

PMMB Postpones Premium Reduction 90 Days

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Lancaster Farming Staff
HARRISBURG (Dauphin Co.) — The Pennsylvania Milk Marketing Board (PMMB) has recently approved a 90-day delay in reducing its mandatory over-order Class I premium by 10 cents.

The PMMB is the state's dairy industry regulatory agency and is charged primarily with an accounting mission to ensure that dairymen are being fairly compensated for milk delivered to processors, that consumers are not being cheated, and that commercial, non-farm retailers do not undersell dairy products to entice other business.

The over-order premium on Class I milk (fluid milk for drinking, etc.) was instituted in 1988 as a means of directly helping Pennsylvania milk producers realize a better income, in light of localized natural disaster.

Droughts were the initial reason the premium was instituted. Other economic factors have also played a role in maintaining the over-order premium or increasing it.

Earlier this year, upon petition

by milk processors and dairy cooperatives to reduce the premium, the PMMB held hearings on the matter and decided on a gradual reduction of premium.

The reason given for the desire to reduce the premium was that it forced processors to pay more for Pennsylvania-produced Class I milk than for drinking milk purchased from producers in surrounding states.

This difference in price reportedly encouraged volume milk buyers to purchase out-of-state milk for drinking and to sell instate milk for Class II uses and at those lower prices. Class II use carries no over-order premium.

This buyer/processor switch from using locally produced milk for fluid products has driven the call to reduce the premium to the point where it would be more advantageous for processors to purchase locally produced milk for Class I uses, instead of paying to have it hauled into the state.

Also, for members of cooperatives with territory crossing state lines, it created a situation whereby it could possibly cause internal

conflicts.

Some disagreed with the move, but the majority of argument supported reducing the premium.

Effective August 1, the premium was reduced from 80 cents per hundred pounds (cwt.) of milk to 70 cents. On Sept. 1 it was further reduced by a dime to 60 cents per cwt.

A third 10-cent reduction had been scheduled to take effect Oct. 1, but as a result of a late September meeting, following closely after a hearing, the PMMB

approved a 90-day delay in the last 10-cent reduction.

According to estimates, it could mean \$437,000 extra statewide in dairy producer income.

Because of this year's drought and its effects, particularly in thin and northern soils with low water-retention qualities, dairymen have suffered from increased costs of production, and reductions in production per cow. This means less cash available to buy and bring more supplemental feed to the

farm.

A representative from Pennsylvania Farm Bureau — which had opposed any premium reduction, because that would hurt its in-state dairy producer members, unlike a multi-state cooperative — testified recently that production costs were increasing.

Also, testimony on behalf of the Pennsylvania State Grange also indicated, a desire to postpone the premium reduction until the end of December, and then review the situation.

Emu Incubating, Hatching Seminar Set

MILLVILLE (Columbia Co.)—The Pennsylvania Emu Farmers' Association (PEFA) will be hosting an Incubating and Hatching Seminar on Saturday, Nov. 4 at the Centre County Vo-Tech School in Pleasant Gap, from 1 p.m. to 6 p.m.

Guest speaker will be Ardell Nelson, owner and CEO of Canyon Global Corp.

Nelson brings with him 12 years of expertise in the emu industry. He has hatched thou-

