Commonwealth of Pennsylvania

Pennsylvania Milk Marketing Board

Fiscal Year Report
2016-2017 and 2017-2018
MISSION STATEMENT

To ensure that Pennsylvania’s dairy industry remains vital, the Milk Marketing Board provides a regulatory environment that facilitates a safe, adequate supply of wholesome milk, by providing security for its dairy farmers and milk dealers, while offering an adequate supply of dairy products for our consumers.

Robert N. Barley, Chairman
James A. Van Blarcom, Member
Carol A. Hardbarger, PhD, Consumer Member
Timothy A. Moyer, Secretary

Tom Wolf, Governor of Pennsylvania
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Honorable Tom Wolf  
Governor  
Commonwealth of Pennsylvania  
Room 225, Main Capitol  
Harrisburg, PA  17120  

Dear Governor Wolf:

I am pleased to present you with the Pennsylvania Milk Marketing Board's Fiscal Year Report for 2016-2017 and 2017-2018.

Agribusiness remains the number one industry in Pennsylvania, and dairy is the largest segment of that industry. In 2016 and 2017, Pennsylvania's milk cows produced approximately 21.8 billion pounds of milk, representing 5.1% of the nation's milk supply and ranking Pennsylvania the seventh largest milk producing state in the nation. Our dairy producers, processors, and distributors have a huge impact on the Commonwealth's economy. The Pennsylvania dairy industry provides over 137,000 direct and indirect jobs, with a total economic impact over $28 billion. The Milk Marketing Board has a tremendous responsibility regulating all aspects of the Pennsylvania dairy industry – from the farm to the consumer. The over-order premium established by the Board adds millions of dollars each year to producer income, helping to ensure a steady, reliable source of milk.

My fellow Board members and I do not take this responsibility lightly. We are confident that Pennsylvania will remain among the nation's leading dairy states, due to our hard-working dairy farmers and the unparalleled number and diversity of our processors and manufacturers. Through the mandates set forth in the Milk Marketing Law, the Milk Marketing Board will continue its vital and stabilizing role, ensuring all segments of the industry receive an equitable price for milk, thus guaranteeing a continual supply of pure and wholesome milk to the citizens of Pennsylvania.

Respectfully submitted,

Robert N. Barley
Introduction

In the decade following World War I, the dairy industry enjoyed an era of prosperity – strong foreign and domestic demand supported heavy production and adequate prices. With the onset of the depression, however, widespread unemployment and reduced incomes severely eroded much of this demand while milk production and supply continued at relatively constant levels. The usual result of such economic imbalance ensued: prices received by dairy farmers were forced into decline. In the unregulated environment of the depression era, destructive price wars accompanied and contributed to the downward spiral in producer prices. The middle of the supply chain – the milk processor – naturally attempted to shift the effects to the producer, and the prevailing economic conditions and characteristics of the industry made this a simple task. The processors in a particular region were the principal outlet for nearby producers. The high cost of transporting fluid milk and the perishability of the product eliminated more distant buyers from the producer’s market. With the unfavorable economic climate of weak demand combined with more than abundant supply, it is not difficult to see that the farmer had little choice but to accept the price dictated by the available processor. The alternative was dumping or spoilage of the dairy farmer’s production.

Fearful that meager returns to the producer would result in the elimination of costly sanitary practices and the abandonment of many farms, both of which threatened the adequacy of a wholesome milk supply and the quality of rural life, Pennsylvania joined 22 other states and the federal government in enacting remedial legislation. An emergency one-year milk control statute was passed in 1934, extended once, and then reenacted in permanent form in 1937. It is this law, with subsequent amendments to maintain its effectiveness and relevance, that is implemented today as the Pennsylvania Milk Marketing Law.

