and a lot of our coworkers, their sons have been working here for years,” said Tom Weber.

In September, a trucking company from Carlisle bought Penn Cheese. It plans to reopen the plant in November and hire back all 12 of its employees.

“I had never felt such relief in my life before. It was so fantastic. Finally I can breathe again,” said Ben Weber.

“It’s a relief. Many hours and hours of prayer went into this,” said Tom.

Weber said Penn Cheese used to provide cheese to companies in Wisconsin and Canada, but now the company plans to sell in Pennsylvania.

Previously Penn Cheese only made swiss cheese, but Jonathan Weber said once it reopens it will make different types of cheeses and other dairy products.

“Including maybe some butters or some drinkable type things,” said Jonathan.

The manager at Penn Cheese said the company plans to be up and running under its new ownership by November 1.

Channel 16 News
Scranton/Wilkes-Barre



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Tom Corbett - Governor Tim Moyer - Secretary	Minimum Producer Price Data Official General Order A-903 Amended For Milk Purchased From Producers in October 2013	Luke F. Brubaker - Chairman Lynda J. Bowman - Consumer Member Richard Kriebel - Member
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AREA-ZONE	CLASS I DIFF.	OVER-ORDER* PREM. (A982 & A983)	BUTTERFAT VALUE(per lb.)	SKIM VALUE(per cwt.)	CLASS I PRICE
1-0 Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$1.85	\$1.5217	\$19.45	\$24.10
2-0 East Central Pennsylvania Milk Marketing Area	\$2.80	\$1.85	\$1.5192	\$19.20	\$23.85
3-0 Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$1.85	\$1.5192	\$19.20	\$23.85
4-0 South Central Pennsylvania Milk Marketing Area	\$2.90	\$1.85	\$1.5202	\$19.30	\$23.95
5-0 Western Pennsylvania Milk Marketing Area	\$2.30	\$1.85	\$1.5142	\$18.70	\$23.35
6-0 West Central Pennsylvania Milk Marketing Area	\$2.50	\$1.85	\$1.5162	\$18.90	\$23.55

* Includes Fuel Adjustment of \$0.25 Per Hundredweight

Advance Cheddar Price	\$1.7739
Advance Butter Price	\$1.3876
Advance Nonfat Dry Milk Price	\$1.8008
Advance Dry Whey Price	\$0.5791
Somatic Cell Rate	\$0.00090
Advance Class III Price	\$17.91
Advance Class IV Price	\$19.20

Cheddar Price	\$1.8025
AA Butter Price	\$1.5454
Nonfat Dry Milk Price	\$1.8366
Dry Whey Price	\$0.5731
Producer Price Differential - September 2013	
Federal Order 1	\$2.44
Federal Order 33	\$1.42

Class I	
Skim Price	\$14.55
Butterfat Price	\$1.4727
Base Price @3.5% Butterfat	\$19.1952
Butterfat Differential	\$0.1327

Class II	
Skim Price	\$15.25
Butterfat Price	\$1.6708
Price @ 3.5% Butterfat	\$20.5641
Butterfat Differential	\$0.1518
Class II Nonfat Solids Price	\$1.6944

Class III	
Skim Price	\$12.85
Butterfat Price	\$1.6638
Price @ 3.5% Butterfat	\$18.2236
Butterfat Differential	\$0.1535
Protein Price	\$3.4107
Other Solids Price	\$0.3852

Class IV	
Skim Price	\$14.87
Butterfat Price	\$1.6638
Price @ 3.5% Butterfat	\$20.1729
Butterfat Differential	\$0.1515
Nonfat Solids Price	\$1.6521

Statistical Average Minimum Price for Pennsylvania Producer Selling Into Pennsylvania	\$21.17
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Issued on October 31, 2013



Commonwealth of Pennsylvania

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Tom Corbett - Governor
 Tim Moyer - Secretary

Minimum Producer Price Data Official General Order A-903 Amended

Luke F. Brubaker - Chairman
 Lynda J. Bowman - Consumer Member
 Richard Kriebel - Member

