

STATEMENT ON BEHALF OF THE PENNSYLVANIA ASSOCIATION OF DAIRY COOPERATIVES

REGARDING PROPOSED AMENDMENTS TO 7 PA. CODE CHAPTER 143

Good morning, my name is Dennis J. Schad and I am here to testify on behalf of the Pennsylvania Association of Dairy Cooperatives ("PADC"). Presently I am a consultant working in the dairy industry. My experience includes more than thirty-five years working for Land O'Lakes and its predecessor cooperatives in Pennsylvania. During my tenure with Land O'Lakes, I worked in the field of dairy policy and testified at numerous PMMB and federal milk marketing hearings. I hold a Bachelor of Arts Degree in History from The College of William and Mary in Virginia and a Master of Business Administration from Virginia Tech.

My testimony this morning for PADC relates to the proposed amendments to 7 Pa. Code Chapter 143, specifically, Section 143.31 (d). The PADC Cooperatives support the inclusion of this provision. Dairy cooperatives enter into agreements with their members which specify the requirements for a member to market milk through the cooperative. These requirements include the sanitary regulations for Grade A milk contained in the Pasteurized Milk Ordinance (PMO) and may require sanitary standards stricter than those of the PMO, such as compliance with European Union (EU) standards. Additionally, a cooperative may include other requirements such as non-use of rBST on animals and requirements for practicing approved animal husbandry techniques, such as specified in National Milk Producers' F.A.R.M. program. These non-sanitary requirements promote enhanced industry standards and insure the most profitable marketing of all of the milk of the cooperative's members.

Regarding the provisions of Section 143.31 (a), (b), (c), and the proposed repeal of Section 143.32, the PADC Cooperatives understand those sections to apply principally to contracts between milk dealers and independent producers and do not oppose the promulgation of these amendments to the regulation.