COMMONWEALTH OF PENNSYLVANIA
MILK MARKETING BOARD

IN RE:       :

PETITION REQUESTING HEARING :
TO CONSIDER ALTERNATIVES :
TO THE OVER-ORDER PREMIUM :
AS CURRENTLY IMPOSED AND :
ADMINISTERED BY THE BOARD :

PETITION FOR HEARING

The Pennsylvania Department of Agriculture (PDA), through Secretary of Agriculture Russell C. Redding (Secretary), submits this petition for a hearing, or as many hearings as necessary, to consider alternatives to the Over-Order Premium (OOP) as currently imposed and administered by the Pennsylvania Milk Marketing Board (Board) via Official General Order(s) of the Board.

Petitioner requests that any hearings include consideration of the following issues:

A. Whether the OOP system as currently imposed and administered by the Board meets the following criteria:

   1. Premium dollars are uniformly and fairly distributed among all Pennsylvania dairy producers based upon volumes of milk shipped, regardless of where milk is shipped or how milk is utilized.

   2. The amount charged to Pennsylvania consumers is substantially equal to what is distributed back to Pennsylvania dairy farmers.

   3. The distribution system does not provide incentives or means to avoid payment to Pennsylvania dairy farmers by purchasing or selling milk across state lines.

B. Are there alternative methods available to the Board under the authority of the Milk Marketing Law to impose a charge on Pennsylvania dairy products at the
retail level that could be collected and distributed to Pennsylvania dairy farmers?

1. Would these alternatives meet the criteria set forth in (A) above?

2. Would these alternatives “extract” equivalent (or more) dollars from the retail marketplace as the current OOP system?

C. Are there alternatives to the distribution of premium dollars to dairy farmers that would enhance the overall viability of the dairy industry in the Commonwealth?

The Petitioner respectfully requests that the Board address these matters prior to any hearing to consider the level and duration of the present OOP Official General Order which is set to expire on September 30, 2022.