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June 30, 2021

VIA E-MAIL

Dr. Carol Hardbarger
Secretary, Commonwealth of Pennsylvania Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110
chardbarga@pa.gov

Re: *Cooperative Procurement Cost Update Hearing*

Dear Dr. Hardbarger:

I am writing in response to your letter dated June 21, 2021. Thank you very much for providing more insight into Board Staff's accounting methodology with respect to the ongoing cooperative procurement cost audit. This information was very helpful.

At this time, and after much discussion and consultation, Pennsylvania Association of Dairy Cooperatives ("PADC") intends to request that the Board indefinitely postpone the Cooperative Procurement Cost Update Hearing. PADC members are currently experiencing extreme employee cost pressure in the current marketplace. As you are aware, the employee cost variable is an important component of the Cooperative Procurement Cost formula and a component the documentation for which PADC and Board Staff have not been able to agree upon. Accordingly, until the employee costs component of the marketplace reaches a projectable equilibrium, PADC does not believe it to be prudent or advisable to continue working towards a Cooperative Procurement Cost Update hearing.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

JOHNSON, DUFFIE, STEWART & WEIDNER

A handwritten signature in blue ink, appearing to be 'Marvin Beshore', written over the printed name.

Marvin Beshore
Jason A. Statler

CC: Steven Zalman
Gary Gojsovich
Pennsylvania Association of Dairy Cooperatives

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