Lancaster Farming, Saturday, October 5, 1996-A11



Editor.

I have seen very little in the Farm Press concerning a very serious threat to the stability of the milk marketing system in Pennsylvania by limiting the pricing authority of the Pennsylvania Milk Marketing Board (PMMB).

House Bill 2686 sponsored by Representative Colleen Sheehan from the Philadelphia area, would effectively eliminate minimum retail milk prices. This means no control on out of store milk prices.

At first thought, this seems relatively harmless, after all the consumer buying milk at the store is a long way from the farm. Besides, I am told lower prices mean more milk sold at the higher class one rate, so what's the problem?

The problem is no prices stay confined to one part of the marketing system. If the milk price increases, eventually the consumer will pay, just as when the price goes down this decrease will end up down on the farm.

In our present system under the Pennsylvania Milk Marketing

Board all increases and decreases are passed through the system from farm to consumer, with margins for processors and retailers being maintained. That is why it works so well, all milk price changes are immediately reflected in out of store prices.

Under a system that does not regulate the price out of store, prices will fluctuate, but competition will eventually send all price decreases back through the system to the point of origin (the farm). Without the Pennsylvania Milk Marketing Board regulating retail prices there will be no over order premiums, as there will be no system to pass the increases to the consumer. The result will be no premiums paid to the farmers because the consumer will not pay and the retailers and processors will not pay from their margins.

I have heard the argument that more milk will be sold at lower prices. I have seen no numbers that would indicate more sales at a higher blend price will cover what the farmer loses in premiums.

I also find it very ironic that the Pennsylvania Farm Bureau has a policy in force now that supports the elimination of retail milk prices, and at the same time it is preparing testimony to be presented to the PMMB, to support an increase in the over order premium because of increased feed prices. The ability to petition the PMMB for a premium increase will be severely limited if store prices become non-controlled.

Either this policy needs changed to support the Pennsylvania Milk Marketing Board and maintain the control on retail prices, or we need to get used to no premiums, price wars and more cheap milk. Economics says we can't have both.

All farm bureau members need to understand what this policy means and make an effort to change it, if you don't agree with it. If we don't get involved, the vocal minority will once again set the rules we have to live by.

William C. Itle Loretto



(Continued from Page A10) ture and Awards Banquet, Venice Inn. Hagerstown, 7 p.m. Saturday, October 19 Lebanon County Forest Stewardship Organizational Meeting and Field Trip, Lebanon Ag Center, 12:30 p.m.-5 p.m. Fall Harvest and Sawmill Show, Jacktown Community Center, 7 p.m. thry Oct. 20. Sunday, October 20 Show Series, Equestrian Center,

Cochranville, 7:30 a.m.

Monday, October 21 1996 National Poultry Waste Management Symposium, Marriott-Harrisburg Hotel, Harrisburg, thru Oct. 23.

- ADADC District 9 meeting, Tally Ho Restaurant, Richfield Springs, NY.
- ADADC District 14 meeting, Tally Ho Restaurant, Kanona, NY, 7:30 p.m.

Tuesday, October 22

Solanco Young Farmers Silage Corn Management.

ing, Eldred Twp. Fire Hall, Warrensville, 6:30 p.m. Ephrata Area Young Farmers

Mentoring program continuation, Ephrata Senior High School cafeteria, 7-9 p.m. Wednesday, October 23

- National meeting on Poultry Health and Processing, Sheraton Ocean City, Maryland, thru Oct. 25.
- DEP Ag Advisory Board meeting, Rachel Carson State Office Building, Harrisburg, 10 a.m. ADADC District 8 meeting, Hid-
- den Inn South, Kortright, N.Y., 7:30 d.m

Thursday, October 24

- ADADC District 11 meeting, Owego Treadway Inn, Owego, N.Y., 7:30 p.m.
- Chester County Beef Quality Assurance meeting, Chester County Cooperative Extension, 7 p.m.

Friday, October 25

Wyoming County Sheep and Wool Producers' Association annual meeting, United Methodist Church, Centermoreland.