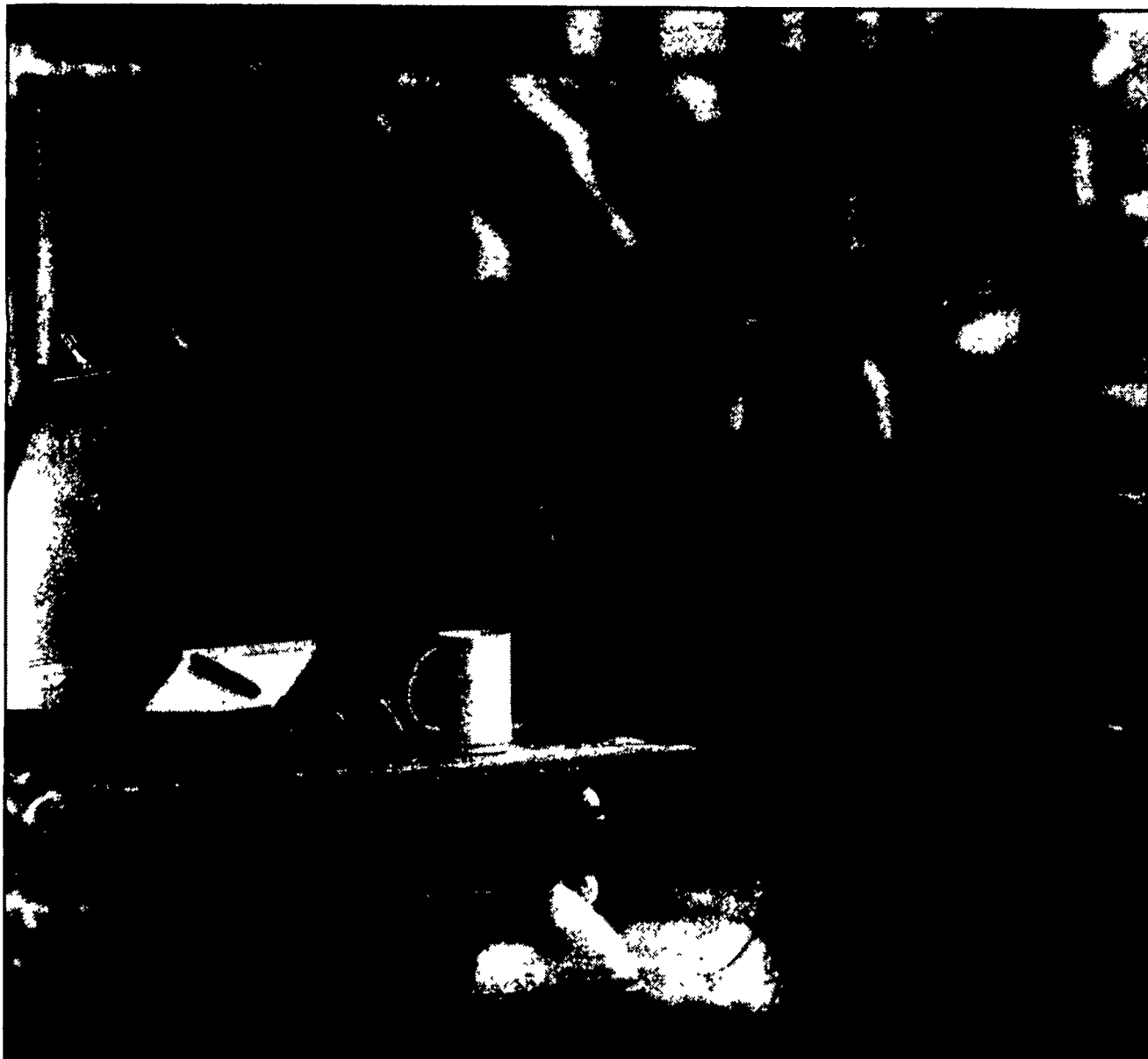
sands of chicks over the years and will be sharing many new and exciting industry developments on the horizon, which will be heard for the first time at this important seminar.

A native of Pennsylvania and a graduate of Penn State, Ardell has one of the largest emu breeding operations in the U.S. His corporation is a completely integrated entity involved with emu ranching, rendering and processing of emu oil, tanning emu hides, emu

oil based skin care and pharmaceutical development, manufacture of emu oil products, continuous research of the emu and its many products, and marketing of the products of the emu.

Nelson started raising and studying exotic hoofed animals in 1973. He has been recognized for doing integrated emu research and raising outstanding emus since the early 1980s. He has one of the largest and most productive emu ranching operations in the United States.

For more information and to register, call (215) 234-8174 or (215) 234-0473.



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