For Milk Purchased From Producers in June 2012

AREA-ZONE		CLASS I DIFF.	OVER-ORDER* PREM. (A927 & A974)	BUTTERFAT VALUE(per lb.)	SKIM VALUE(per cwt.)	CLASS I PRICE
1-0	Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$3.01	\$1.4885	\$16.67	\$21.30
2-0	East Central Pennsylvania Milk Marketing Area	\$2.80	\$3.01	\$1.4860	\$16.42	\$21.05
3-0	Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$3.01	\$1.4860	\$16.42	\$21.05
4-0	South Central Pennsylvania Milk Marketing Area	\$2.90	\$3.01	\$1.4870	\$16.52	\$21.15
5-0	Western Pennsylvania Milk Marketing Area	\$2.30	\$3.01	\$1.4810	\$15.92	\$20.55
6-0	West Central Pennsylvania Milk Marketing Area	\$2.50	\$3.01	\$1.4830	\$16.12	\$20.75

* Includes Fuel Adjustment of \$0.86 Per Hundredweight

Advance Cheddar Price	\$1.5243
Advance Butter Price	\$1.3506
Advance Nonfat Dry Milk Price	\$1.1460
Advance Dry Whey Price	\$0.5355
Somatic Cell Rate	\$0.00079
Advance Class III Price	\$15.24
Advance Class IV Price	\$13.41

Cheddar Price	\$1.5846
AA Butter Price	\$1.3991
Nonfat Dry Milk Price	\$1.1023
Dry Whey Price	\$0.5013
Producer Price Differential - May 2012	
Federal Order 1	\$1.56
Federal Order 33	\$0.51

Class I	
Skim Price	\$10.61
Butterfat Price	\$1.4279
Base Price @3.5% Butterfat	\$15.2363
Butterfat Differential	\$0.1322

Class II	
Skim Price	\$9.42
Butterfat Price	\$1.4936
Price @ 3.5% Butterfat	\$14.3179
Butterfat Differential	\$0.1399
Class II Nonfat Solids Price	\$1.0467

Class III	
Skim Price	\$10.81
Butterfat Price	\$1.4866
Price @ 3.5% Butterfat	\$15.6348
Butterfat Differential	\$0.1378
Protein Price	\$2.8952
Other Solids Price	\$0.3113

Class IV	
Skim Price	\$8.33
Butterfat Price	\$1.4866
Price @ 3.5% Butterfat	\$13.2416
Butterfat Differential	\$0.1403
Nonfat Solids Price	\$0.9252

Statistical Average Minimum Price for Pennsylvania Producer Selling Into Pennsylvania \$16.81

