



Commonwealth of Pennsylvania  
Milk Marketing Board  
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Official General  
Order No. A-913 Amended

Posted: June 5, 2002  
Effective: July 1, 2002

**AN ORDER ESTABLISHING THE METHODOLOGY  
FOR CALCULATING THE OVER-PRICE PREMIUM  
FOR ALL MILK MARKETING AREAS**

NOW, this fifth day of June 2002, the Commonwealth of Pennsylvania, Milk Marketing Board (Board) adopts and issues Official General Order A-913 Amended pursuant to 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 July 1, 2002.

**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 of Official General Order A-913 shall be amended to add a subsection (f) which would read:

The over-price premium as calculated in subsections (a) – (e) shall be calculated on a quarterly basis, using a full quarter's data, for each of the data quarters November, December, January; February, March, April; May, June, July; and August, September, October.

**SECTION III**

Section III of Official General Order A-913 shall be amended to read:

The quarterly over-price premium shall be included in the wholesale and retail price build-up for each of the three months beginning in the sixth month following the end of the quarter for which the quarterly over-price premium was calculated. Any adjustments to the quarterly over-price premium shall be made in the succeeding quarterly calculation, affecting the corresponding three month period of resale prices. For

example, the quarterly over-price premium as calculated for the data quarter November, December, January, shall be included in the wholesale and retail prices announced in each of the months June, July, and August for the months of July, August, and September, respectively.

**SECTION IV**

All parts of Official General Order No. A-913 not inconsistent with this order shall continue in effect.

PENNSYLVANIA MILK MARKETING BOARD

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Beverly R. Minor, Chairwoman

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Barbara A. Grumbine, Consumer Member

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Luke F. Brubaker, Member

Date: June 5, 2002

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**  
**OVER-PRICE PREMIUM HEARING**  
**MAY 12, 2002**

**FINDINGS OF FACT**

1. On May 12, 2002, the Pennsylvania Milk Marketing Board (Board) convened a hearing for all milk marketing areas to receive testimony and evidence concerning the frequency of the adjustment of the over-price premium which is currently done on a monthly basis.
2. Notice of the hearing was mailed to those on the Board's interested persons list by means of Bulletin No. 1313 dated May 2, 2002. (PMMB Exh. 1)
3. At the conclusion of the hearing, a schedule was established for the submission of principal letter brief and reply letter brief on May 22, 2002, and May 24, 2002 respectively.
4. David DeSantis, appearing on behalf of Board staff as a fact witness, testified that Board staff is performing financial audits to gather data for the cost replacement hearings in the six milk marketing areas. With Board staff occupied, they cannot conduct utilization audits which are necessary to get the information needed for the over-price premium calculations. (N.T. 10-11) Mr. DeSantis recommended that the situation could be resolved by going to a quarterly adjustment of the over-price premium. (N.T. 11)
5. Mr. DeSantis recommended that three months' worth of data be collected, summarized, and issued as an average over-price premium for each milk marketing area and kept in place for three months. (N.T. 11)
6. Attorney Allen Warshaw indicated, on behalf of his client, Pennsylvania Association of Milk Dealers, that they were okay with the three months period. (N.T. 23)

## **CONCLUSIONS OF LAW**

1. The May 12, 2002 hearing on the frequency of the over-price premium was held pursuant to the authority granted to 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 parties were given a reasonable opportunity to be heard.
3. In adopting this amended order, the Board has considered the entire record and concludes that the order is supported by a preponderance of credible evidence and is reasonable and appropriate under sections 801 and 803 of the Law.
4. The attached order may be amended pursuant to the procedures set out in section 801 of the Law.

### PENNSYLVANIA MILK MARKETING BOARD

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Beverly R. Minor, Chairwoman

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Barbara A. Grumbine, Consumer Member

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Dated: June 5, 2002

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