BEFORE THE PENNSYLVANIA MILK MARKETING BOARD OVER - ORDER PREMIUM HEARING ALL MILK MARKETING AREAS December 6, 2023 Rebuttal Testimony of Brittni Treichler-Harris

Presented on behalf of Pennsylvania Association of Dairy Cooperatives:

Land O' Lakes, Inc.,

Lanco Dairy Farms Co-op, Inc., and

Maryland & Virginia Milk Producers' Cooperative Association, Inc.

Good day, my name is Brittni Treichler-Harris. My business address is 405 Park Drive, Carlisle, PA 17015. I am the Eastern Region Milk Supply Manager for Land O' Lakes, and I represent Land O' Lakes in the Pennsylvania Association of Dairy Cooperatives (PADC). Other members of PADC include Maryland & Virginia Milk Producers Association Inc., and Lanco Dairy Farms Co-op Inc. I appreciate the opportunity to offer our rebuttal testimony today.

First and foremost, I would like state the PADC does not oppose the continuation of the over-order premium at a minimum of the current level of \$1.00/cwt plus fuel surcharge. The justification for maintaining the over-order premium at \$1.00/cwt plus fuel surcharge is rooted in the same market factors as outlined by Pennsylvania State Grange in the testimony of Mr. Espenshade. However, it is surprising to me that Mr. Espenshade and The Grange are only asking for a continuation of the premium, and not an increase. Their testimony makes clear that milk producers are experiencing a combination of high inflationary costs, higher input costs especially feed, utilities and other farm inputs coupled with downward trending milk prices which are dramatically reducing producers' bottom lines. We are hearing much the same from our own members.

In addition, we should all be aware that the DMC program which Mr. Espenshade so aptly describes as a standard practice for risk management, was in jeopardy of being discontinued had a federal stopgap spending bill not been passed. The mere fact that safety net program that has become a standard practice could be allowed to expire underscores the volatility present in our industry. This should force the Board to pause and reflect if the current over-order premium level is sufficient and reflective of today's market conditions as it was intended to be, or if it is just a placeholder to ensure that the minimum retail price of milk in Pennsylvania just carries some level of over-order premium.

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I would like to reiterate a point that has been previously raised by myself and others who have provided testimony to this Board, which is that we continue to be frustrated with the structure of the over-order premium as it does not equally support Pennsylvania dairy farmers and the time which it is taking to address those concerns is adding to that frustration. PADC continues to advocate for meaningful change to the OOP structure as long as three benchmarks are met:

- 1. Uniform distribution of dollars among PA dairy producers;
- 2. The amount paid by PA consumers should not substantially exceed what is distributed back to PA producers; and
- 3. The system used for collection and distribution must not provide incentives by which payment of the premium to PA dairy farmers can be avoided by purchasing or selling milk across state lines.

Thank you for the consideration of our testimony as you deliberate your decision.

CERTIFICATE OF SERVICE

I, Jason A. Statler, Esquire, certify that on November 21, 2023, I served true and correct copies of the foregoing to the following interested parties, all of whom accept service by email:

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Respectfully submitted,

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