

COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Milk Marketing Board

MINUTES

SUNSHINE MEETING

August 8, 2018
1:00 P.M. – Room 202 – Ag Building
Harrisburg, PA

I. CALL OF MEETING TO ORDER/ROLL CALL:

Chairman Robert Barley called the regular Sunshine Meeting of the Pennsylvania Milk Marketing Board to order at 1:00 P.M. in Room 202 of the Agriculture Building in Harrisburg, PA. The meeting was opened with reciting the Pledge of Allegiance, followed by a moment of silence.

DISCUSSION: Chairman Barley stated to all that the focus for the Board going forward, is to continue to work with all segments to find ways to increase the demand for milk. It affects everyone. Farmers today do not have the opportunity they once had, maybe due to the change of markets, and or too much supply, or changing preferences about fluid milk and so on. The Board is looking to offer a series of workshops with all the separate segments. The first one will likely be in September with more details to come. We as the Pennsylvania Milk Marketing Board, are just looking at ways to help market more milk within the law, and beyond that if there are changes that are recommended, we will look at that with the legislature. Feel free to reach out to the Board members. We believe that we have an opportunity here in PA and we understand we have a system in place that has some good things, maybe we need to simply tell our story. We need to see what the positives are, and we will look at it to see if any changes are needed.

Secretary Tim Moyer called the roll. Those in attendance and constituting a quorum were:

Board Members:

Present: Chairman Robert Barley, Member James Van Blarcom
Consumer Member Carol Hardbarger

Absent: None

Others Present: Doug Eberly, Esq., Andrew Saylor, Esq. Gary Gojsovich (*PMMB*), Earl Fink (*PAMD*), John Howard, Esq. (*PDA*), Marvin Beshore, Esq. (*PADC*), Allen Warshaw, Esq. (*PFMA*), Jay Howes (*PADC*), Kerry Golden (House Ag Committee)

2. ACCEPTANCE OF MINUTES:

A. Acceptance of Minutes of the July 2, 2018 Sunshine Meeting.

PRESENTED by: Chairman Barley

MOTION by: Consumer Member Hardbarger

Moved to accept the minutes as attached of the July 2, 2018 Sunshine Meeting. (*Note:* Minutes were prepared and distributed to the Board members for their review prior to the August 8, 2018 Sunshine Meeting). **Seconded by Member Van Blarcom. Motion carried without dissent.**

Assenting: Chairman Barley, Consumer Member Hardbarger, Member Van Blarcom

Dissenting: None

3. PUBLIC INPUT (PERTAINING TO GENERAL ISSUES):

Attorney Warshaw welcomed aboard the Chairman and Consumer Member.

DISCUSSION: PDA Dep. Secretary Hostetter gave an update on the Department of Agriculture and welcomed all to attend the upcoming Ag Progress Days in State College. There are various items/meetings happening ahead. He stated that he and Jayne Sebright are working on a strategic plan and soon to begin updates on the Dairy study. They will be attending the upcoming Annual Dairy Summit, which will have a focus on policies this year. He is looking forward to much discussion with all present, and very interested in learning the various dairy policies from other states, as well as on the federal level. They are working on Northeast Dairy meeting, and several states are set to join in. Ag is looking at a possible Dairy Innovation Summit, in looking for marketing ideas and or new products, which may be a derivative of milk products, or to simply know what is new on the horizon.

Chairman Barley stated that he is looking forward to hearing more on the Dairy Innovation Summit, as he has had discussion with different folks on those lines. He stated that maybe some of our regulations/ law may limit the marketing of innovative products. He wants to be as helpful as possible to encourage innovation. The Board will be taking a serious look at that to work within the law, but also have discussion with the legislature to possibly make some changes.

Dep. Sec. Hostetter stated that it may fit within the criteria for part of the distribution of the \$5 million awarded to the PDA, and some line items are specifically for dairy and ongoing support.

Attorney Beshore inquired if there was any date set for the Northeast Dairy meeting, and Dep. Sec. Hostetter stated not yet.

4. OLD BUSINESS:

N/A

5. NEW BUSINESS:

1. 2019 Farm Show Contract – Space rental agreement

PRESENTED by: Chairman Barley

MOTION by: Member Van Blarcom

Moved to accept the 2019 Farm Show contract. **Seconded by Consumer Member Hardbarger. Motion carried without dissent.**

Assenting: Chairman Barley, Consumer Member Hardbarger, Member Van Blarcom

Dissenting: None

DISCUSSION: Chairman Barley commented on how instrumental Consumer Member Hardbarger has been in establishing more communications for PMMB and all its constituents.

Consumer Member Hardbarger stated that PMMB is in the process of acquiring approval to have active social media communications and everyone will be invited to participate in that. We are encouraging all the associations, and all the industry groups and their members to be part of that.

PRESENTED by: Attorney Saylor

DISCUSSION: Attorney Saylor presented that Pollak Food Distributors, Inc. has submitted an application for a subdealer license, for 2018-2019. Applicant will purchase packaged milk products from out of state dealers. Applicant will sell packaged milk /cream products to institutions in Areas 5 and 6. No bond is required. Appropriate staff has reviewed the application to ensure that all forms have been received and are in order, and that the applicant has met the requirements of the Milk Marketing Law. With Board approval of this application, a subdealer license will be issued.