Today, the Pennsylvania Milk Marketing Board administers a comprehensive milk pricing program that enhances farm milk price while at the same time providing a fair and competitive price for consumers. The Board establishes minimum producer, wholesale, and retail prices. The minimum producer price includes a Board-mandated over-order premium on Class I milk produced, processed, and sold in Pennsylvania. The over-order premium is adjusted periodically based on evidence received at public hearings held by the Board. While Federal Milk Marketing Orders establish a minimum price for producer milk, the Federal Orders do not consider production and marketing conditions unique to Pennsylvania Milk Marketing Areas. The over-order premium allows the Board to consider and account for these unique conditions. Since its inception in 1988, the over-order premium has resulted in over 850 million additional dollars being paid to Pennsylvania dairy farmers beyond the federally-established price.

Pennsylvania is divided into six milk marketing areas. Each area is regulated by a different general order. Milk Marketing Areas 1 and 4 are also regulated by Federal Milk Marketing Area 1. Pennsylvania Milk Marketing Area 5 is regulated by Federal Milk Marketing Order 33. Pennsylvania Milk Marketing Areas 2, 3, and 6 are not regulated by any Federal Milk Marketing Order.

Payment for Pennsylvania-produced milk is guaranteed through the bonding of milk dealers and the Milk Producers’ Security Fund. The Fund was established by the Milk Producers’ Security Act in 1984. This Act ensures prompt payment to Pennsylvania producers by requiring the establishment of the Security Fund and by requiring milk dealers that purchase Pennsylvania-produced milk to post security, in the form of bonds, with the
Introduction (continued)

Board. The Milk Producers’ Security Act was amended in 2004 to further enhance its financial protections for Pennsylvania milk producers.

Currently, there is more than $3.1 million in the Security Fund and more than $110 million in collateral or corporate surety bonds posted by milk dealers. The Board ensures that Pennsylvania producers are paid at least the minimum price due for their milk through monthly audits of milk dealers.

Minimum wholesale and retail prices are based on average milk dealer and retailer costs. These average costs are established at annual public hearings held by the Board for each of the six Pennsylvania Milk Marketing Areas. All factors affecting the processing, packaging, delivery, and in-store handling costs of milk are considered at the hearings.

Milk dealers, milk subdealers, milk haulers, milk testers, and milk weigher/samplers operating in Pennsylvania are required to be licensed by the Board. The Milk Marketing Fee Act authorizes the Board to establish fees for the various licenses and certificates related to milk marketing. The revenue generated from these fees and from fines is the only funding source for the Board.

The Pennsylvania Milk Marketing Board is as necessary now as it was in the 1930s. Agribusiness is the number one industry in the Commonwealth, and dairy is the largest segment of this industry.
Robert N. Barley - Chairman  
Lancaster County

On May 18, 2018, Governor Tom Wolf nominated Robert N. Barley to the Pennsylvania Milk Marketing Board. Mr. Barley was unanimously confirmed by the State Senate on June 18, 2018, and appointed Chairman by Governor Wolf on June 29, 2018.

Rob is a co-owner in Star Rock Farms, along with his brother Tom and cousin Abe, where they milk 1,500 cows, in addition to operating several other farm businesses which include crop farming, hog finishing, a broiler operation and custom cattle feedlot.

Rob is responsible for the financial aspects of the businesses, including banking relationships and legal and tax issues. Rob also manages the businesses’ human resources, with 60 people employed by Star Rock. Rob has also successfully worked to develop markets for Star Rock products and increase risk management efforts.

In addition to his role within Star Rock, Rob is currently a member of the Lancaster County Ag Council’s executive committee and serves on the Lancaster County Extension Board. He is a former board member of the Lancaster County Chamber of Commerce and the Farm and Home Foundation.

Rob is the Ministry Council Vice Chairman and Missions Chairman at Grace Community Church of Willow Street. He and his wife Shelly have four children, ranging in ages from 15 to 26, one granddaughter, and one grandson.
Carol A. Hardbarger - Consumer Member
Perry County

On May 18, 2018, Governor Tom Wolf nominated Carol A. Hardbarger to the Board. Dr. Harbarger was unanimously confirmed by the Pennsylvania Senate on June 18, 2018.

