

**Emergency Hearing April 2020 Resale Prices
Testimony of Todd Rutter
March 31, 2020**

My Name is Todd Rutter. I am the President of Rutter's Dairy Inc. in York PA. My address is 2100 North George Street York, PA 17404.

I am here today on behalf of the PA Association of Milk Dealers.

PAMD appreciates PMMB and the State Government and dairy industry leaders who proactively took a lead to try to address the negative impacts of the Coronavirus Pandemic. We thank the PMMB, and others, for being proactive while many of the milk dealers were busy dealing with the crisis of finding homes for half pints left on trucks and inventory, finding homes for raw milk and ramping up to respond to increased retail demand.

PAMD supports using March prices for April for two main reasons.

We agree the proposal, as outlined by Board Staff, to use March resale prices could provide some margin relief to milk dealers.

PAMD also supports using March prices because to revert back to April prices at this point would create chaos in the Retail segment. As crazy as their businesses are right now the last thing they want is a twelve-hour notice to change milk prices.

Fluid milk processors are facing a possible financial crisis. Fluid milk plants will be helped by the Board's early response, but I'm very afraid the problem is going get even bigger and last longer than April.

Two weeks ago, it was a crisis for those plants with a concentration in schools and food service both in terms of inventory and in terms of raw milk supply when schools and restaurants were suddenly closed.

For many other plants meeting the high retail demand took care of any raw milk issues. I suspect the week of March 16 to 21, 2020 will set milk processing and sales records all across the northeast.

Unfortunately, just as quickly, the retail demand has completely dropped off the cliff. Now plants, including Rutter's, are backed up and have nowhere to go with the raw milk. I suspect if this glut lasts another two weeks it will become a real problem.

I would be remiss if I did not take this opportunity to remind everyone that if PA plants would have open date coding, this glut that we are in now could be better managed.

We are thankful that this Board is so responsive to the needs of the Pennsylvania dairy industry. It is just impossible to know right now what the Industry will need in terms of help. This is all new to all of us. No one knows how the consumer is going to react to all of this.

PAMD's Board of Directors met when the crisis started and made a decision to hold any requests for relief or accommodation at the state or federal level until we could get a better understanding of what we were facing. We are glad to know from Board staff's testimony that the Board and other Government leaders are aware of the potentially dire circumstances and are actively engaged and we appreciate the work done to help. Unfortunately, if things get as bad as we think they may, we may need to reach back out with ideas sooner than later.

Thank you.