

7 Pa. Code § 149.46 Cooperative Cost Centers

- (a) Cost Centers for cooperatives (as defined in the Act) shall be as follows:
- (1) *Field Services*. Providing direct assistance to producers by inspecting and improving producer milk production and quality.
 - (2) *Laboratory*. Testing for quality and components of producer milk and bulk milk delivered to dealers including but not necessarily limited to direct testing costs and related materials.
 - (3) *Producer Payroll*. Making payment to producers for milk.
 - (4) *Sales Invoicing*. Invoicing producer milk customers.
 - (5) *Dispatch, Logistics, and Hauling*. Hauling and coordinating the hauling of producer milk for both collection and delivery of raw milk.
 - (6) *Calibration Services*. Providing producer calibration services including cooperative-owned vehicles.
 - (7) *Producer Relations*. Developing and maintaining producer relationships.
 - (8) *Customer Relations*. Developing and maintaining customers for producer milk.
 - (9) *General & Administrative*. Administering and managing the cooperative's milk marketing activity including but not necessarily limited to costs related to human resources, information technology, corporate and executive expenses, professional fees, and occupancy. The amount shall be a proportion of these costs which the cooperative reasonably allocates to its milk marketing activity based on an allocation method acceptable to the Board.
- (b) Cooperatives shall report these cost centers and any other information required by the Board in accordance with reporting forms issued by the Board which shall include instructions and reporting deadlines. The reporting requirements for cooperatives may also include any of the information that dealers are required to provide.
- (c) The cost reporting and allocations shall be based only on the cooperatives' milk marketing activities for their producers unless otherwise directed by the Board.

Note: This is a proposed new section of the regulations.

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