Dr. Hardbarger holds a Ph.D. in Agricultural and Extension Education with a minor in Demography from Penn State University. She began her career in the public schools nearly 40 years ago teaching agriculture (specialty animal science), biology, and chemistry. While earning her master’s degree she served as a Research Assistant at Penn State and later for the PA Council on Vocational Education. During her doctoral program and working full time at Penn State she was responsible for applied biology and chemistry workshops for science and agriculture teachers and taught several agricultural education and research methods classes. Her dissertation focused on factors influencing job choice of rural youth in PA and won the Outstanding Research Award (for vocational-technical education) at the 1997 American Education Research Association.

Dr. Hardbarger was on the faculty of Cornell University’s Education Department and developed a research program focused on systemic reform in education. She has over 40 refereed publications, research reports (e.g., including national study on aquaculture education sponsored by USDA), and many refereed and invited presentations. She conceptualized and coordinated a national project to develop standards for teacher education in agriculture (still in use today), organizing a coalition of stakeholders and partners as well as securing federal funding for the initiative. Dr. Hardbarger’s most recent employment was as Chief Educator for the GLOBE Program, a multi-agency environmental education program started by Vice President Al Gore in the mid-1990s, followed by work with SRI International as a Senior Researcher. In that position she managed the US Department of Education’s research on the Title II, Part D portion of the No Child Left Behind Act.

Currently, Dr. Hardbarger is retired and does consulting and research work for a variety of organizations including the National Association of Agricultural Educators, the Propane Council, the PA Association of Agricultural Educators, and others. She lives in Newport, Pennsylvania, and is the proud grandmother of five and great-grandmother of three. A native of Franklin County, Pennsylvania, Dr. Hardbarger also volunteers with the Perry County Community Fair and in her spare time enjoys gardening, reading, and crocheting.
James A. Van Blarcom - Member
Bradford County

James A. Van Blarcom of Columbia Cross Roads, Bradford County, was unanimously confirmed by the State Senate on June 17, 2014, to serve as a member of the Pennsylvania Milk Marketing Board.

Mr. Van Blarcom is a dairy farmer with 40 years’ experience in the Pennsylvania dairy industry. With his son and two sons-in-law, he manages a 500 cow dairy farm. Mr. Van Blarcom also owns, with his brother, a 5,600 farrow to wean hog facility.

Mr. Van Blarcom served as a member of the Pennsylvania State Conservation Commission from 2012 until his appointment to the Board. He also served as a director of the Bradford County Conservation district from 1989 until his appointment to the Board, serving as chairman from 1999-2009.

Mr. Van Blarcom’s public service also includes serving as a Troy Area School District Director and as a member of the Troy Area School District Foundation, of which he was a founding member, since 2003.

In addition to his public service, Mr. Van Blarcom has been active in dairy and agricultural organizations. He was a Bradford-Sullivan County Farm Bureau Director from 1990-2005, serving as County President from 1995 to 2005. Mr. Van Blarcom has also been a member of the Pennsylvania Farm Bureau State Dairy and Natural Resources Advisory Committees. He has also served on the American Dairy Association and Dairy Council Board. Mr. Van Blarcom has received the Pennsylvania Department of Environmental Resources Chesapeake Bay Clean Water Award and the Bradford County Conservation District Outstanding Operator Award.
Tim Moyer was appointed Secretary of the Pennsylvania Milk Marketing Board on November 11, 2011. The Secretary of the Agency is appointed by the Board Members to administer the Milk Marketing Law. He is responsible for the efficient and effective operation of the agency’s day-to-day activities by directing the administrative, licensing, enforcement, and legal functions of the Board. It is the Secretary’s responsibility to keep the Board Members informed regarding any activity that could have an effect on the economic regulation of the dairy industry. He is the liaison between the Board Members and the industry.

