

PA Milk Marketing Board
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How PMMB is Funded

The PA Milk Marketing Board is in the process of seeking approval from the General Assembly for fee increases, the first time since 2004. During the past few months we have been asked many times how we are funded, and most people are surprised that the Board does not receive any tax dollars to pay its operational costs. All our revenue comes from license and a few other fees that we collect throughout the year.

The Board licenses milk dealers, subdealers, haulers, testers, and weigher-samplers and sets the Commonwealth's producer, wholesale, and retail milk prices. The Milk Marketing Fee Act, 31 P.S. § 700k-I, allows the Board to charge and collect license fees. Sections 700k-3(c) (milk dealers and subdealers), 700k-6 (milk haulers), 700k-7 (milk testers), and 700k-8 (milk weighers and samplers) states that the Board can set the fees by regulation. All funds collected by the Board are paid into the State Treasury and put in the Milk Marketing Fund (Section 1101) (Fund). This Fund pays the Board's expenses (Section 1102), which include all personnel and other operational costs. The Board has not received any general fund appropriations since the 1996-1997 fiscal year.

Fortunately, the Board has been able to fulfill its responsibilities without a general fund appropriation for 20 years and without a fee increase for 15 years. Now a fee increase has become necessary for the continued operation of the Agency since we have a much more comprehensive milk regulation program than most other states. Only two other states (Maine and North Dakota which produce much less milk) regulate producer (farmer), wholesale, and retail prices.

We license

- 42 milk testers,
- 1,388 milk weigher-samplers,
- 184 milk haulers,
- 163 milk subdealers and
- 180 milk dealers.

A great deal of care went into the research and calculations to establish new fees and we worked hard to reduce operational costs where possible without sacrificing the service we provide. Our licensed testers and weigher-samplers are individuals, while a large majority, but not all, of the licensees are small businesses. We value them and will never place any unnecessary burden on them to fund our office and field operations.

PMMB is always available to address your questions and concerns. I can be reached at 717-210-8244 and by email at chardbarga@pa.gov.