**Progressive Agriculture Organization (Like us on FACEBOOK!)**

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Mr. Chairman and members of the Board:

I would like to address the petition of DFA/DMS asking for the Pennsylvania Milk Marketing Board to allow the co-ops to reduce the price they pay independent dairy farmers for their milk.

In essence, the amount of the reduction is supposed to equal their cost of marketing the independent dairy farmers’ milk. We have some concerns as to whether the independent dairy farmers are receiving the same premiums that the co-op members are. Mr. Chairman, we had sincere concerns when we first learned of DFA/DMS’ petition to the Federal Administrator of Federal Milk Marketing Order #1, which asked the Administrator to allow DFA/DMS to Depool nearly 900 independent dairy farmers under certain provisions contained in Federal Milk Marketing Order #1. If this petition had been allowed the majority of these 900 dairy farmers in our opinion would not have known where their milk would be marketed, nor would these producers have any idea regarding the level of marketing cost that might be charged to these dairy farmers and more importantly these producers were not sure if they would have a market for their milk. After studying the ramifications that these 900 dairy farmers could very well experience, we in Pro-Ag felt we had a moral obligation to our fellow dairy farmers to come up with a plan that would allow these dairy farmers not to be depooled. Therefore we urge the Market Administrator to allow DFA/DMS to deduct monies from the independent producers that would be equal to the amount of marketing deductions that their co-op members were being charged. Certainly, Pro-Ag’s position has always been that all dairy farmers should be receiving a higher price for their milk, not a lower price. However we felt this temporary proposal would be more reasonable to these 900 dairy farmers versus the possible substantial loss these dairy farmers could or would experience by being depooled under DFA/DMS’ petition.

However the Market Administrator ruled that our proposal could not be granted without a hearing (a hearing would have been beneficial to everyone). Consequently DFA/DMS rescinded their request to allow them to depool these producers under certain provisions under Federal Order #1. However, it appears to us that DFA/DMS could Depool these producers at any time under the regular provisions under Federal Order #1. It is also possible that DFA/DMS could give any or all 900 dairy farmers a 28-30 day termination notice that they would no longer market the dairy farmers’ milk. Now it appears that DFA/DMS is asking the Pennsylvania Milk Marketing Board to allow deductions to be made from nearly 300 dairy farmers in Pennsylvania that the co-ops market their milk. Even though Pro-Ag made these strong suggestions to the Market Administrator of Federal Order #1; our suggestion was made in lieu of Depooling the dairy farmers. Therefore we urge the Pennsylvania Milk Marketing Board to deny the co-ops request.

It appears to us that it is questionable that the Board had the authority to cause any dairy farmer under the Board’s jurisdiction to receive any price less than the established minimum state price the Board establishes. Mr. Chairman, there is no question in my mind that there is much disarray in the milk industry in the Northeast. Some of this disarray has been caused by consolidation within the industry along with the closing of milk plants, and some of the disarray has been caused by some political people (mainly in New York State) urging dairy farmers for the last few years to produce more milk. All of the above is coming home to haunt many of our dairy farmers. Again, we request the Board not to allow any independent dairy farmer to receive any price that is lower than the state minimum price.

Arden Tewksbury, on behalf of Pro-Ag