Mr. Moyer became a Board employee in June 1993. His first Board positions were accountant and auditor supervisor, where he learned the details of producer utilization and milk valuation. Beginning in March 2000 Tim served the Board as Chief of Support Services and advisor for non-legal matters. During that time he managed the fiscal, licensing and bonding and information technology operations of the Board.

A graduate of Elizabethtown College; Tim and his wife, Cindy, reside in Selinsgrove, Pennsylvania.
Senior Staff

Douglas Eberly – Chief Counsel

Doug provides legal service and advice to the Board to ensure the agency’s operations, procedures, and orders comply with the Pennsylvania Milk Marketing Law, Pennsylvania law generally, the Pennsylvania Constitution, and the United States Constitution.

Andrew Saylor – Staff Attorney

Andy advises Board Staff about interpretations and implementation of the agency’s laws and regulations, reviews prosecution referrals from the agency’s enforcement personnel, issues citations when appropriate, and prosecutes cases before the Board. He also represents Board Staff at price hearings held before the Board by reviewing and distributing Board Staff testimony and exhibits to interested parties, conducting direct and cross-examination, and by preparing post-hearing briefs. Andy also reviews license applications for compatibility with legal requirements, including bonding requirements, and assists the Chief Counsel in providing advisory and administrative legal services necessary to the agency’s operation, including drafting new or amended regulations.
Senior Staff (Continued)

Steven Zalman – Director of Enforcement & Accounting; Information Technology Services

Steven is responsible for planning, directing, and coordinating the enforcement and accounting activities of the statewide milk marketing program to assure the orderly marketing of fluid milk in the public interest. This includes investigations, examinations, and financial auditing of the operations and conditions of the milk industry to assure compliance with state laws, rules, and regulations. Steven also provides a variety of information technology support functions.

Gary Gojsovich – Audit Supervisor

Gary is responsible for the daily supervision of Milk Marketing Auditors and Examiners throughout the state. This includes reviewing monthly field work and directing special investigations, as well as participating as a team member establishing enforcement direction. Gary also compiles and reviews exhibits and provides testimony for cost replacement and other Board hearings. In addition, he is responsible for the primary review of the Board’s monthly issuance of resale and producer prices.
Fiscal Years
2016-2017 and 2017-2018
In Review

The Milk Marketing Law is administered by a 3-member Board. Each member is appointed by the Governor with the advice and consent of a majority of the State Senate.

The Governor appoints one member as chairman, and another member to represent consumer interests. On June 29, 2018, Governor Wolf appointed Robert Barley Chairman of the Pennsylvania Milk Marketing Board. The Board members appoint a secretary who is responsible for the administration and daily operation of the Agency. On November 11, 2011, the Board members appointed Tim Moyer as Secretary of the Milk Marketing Board.

Funding for the Milk Marketing Board is derived from license fees and fines. No tax monies from the Commonwealth's General Fund are appropriated to the Milk Marketing Board.

During the 2016-2017 and 2017-2018 Fiscal Years, the Board issued 4,485 licenses. Weigher/samplers comprised the largest group of licenses with 3,271 certificates being issued. The remaining licenses were distributed among milk dealers, subdealers, testers, and haulers (see illustrations below).
**Fiscal Years**  
**2016-2017 and 2017-2018**  
**In Review** – (continued)

