

Promoting Milk Sales Using Coupons and Other Deals

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The Milk Marketing Law requires that retailers be paid at least the Board-established minimum price for milk. The Law allows retailers to offer milk price promotions, as long as the retailer is paid the minimum retail price. In many cases, these promotions take the form of coupons for free milk that are sponsored by third parties (think cereal manufacturer or cookie company, for instance) – the retailer is paid the minimum price for the milk by the third party manufacturer that sponsors the coupon.

Another type of pricing promotion used by retailers involves “premium” products. These are products that have a retail price well-above the Board-established minimum price. Examples of premium products include organic milk and small containers of flavored milk. Organic milk, for instance, often has a retail price of \$5.00 or more for a half gallon, while the minimum retail price is less than \$2.00. Since the minimum retail price of two half gallons would be less than \$4.00, a retailer may promote organic milk at these prices with a “Buy one, get one free” offer. The retailer would receive \$5.00 for two half gallons of organic milk, while the minimum retail price for those two gallons would be \$4.00 – so the retailer was paid \$1.00 above the minimum retail price and there is no violation of the Milk Marketing Law.

For more information and details regarding milk promotion and coupons, please read Board Bulletin 1548 at <https://www.mmb.pa.gov/Legal/Bulletins/Documents/Bul1548.pdf> or call Doug Eberly at (717) 836-3115.