



COMMONWEALTH OF PENNSYLVANIA  
MILK MARKETING BOARD

Official General  
Order No. A-904

Posted: August 13, 1999  
Effective: September 1, 1999

OVER-ORDER PREMIUM

AMENDMENT TO OFFICIAL GENERAL ORDER A-901

NOW, this 13<sup>th</sup> day of August 1999, the Commonwealth of Pennsylvania, Milk Marketing Board adopts and issues this official general order pursuant to the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 - 700j-1204. This order will become effective at 12:01 a.m. on September 1, 1999, and will expire at 12 midnight on September 30, 1999.

SECTION I

The attached findings of fact and conclusions of law are incorporated herein by this reference as though fully set forth in this order.

SECTION II

Section II (a) of Official General Order A-901 is amended to read as follows:

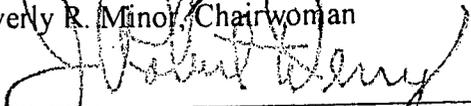
The over-order premium is established at a variable level of \$2.80 per hundredweight, which will decrease \$.01 for every \$.01 increase in the Basic Formula Price above \$10.27. The \$2.80 level will be maintained at basic formula prices of \$10.27 or less. Notwithstanding the foregoing computation, however, the over-order premium for September 1999 is established at \$.40 per hundredweight.

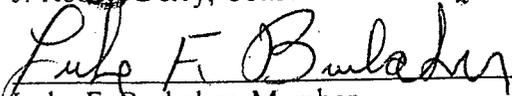
SECTION III

In all other respects, Official General Order A-901 remains in effect.

PENNSYLVANIA MILK MARKETING BOARD

  
Beverly R. Minor, Chairwoman

  
J. Robert Derry, Consumer Member

  
Luke F. Brubaker, Member

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

### OVER-ORDER PREMIUM HEARING

August 3, 1999

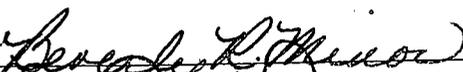
#### Findings of Fact

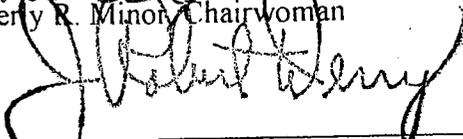
1. On August 3, 1999, the Pennsylvania Milk Marketing Board (Board) convened a hearing for all milk marketing areas to receive evidence concerning whether the over-order premium established by Official General Order (OGO) A-901 should be continued, adjusted, or allowed to expire as scheduled on September 30, 1999.
2. Notice of the hearing was published at 29 *Pennsylvania Bulletin* 3044 on June 12, 1999, and was mailed to those on the Board's interested persons list by means of Bulletin No. 1279, dated June 3, 1999. (PMMB Exhibits 1 and 2)
3. At the conclusion of the hearing the parties agreed to waive briefs on the issue of whether the Board should establish an over-order premium of \$.40 per hundredweight for September 1999, with the understanding that the Board will issue a subsequent order, addressing the remaining scope of the hearing, after the reception of briefs. (N.T. 172 - 74)
4. The Basic Formula Price (BFP) for July 1999, which will determine producer prices for September 1999, is reliably projected to be \$13.60. Under OGO A-901, a BFP of that magnitude would result in there being no over-order premium for September. (N.T. 17, 31 - 32, 86, PFB Exhibit 1)
5. The actual BFP for July 1999 was \$13.59. (Official notice of federal announcement on August 5, 1999)
6. Loss of the premium would come at a time when producers are facing the effects of a severe drought. On July 20, 1999, Governor Ridge issued a proclamation declaring that a "state of drought and water shortage emergency" exists in 55 Pennsylvania counties. (N.T. 24, 84, 131 - 32, official notice of governor's proclamation - see 29 *Pennsylvania Bulletin* 4045 (July 31, 1999))
7. An over-order premium of \$.40 per hundredweight for September 1999 is an appropriate interim measure to provide drought relief to Pennsylvania producers pending adoption of an order addressing the remaining issues raised at the August 3 hearing. (N.T. 32, 96, 133, 139)

Conclusions of Law

1. The August 3, 1999, hearing on the over-order premium was held pursuant to authority granted the Board in sections 801 and 803 of the Milk Marketing Law (Law), 31 P.S. §§ 700j-801 and 700j-803.
2. The hearing was held following adequate notice, and all interested persons were given a reasonable opportunity to be heard. (Finding of fact 2)
3. In adopting the attached order, the Board has considered all portions of the record bearing on the establishment of a \$.40 over-order premium for September 1999 and concludes that the order is supported by a preponderance of credible evidence and is reasonable and appropriate for the administration of the Law.
4. The attached order amends Section II(a) of OGO A-901. In all other respects, that order remains in effect.
5. The attached order is subject to amendment pursuant to procedures set out in section 801 of the Law.

PENNSYLVANIA MILK MARKETING BOARD

  
Beverly R. Minor, Chairwoman

  
J. Robert Derry, Consumer Member

  
Luke F. Brubaker, Member

Dated: August 13, 1999

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