Dealer and hauler license fees accounted for 96% of the 2016-2017 and 2017-2018 receipts received by the Board. The remaining receipts were generated from tester and weigher/sampler certificates, fines, refunds, and interest payments. Disbursements for personnel and operating expenditures are shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Receipts</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dealers</td>
<td>Personnel</td>
</tr>
<tr>
<td><strong>2016-2017</strong></td>
<td>$1,713,208</td>
<td>$432,000</td>
</tr>
<tr>
<td></td>
<td>Haulers</td>
<td>Operating</td>
</tr>
<tr>
<td><strong>2016-2017</strong></td>
<td>$609,948</td>
<td>$2,168,000</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>2016-2017</strong></td>
<td>$90,845</td>
<td></td>
</tr>
<tr>
<td><strong>2017-2018</strong></td>
<td>$1,717,962</td>
<td>$399,000</td>
</tr>
<tr>
<td></td>
<td>Dealers</td>
<td>Personnel</td>
</tr>
<tr>
<td><strong>2017-2018</strong></td>
<td>$604,625</td>
<td>$2,273,000</td>
</tr>
<tr>
<td></td>
<td>Haulers</td>
<td>Operating</td>
</tr>
<tr>
<td><strong>2017-2018</strong></td>
<td>$102,656</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>2017-2018</strong></td>
<td>$399,000</td>
<td></td>
</tr>
</tbody>
</table>
The Board’s field staff is responsible for the day-to-day implementation and enforcement of the comprehensive economic regulatory framework established by the Law, providing stability and protection for every segment of the dairy industry. Ultimately, this ensures that the consumers of Pennsylvania enjoy plentiful supplies of dairy products in a variety of types and sizes.

To ensure that Pennsylvania dairy producers are being paid promptly and properly, the Board's field staff is kept quite busy. An important aspect of the Board's enforcement activities centers on producers. Dairies that bottle fluid milk, and manufacturing facilities that make products such as cheese or butter, that purchase milk from producers are audited by Board staff. The Board values milk based on the components (butterfat, protein, and other solids) in the milk and audits facilities on a monthly basis. Milk truck drivers (weigher/samplers) take samples from bulk tanks at the farm at the time of milk pickup. Board Milk Examiners monitor weigher/sampler pickup procedures at the farm and certify these licensees on a biennial basis. By following proper procedures, the public is assured of a consistent and wholesome milk supply and producers are assured that dairies pay correctly.

If a Pennsylvania producer is concerned about his butterfat, protein, or other-solids test results, the Board can provide for independent testing of milk samples. Periodically, the Board requires independent laboratories (which test producer milk samples to determine component levels) to test USDA samples to ensure that the lab’s testing results match the USDA’s official results.
Field Staff Activities (continued)

The Auditors of the Milk Marketing Board are responsible for financial reviews, wholesale audits, monthly utilization reviews, and several other activities (see illustrations page 15.)

The Board's field staff is also responsible for conducting milk price surveys within the Commonwealth and in the bordering states of New York, New Jersey, Maryland, and Ohio. Board staff conducted 859 price surveys over the past two fiscal years. These surveys show that Pennsylvania's regulated retail out-of-store milk prices are comparable to those in other states which have no retail price regulations.

Board Staff also conducts financial reviews on each of the cross-section dealers shown on the map below. These reviews are the basis for the yearly adjustment of resale prices based on changes in dealer costs. These costs are presented at public cost replacement hearings for the Board’s consideration.

The Board operates a Bulk Milk Tank Calibration Program. The program provides a service to Pennsylvania producers who want to know if the measuring device for their bulk tank is providing an accurate measurement of their milk. Incorrect calibrations result in incorrect payments to producers. A member of the Board's staff operates the bulk milk test-unit and responds to requests from producers for calibration throughout the state. The Board gives priority to newly-installed tanks and responds quickly to all other requests.

**CROSS-SECTION DEALERS**
Pennsylvania Dairy Farmers

Through the end of 2017, the last year for which annual statistics are available, Pennsylvania ranked seventh in the nation in milk production. In 2016, Pennsylvania dairy farmers produced approximately 10.8 billion pounds of milk. In 2017, Pennsylvania dairy farmers increased production to 10.9 billion pounds of milk.

Pennsylvania continues to rank second in the nation in the number of dairy farms. These dairy farms are an integral part of Pennsylvania’s economy and rural infrastructure. Studies have shown that the number of dairy farms is more important to rural economies than the amount of milk production – a greater number of smaller dairy farms are more supportive of local rural economies than a lesser number of larger dairy farms. With over 15% of the nation’s dairy farms here in Pennsylvania, our rural economy continues to remain vibrant.