Issued on July 06, 2012

PENNSYLVANIA MILK MARKETING BOARD

OVER-ORDER PREMIUM EFFECT

SEPTEMBER 1988 THROUGH FEBRUARY 2013

OGO	HEARING CALL	PERIOD	MONTHS	AVE. MONTHLY		
				RATE	POUNDS	AMOUNT
FOR SPECIFIC INFORMATION ON ORDERS PRIOR TO 2006, PLEASE CONTACT THE BOARD						\$362,545,269
FOR SPECIFIC INFORMATION ON A-927 PRIOR TO 2008, PLEASE CONTACT THE BOARD						\$22,855,090
A-927	INCREASED FUEL COSTS	01/01/08 THROUGH 02/29/08	2	\$0.65	155,971,394	\$2,027,628
A-927	INCREASED FUEL COSTS	03/01/08 THROUGH 03/31/08	1	\$0.62	155,505,816	\$964,136
A-927	INCREASED FUEL COSTS	04/01/08 THROUGH 04/30/08	1	\$0.65	149,787,255	\$973,617
A-927	INCREASED FUEL COSTS	05/01/08 THROUGH 05/31/08	1	\$0.80	157,243,648	\$1,257,949
A-927	INCREASED FUEL COSTS	06/01/08 THROUGH 06/30/08	1	\$0.86	132,523,981	\$1,139,706
A-927	INCREASED FUEL COSTS	07/01/08 THROUGH 07/31/08	1	\$0.98	144,159,173	\$1,412,760
A-927	INCREASED FUEL COSTS	08/01/08 THROUGH 09/30/08	2	\$1.04	151,335,998	\$3,147,789
A-927	INCREASED FUEL COSTS	10/01/08 THROUGH 10/31/08	1	\$0.95	162,492,826	\$1,543,682
A-927	INCREASED FUEL COSTS	11/01/08 THROUGH 11/30/08	1	\$0.83	150,795,723	\$1,251,605
A-927	INCREASED FUEL COSTS	12/01/08 THROUGH 12/31/08	1	\$0.71	165,629,171	\$1,175,967
A-927	INCREASED FUEL COSTS	01/01/09 THROUGH 01/31/09	1	\$0.53	156,890,809	\$831,521
A-927	INCREASED FUEL COSTS	02/01/09 THROUGH 02/28/09	1	\$0.38	143,424,012	\$545,011
A-927	INCREASED FUEL COSTS	03/01/09 THROUGH 03/31/09	1	\$0.35	158,247,149	\$553,865
A-927	INCREASED FUEL COSTS	04/01/09 THROUGH 04/30/09	1	\$0.32	149,175,040	\$477,360
A-927	INCREASED FUEL COSTS	05/01/09 THROUGH 07/31/09	3	\$0.29	141,311,567	\$1,229,411
A-927	INCREASED FUEL COSTS	08/01/09 THROUGH 09/30/09	2	\$0.38	146,558,192	\$1,113,842
A-927	INCREASED FUEL COSTS	10/01/09 THROUGH 12/31/09	3	\$0.41	158,679,065	\$1,951,752
A-927	INCREASED FUEL COSTS	01/01/10 THROUGH 01/31/10	1	\$0.47	149,777,130	\$703,953
A-927	INCREASED FUEL COSTS	02/01/10 THROUGH 02/28/10	1	\$0.44	148,977,085	\$655,499
A-927	INCREASED FUEL COSTS	03/01/10 THROUGH 04/30/10	2	\$0.47	153,497,933	\$1,442,881
A-927	INCREASED FUEL COSTS	05/01/10 THROUGH 05/31/10	1	\$0.50	144,754,517	\$723,773
A-927	INCREASED FUEL COSTS	06/01/10 THROUGH 06/30/10	1	\$0.53	131,841,518	\$698,760
A-927	INCREASED FUEL COSTS	07/01/10 THROUGH 07/31/10	1	\$0.56	141,106,596	\$790,197
A-927	INCREASED FUEL COSTS	08/01/10 THROUGH 11/30/10	4	\$0.50	146,336,790	\$2,926,736
A-927	INCREASED FUEL COSTS	12/01/10 THROUGH 12/31/10	1	\$0.53	158,172,096	\$838,312
A-927	INCREASED FUEL COSTS	01/01/11 THROUGH 01/31/11	1	\$0.56	152,906,503	\$856,276
A-927	INCREASED FUEL COSTS	02/01/11 THROUGH 02/28/11	1	\$0.59	136,560,878	\$805,709