MOTION by: Consumer Member Hardbarger

Moved to approve a subdealer license to Pollak Food Distributors, Inc. as presented. **Seconded by Member Van Blarcom. Motion carried without dissent.**

Assenting: Chairman Barley, Consumer Member Hardbarger, Member Van Blarcom

Dissenting: None

3. Supervalu Penn, LLC Subdealer

PRESENTED by: Attorney Saylor

DISCUSSION: Attorney Saylor presented that Supervalu Penn, LLC has submitted an application for a subdealer license, for 2018-2019. Applicant will purchase packaged milk from various in and out of state dealers. Applicant will sell packaged products to stores in Areas 1, 2, 3, and 4. No bond is required at this time. The bond for a new subdealer is based on its estimated purchases of “*controlled products*” – products purchased in a transaction where PMMB prices are applicable. Sometimes a subdealer does not need a bond. For example, if the subdealer is not buying any controlled products in Pennsylvania, they do not need a bond, but they must still be licensed because they are selling in Pennsylvania. Sometimes an accurate estimate of a new subdealer’s future purchases of controlled products is not feasible, for example if they are going to be purchasing from many different dealers. The Milk Marketing Law provides that we can monitor a new subdealer’s actual reported purchases to determine the bond requirement. This subdealer is not required to provide a bond at this time, because an accurate estimate is not feasible, but we will monitor their purchases to see if a bond is needed. Appropriate staff has reviewed the application to ensure that all forms have been received and are in order, and that the applicant has met the requirements of the Milk Marketing Law. With Board approval of this application, a subdealer license will be issued.

MOTION by: Member Van Blarcom

Moved to approve a subdealer license to Supervalu Penn, LLC. as presented. **Seconded by Consumer Member Hardbarger.**

DISCUSSION: Chairman Barley inquired on what is the process for determining if a bond is needed. Attorney Saylor stated that because so much business is done with multiple dealers, it is almost impossible to determine what the controlled product volume will be. This will be determined by what the dealers report monthly. He will be monitoring what the reported sales are in order to determine if a bond is required. He did not notify the dealers involved that there is no bond in place, because of the size of the company. If it were a smaller entity or one with a history of financial difficulty, he would have notified them. This is not something that happens often. Our law mentions that we can monitor at the beginning for determination of a bond.

Attorney Beshore inquired on what triggered this license. Attorney Saylor stated this is a new plant in Harrisburg.

Motion carried without dissent.

Assenting: Chairman Barley, Consumer Member Hardbarger, Member Van Blarcom
Dissenting: None

4. United National Foods, Inc Subdealer

PRESENTED by: Attorney Saylor

DISCUSSION: Attorney Saylor presented that United National Foods, Inc. has submitted an application for a subdealer license, for 2018-2019. Applicant will purchase packaged milk from various in and out of state dealers. Applicant will sell packaged milk /cream products to stores in all six Areas. No bond is required at this time. Sometimes a subdealer does not need a bond. For example, if the subdealer is not buying any controlled products in Pennsylvania, they do not need a bond, but they must still be licensed because they are selling in Pennsylvania. Sometimes an accurate estimate of a new subdealer’s future purchases of controlled products is not feasible, for example if they are going to be purchasing from many different dealers The Milk Marketing Law provides that we can monitor a new subdealer’s actual reported purchases to determine the bond requirement. This subdealer is not required to provide a bond at this time, because an accurate estimate is not feasible, but we will monitor their purchases to see if a bond is needed.

Appropriate staff has reviewed the application to ensure that all forms have been received and are in order, and that the applicant has met the requirements of the Milk Marketing Law. With Board approval of this application, a subdealer license will be issued.

Attorney Saylor further explained that this came to our attention because of a store in Wilkes-Barre who was selling some products below minimum prices, and the label on it was unfamiliar to us. In tracking it down it was discovered it was a Pennsylvania dealer doing business with them and found out they were selling into Pennsylvania.

MOTION by: Consumer Member Hardbarger

Moved to approve a subdealer license to United National Foods, Inc. as presented. **Seconded by Member Van Blarcom. Motion carried without dissent.**

Assenting: Chairman Barley, Consumer Member Hardbarger, Member Van Blarcom
Dissenting: None

9. REMINDERS:

PRESENTED by: Chairman Barley

Hearing (s)	Date	Time	Room
Over-Order Premium	Wed. Sept. 5, 2018	10:00 AM	202 Ag Bldg

Meeting	Date	Time	Room
Regular Sunshine Meeting	Wed. Sept. 5, 2018	1:00 P.M.	202 Ag Bldg

DISCUSSION: Chairman Barley stated that they have begun to put dates together for the Cooperative Cost Hearing, dates will be distributed once finalized. The Board has a Listening Session scheduled for the Northwestern part of the state, for September 26th, at 6:00 in Butler County Community College. There will probably be one scheduled for the Northeast sometime in October.

10. ADJOURNMENT:

Chairman Barley, hearing no further matters to come before the Board, adjourned the meeting at 1:30 P.M.