One of the unique characteristics of Pennsylvania dairy farms is their size. Pennsylvania has the smallest average herd size in the nation. In contrast to California’s average herd size of over 1200 cows per farm, Pennsylvania averages 80 cows per farm. Given the advantages and efficiencies of scale relative to larger dairy farms, Pennsylvania’s dairy farmers’ production of over ten billion pounds of milk and contribution to Pennsylvania’s rural economy and lifestyle is remarkable.

The Board-mandated over-order premium paid to Pennsylvania dairy producers plays a significant role in the economic well-being of Pennsylvania’s dairy farms. During the 2016-2017 and 2017-2018 fiscal years, the over-order premium generated over $46 million dollars above federal order minimum prices for Pennsylvania dairy farmers, enhancing the ability of dairy farms, particularly the smaller farms, to remain in operation.
**Percentage of Retail Price**

The Board's regulation of minimum producer, wholesale, and retail prices results in Pennsylvania dairy farmers receiving a high percentage of the retail price.

Percentage of Retail Price Received by Farmer

Colorado: 50.2%
Hawaii: 41.5%
Maine: 40.4%
Pennsylvania: 50.4%
Virginia: 47.5%

Source: International Association of Milk Control Agencies. June 2017

Percentage of Retail Price Received by Farmer

Colorado: 42.2%
Hawaii: 40.8%
Maine: 40.6%
Pennsylvania: 48.8%
Virginia: 48.7%

Source: International Association of Milk Control Agencies. June 2018
**Minimum Retail and Producer Price**

Because the retail out-of-store price has, as its foundation, the price paid to the dairy farmer (including the state-mandated premium), there is a direct correlation between the producer price and the out-of-store price. When the producer price drops, the out-of-store price will be lower. When the farm price goes up, the retail out-of-store price increases (see illustrations below).
During the 2016-2017 Fiscal Year, reduced fat milk (2%) was the most popular variety sold in Pennsylvania with approximately 32% of volume sold; whole milk accounted for approximately 29% of the volume. In 2017-2018, while packaged milk sales declined overall, sales of packaged whole milk increased (see illustrations below).
One of the more important roles of the Board is requiring a bond from licensed dealers to assure that producers will be paid for their milk. When licenses are renewed every July 1, or a new license is requested, we require that the dealers and subdealers have the applicable financial security in place, or the license will not be issued or renewed.

When the laws, regulations, or orders are violated, it becomes necessary to issue citations. While our enforcement efforts are intended to encourage compliance, citations are issued for violations such as selling milk products under the minimum prices established by the Board, failure to pay producers or dealers properly, and late filing of reports or license renewals. The citations are usually resolved without a hearing. We are glad to report that during these two years, no licenses had to be revoked.
**Report of Citations**

**Total Number of Citations Issued:**

July 1, 2016, through June 30, 2017: **62**  
July 1, 2017, through June 30, 2018: **48**

**CATEGORIES OF CITATIONS:**

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<thead>
<tr>
<th>Category</th>
<th>2016-2017</th>
<th>2017-2018</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late filing of milk hauler's monthly report / late payment of fee</td>
<td>8</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Late filing of milk dealer's monthly report</td>
<td>14</td>
<td>10</td>
<td>24</td>
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<tr>
<td>Pricing below minimum prices established by the Board</td>
<td>4</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Bond claim against subdealer for failure to pay dealer</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Late payment to producers</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Late filing of dealer annual financial statement</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Late filing of annual dealer license renewal</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Late filing of annual subdealer license renewal</td>
<td>16</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Late filing of annual hauler license renewal</td>
<td>0</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Refrigeration leasing violation</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Failure to take proper samples</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Employing unlicensed weigher/sampler</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Late payment of monthly dealer fee</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Engaging in milk hauling without license</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

