



**Commonwealth of Pennsylvania**  
Milk Marketing Board  
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**BULLETIN**

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**POTENTIAL MILK DEALER BOND INCREASES IN LICENSE YEAR 2022-2023**

The Board is currently distributing license renewal packets for license year 2022-2023. Per the Milk Producers' Security Act ("Security Act") the milk dealer bond amounts in the renewal packets are based on calendar year 2021 milk purchases. In very general terms, the Security Act basically requires milk dealers to provide security to protect 30 days of producer purchases.

**Milk dealer license renewals submitted by June 15, 2022, for the 2022-2023 license year should contain bonds based on the year 2021 purchases as provided in the renewal packet bond calculations.**

Producer milk prices are increasing in 2022 as compared to 2021. Section 626.10a of the Security Act (<https://www.mmb.pa.gov/archive/Migration/Documents/Security%20Act.pdf>) provides that the Board may require bond increases if the value of milk purchases by a dealer from producers has increased so that the amount of security furnished by the milk dealer does not comply with the requirement to secure 30 days' of producer purchases.

With producer milk prices increasing beyond the amounts on which the current bond calculations are based, the Board anticipates that it may require bond increases early in the 2022-2023 license year. The Board will monitor producer milk prices and bond amounts and determine based on individual circumstances whether to require bond increases after July 1, 2022, and continuing through the 2022-2023 license year.

Contact the Board office at 717-787-4194 with any questions.

PENNSYLVANIA MILK MARKETING BOARD

*Carol A. Hardbarger*

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Carol A. Hardbarger, PhD, Secretary

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