A-927	INCREASED FUEL COSTS	03/01/11 THROUGH 03/31/11	1	\$0.65	152,253,033	\$989,645
A-927	INCREASED FUEL COSTS	04/01/11 THROUGH 04/30/11	1	\$0.71	144,495,681	\$1,025,919
A-927	INCREASED FUEL COSTS	05/01/11 THROUGH 05/31/11	1	\$0.80	141,626,911	\$1,133,015
A-927	INCREASED FUEL COSTS	06/01/11 THROUGH 07/31/11	2	\$0.83	127,539,939	\$2,117,163
A-927	INCREASED FUEL COSTS	08/01/11 THROUGH 10/31/11	3	\$0.80	143,773,327	\$3,450,560
A-927	INCREASED FUEL COSTS	11/01/11 THROUGH 12/31/11	2	\$0.77	145,864,070	\$2,246,307
A-927	INCREASED FUEL COSTS	01/01/12 THROUGH 01/31/12	1	\$0.80	146,120,831	\$1,168,967
A-927	INCREASED FUEL COSTS	02/01/12 THROUGH 02/29/12	1	\$0.77	135,250,447	\$1,041,428
A-927	INCREASED FUEL COSTS	03/01/12 THROUGH 03/31/12	1	\$0.80	146,472,401	\$1,171,779
A-927	INCREASED FUEL COSTS	04/01/12 THROUGH 04/30/12	1	\$0.83	135,558,557	\$1,125,136
A-927	INCREASED FUEL COSTS	05/01/12 THROUGH 06/30/12	2	\$0.86	131,990,246	\$2,270,232
A-927	INCREASED FUEL COSTS	07/01/12 THROUGH 07/31/12	1	\$0.83	127,442,370	\$1,057,772
A-927	INCREASED FUEL COSTS	08/01/12 THROUGH 09/30/12	2	\$0.74	135,143,733	\$2,000,127
A-927	INCREASED FUEL COSTS	10/01/12 THROUGH 10/31/12	1	\$0.80	149,589,882	\$1,196,719
A-927	INCREASED FUEL COSTS	11/01/12 THROUGH 02/28/13	4	\$0.83	139,483,415	\$4,630,849
A-935	MARKET CONDITIONS	01/01/06 THROUGH 06/30/06	6	\$1.55	153,068,955	\$14,235,413
A-938	MARKET CONDITIONS	07/01/06 THROUGH 12/31/06	6	\$1.60	154,783,370	\$14,859,203
A-941	MARKET CONDITIONS	01/01/07 THROUGH 06/30/07	6	\$1.85	152,069,338	\$16,879,696
A-944	MARKET CONDITIONS	07/01/07 THROUGH 11/30/07	5	\$1.60	152,745,220	\$12,219,618
A-947	MARKET CONDITIONS	12/01/07 THROUGH 03/31/08	4	\$1.35	156,640,875	\$8,458,607
A-950	MARKET CONDITIONS	04/01/08 THROUGH 12/31/08	9	\$2.15	151,700,419	\$29,354,031
A-959	MARKET CONDITIONS	01/01/09 THROUGH 06/30/09	6	\$2.15	148,271,012	\$19,126,961
A-964	MARKET CONDITIONS	07/01/09 THROUGH 10/31/09	4	\$2.15	148,971,622	\$12,811,560
A-966	MARKET CONDITIONS	11/01/09 THROUGH 12/31/09	2	\$2.65	157,656,364	\$8,355,787
A-967	MARKET CONDITIONS	01/01/10 THROUGH 06/30/10	6	\$2.65	147,057,686	\$23,382,172
A-969	MARKET CONDITIONS	07/01/10 THROUGH 12/31/10	6	\$2.15	147,437,642	\$19,019,456
A-970	MARKET CONDITIONS	01/01/11 THROUGH 06/30/11	6	\$2.15	142,417,717	\$18,371,885
A-971	MARKET CONDITIONS	07/01/11 THROUGH 12/31/11	6	\$2.15	141,910,784	\$18,306,491
A-974	MARKET CONDITIONS	01/01/12 THROUGH 06/30/12	6	\$2.15	137,897,121	\$17,788,729
A-979	MARKET CONDITIONS	07/01/12 THROUGH 08/31/12	2	\$2.15	131,970,629	\$5,674,737
A-979	MARKET CONDITIONS	09/01/12 THROUGH 12/31/12	4	\$1.95	142,928,668	\$11,148,436
A-981	MARKET CONDITIONS	01/01/13 THROUGH 02/28/13	2	\$1.80	134,798,723	\$4,852,754

\$ 698,911,210