**TOTAL:** 62 48 110

**DISPOSITION:**

<table>
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<th>Disposition</th>
<th>2016-2017</th>
<th>2017-2018</th>
<th>TOTAL</th>
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<tr>
<td>Settled by consent order</td>
<td>43</td>
<td>13</td>
<td>56</td>
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<tr>
<td>Hearings before the Board</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Administratively dismissed or converted to warning</td>
<td>20</td>
<td>34</td>
<td>54</td>
</tr>
</tbody>
</table>

**TOTAL:** 63 47 110
**Chief Counsel – Price-Related Hearings**

During the 2016-2017 and 2017-2018 fiscal years, the Board conducted 18 price-related hearings. Industry participants often request hearings to address rapidly changing circumstances in Pennsylvania's milk markets. In contrast to federal milk marketing orders, which can take years to issue, the Board is able to respond to petitions, hold hearings, and issue orders in as little as two months. The Pennsylvania dairy industry regularly commends the Board for the speed and efficiency with which it addresses changes in Pennsylvania's milk markets. In addition to the hearings which the Board held to respond to unanticipated changes in Pennsylvania’s milk markets, the Board also held regularly scheduled annual cost replacement hearings for each of the six Milk Marketing Areas and regularly scheduled hearings to consider the level of the Class I over-order premium paid to Pennsylvania dairy producers.
Farm Bulk Tank Calibration Program

The Milk Marketing Board operates a Farm Bulk Tank Calibration Program. In 2012, the Milk Marketing Board purchased the truck and all the equipment from the Pennsylvania Department of Agriculture. Prior to that, the Board operated the program jointly with Agriculture.

The service, which is free of charge for any Pennsylvania dairy farmer, accurately calibrates the farm tanks where milk is cooled and stored prior to pick up. During the calibration process, water is pumped in precise increments from the calibration truck into the farm bulk tank. The operator then reads the dipstick or sight tube and records the reading in a computer program that will, in the end, produce a calibration chart. The farmer then posts it in the milk house to ensure proper weighing of the milk.
2016 Recognition for Excellence Award

GARY GOJOSOVICH & ANDY SAYLOR
Audit Supervisor & Staff Attorney

Gary is a long time Audit Supervisor and over the years has been responsible for compiling cost data for the Board’s price hearings. Recently Gary began providing evidence regarding more complex and thought-provoking hearing issues, tackling this new challenge while continuing to provide timely and reliable cost data. Gary put his years of experience and hard work to good use by expanding his role. The Board relies on Gary’s knowledge, experience, and understanding of the Board’s policies and procedures to make well-informed decisions.

Through his role as facilitator of the Continuous Analysis, Learning, and Fine Tuning (CALF) committee, Andy has been instrumental in bringing to light ideas on how the agency can improve the way it operates and serve Pennsylvania’s citizens.

2017 Recognition for Excellence Award

CAROL RUNK
Auditor

Carol’s willingness to consistently work above and beyond is a hallmark of her daily activity on behalf of the agency. The Board appreciates Carol’s standard of excellence and her initiative to accomplish all tasks she undertakes. Carol has set a high bar for the rest of the agency with her outstanding customer service and rapport with her clients.
PMMB FIELD STAFF LOCATION

Tom Latsko
New Wilmington

Troy Hockenbrock
McClure

Paul Fedak
Middleport

Bill Painter
Butler

Keith Hay
Berlin

Jon Dadigan
Gary Gojovitch
Steve Zalman
Harrisburg

Forrest Carlough
Elizabethtown

Carol Runk
Lancaster

Brian Brandt
Lebanon
Pennsylvania Milk Marketing Board

2301 North Cameron Street
Harrisburg, PA 17110-9408
Telephone: 717-787-4194
Fax: 717-783-6492

Email: ra-pmmb@pa.gov
Website: www.mmb.pa.gov