



Commonwealth of Pennsylvania

Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110-9408

717/787-4194
717/783-6492

WEB SITE: <http://www.mmb.state.pa.us>

E-mail: RA-PMMB@.state.pa.us

Official General
Order No. A-946

Posted: November 7, 2007
Effective: November 14, 2007

**AN ORDER REGARDING THE TIMING AND MANNER OF
PRICE ANNOUNCEMENTS
FOR ALL MILK MARKETING AREAS**

NOW, this 7th day of November 2007, the Commonwealth of Pennsylvania, Milk Marketing Board (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. Section B of this order replaces Section B of Official General Order A-926. This order will become effective at 12:01 a.m. on November 14, 2007.

**SECTION A
SCOPE; INCORPORATION**

This official general order governs the timing and manner of the Board's monthly price announcements. The attached findings of fact and conclusions of law are incorporated herein by this reference as though fully set forth in this order.

**SECTION B
PRICE ANNOUNCEMENTS**

- a. For producer class and component prices, the Board will use the federally announced prices on the dates specified by the United States Department of Agriculture (“USDA”).
- b. (i). For resale pricing purposes, the Board will calculate a Class I and Class II mover using the same methodology used by the USDA to determine Class I skim and butterfat prices and Class II skim prices, utilizing the two most recent weekly summaries announced by the National Agricultural Statistics Service before noon on the date of the Board-announced resale prices each month. For Class II butterfat prices the Board will continue to use the methodology adopted in the 2004 cost replacement orders in each of the six milk marketing areas in Pennsylvania. The relevant cost replacement orders are OGO A-890 (CRO 9), OGO A-911 (CRO 4), OGO A-910 (CRO 4), OGO A-900 (CRO 6), OGO A-887 (CRO 9) and OGO A-907 (CRO 5).

(ii). Unless otherwise provided herein, the Board will announce these price movers the Friday before the 24th of each month to become effective on the 1st of the following month. If the Friday before the 24th of a month is a state-recognized holiday, the Board will announce prices on the following Monday, unless USDA data are available earlier.

(iii). In January of each year, the Board shall have authority, without hearing, to announce which months, if any, there will be during the year for which the announcement of resale prices will take place seven days earlier than the Friday on or before the 24th of the month; provided however that for the months of November 2007 and December 2007, the Board has determined that based on the record of the hearing on September 5, 2007, that resale prices shall be announced on November 16, 2007, and December 14, 2007, respectively.

(iv). The Board shall also have authority, without hearing, to adjust the resale price announcement date as needed in the event of an emergency or *force majeure*.

(v). Announcements by the Board that the price announcement date for resale prices shall differ from the provisions in paragraph (b)(ii) shall be published on the Board's website and otherwise in accordance with notification procedures for public notices.

(vi). To the extent the Board-calculated Class I skim and butterfat or Class II skim prices differ from the Class I skim and butterfat and Class II skim prices issued by the USDA for producer prices that the Board would otherwise have used had it issued prices concurrent with USDA, the Board will make the necessary adjustments to the Class I or Class II resale prices in the next succeeding month.

PENNSYLVANIA MILK MARKETING BOARD

Boyd E. Wolff, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Dated: November 7, 2007

**FINDINGS OF FACT AND CONCLUSIONS OF LAW
TIMING AND MANNER OF PRICE ANNOUNCEMENTS HEARING
SEPTEMBER 5, 2007**

FINDINGS OF FACT

1. On September 5, 2007, the Pennsylvania Milk Marketing Board (Board) convened a hearing for all milk marketing areas to receive testimony and evidence concerning the timing and manner of Board price announcements.
2. Notice of the hearing was published at 37 *Pennsylvania Bulletin* 4155 on July 28, 2007, and was mailed to those on the Board's interested persons list by means of Bulletin No. 1413 dated July 18, 2007.
3. The parties stipulated to the language embodied as Section B of this order and waived the opportunity to file briefs.
4. Carl Herbein testified on behalf of PAMD as an expert in milk cost accounting. Mr. Herbein was the only witness who testified at the hearing. Mr. Herbein testified that there was a need to give the Board some flexibility in the price announcement dates for resale prices to accommodate the logistical problems experienced by milk dealers and retailers when price announcement dates fall during a time period when staffing is low due to holidays. Mr. Herbein also testified that in order to preserve dealer margins and to avoid market disruptions associated with an earlier price announcement date for resale prices, the Board should make adjustments to resale prices in the succeeding month to the extent the Board-calculated Class I and Class II movers differ from the Class I and Class II prices ultimately calculated by the United States Department of Agriculture. For the remainder of 2007, Mr. Herbein anticipated staffing issues for price announcements that would ordinarily fall on or before the 24th of November and December, and recommended that the price announcement dates be set for November 16, 2007, and December 14, 2007. Mr. Herbein also recommended that in January of each year, the Board look ahead and determine if announcing resale prices on or before the 24th of any month would be problematic due to potential dealer or retailer staffing issues, and announce appropriate changes to price announcement dates.
5. The Board finds that we do need some flexibility in resale price announcement dates to potential dealer and retailer staffing problems due to holidays and also due to occasional changes in USDA price announcement dates. We find that the order language stipulated to by the parties provides the necessary flexibility and further find that we should adopt that language. We also specifically find that the November 2007 resale price announcement will occur on November 16, 2007, and that the December 2007 resale price announcement will occur on December 14, 2007.

CONCLUSIONS OF LAW

1. The September 5, 2007, hearing regarding the timing and manner of resale price announcements was held pursuant to the authority granted to the Board in sections 801, 802, and 803 of the Milk Marketing Law (Law), 31 P.S. §§ 700j-801, 700j-802, 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 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, 802, 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

Boyd E. Wolff, Chairman

Luke F. Brubaker, Member

Barbara A. Grumbine, Consumer Member

Dated: November 7, 2007

IF YOU WISH TO RECEIVE THIS INFORMATION IN AN ALTERNATE FORMAT, CALL 717-787-4194 OR 1-800-654-5984 (PA RELAY SERVICE FOR TDD USERS.)
