

## PMMB Sets Emergency Hearing

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On Wednesday at the Pennsylvania Department of Agriculture Building in Harrisburg, during its regular monthly meeting, the Pennsylvania Milk Marketing Board (PMMB) agreed to hold an emergency hearing regarding its over-order premium and a possible increase.

The hearing has been set for 9 a.m., Oct. 10, in Room B of the Farm Show Complex in Harrisburg.

The call for an emergency meeting of the over-order premium was made in response to petitions from state Secretary of Agriculture Samuel Hayes Jr., the Pennsylvania Farm Bureau and the Pennsylvania State Grange, according to Tracy Jackson, spokesperson for the PMMB.

The PMMB is authorized to institute minimum retail and wholesale prices on milk produced, processed and sold in Pennsylvania and for years has maintained a minimum and an over-order premium that is to be paid to producers.

Secretary Hayes led the call for the emergency hearing, providing a cue for the other groups to add their support.

In a letter to Frank DeGarcia of the Pennsylvania Milk Marketing Board, Grange Legislative Director Brenda Shambaugh stated, "The Grange believes a hearing is necessary due to the severe weather conditions in Pennsylvania throughout this growing season.

"The drought has significantly hindered the crop harvest, consequently increasing costs and driving down profits for dairy producers. We are also anticipating a sharp increase in feed costs because of the drought.

"Coupling these facts with the decline in milk prices over the past 12 months, we foresee a significant financial hardship for dairy producers," she stated.

In her letter, Shambaugh stated that the Grange was seeking an increase in the over-order premium. A letter from state Agriculture Secretary Samuel Hayes Jr. requested the emergency

hearing to consider whether the over-order premium should be "modified," rather than specifically seeking an increase, though an increase can be inferred.

A specific amount of increase in the premium has not been mentioned.

The PFB letter was essentially a statement that it wish to be considered as joining Secretary Hayes in calling for the emergency hearing.

In a news release made at the beginning of the week, state Secretary Hayes stated, "Pennsylvania's dairy farmers are facing severe economic distress due to declining milk prices and increasing production costs," Hayes said. "This summer's drought has further exacerbated the situation."

According to PDA, milk prices for dairy farmers have decreased by about 30 percent in less than a year.

"We must do what we can to balance the needs of our dairy farmers with those of consumers. I do not want Pennsylvania's dairy industry to become an off-shore enterprise."

According to the news release, "Hayes asked the PMMB to consider a price that will help alleviate economic problems in the farm community while not causing a need to increase consumer prices or threatening the marketing of Pennsylvania milk."

### The PMMB

The PMMB serves the dairy industry as a protectionist agency by ensuring that there is enough locally produced and processed, fresh, affordable drinking milk available to all residents, not just for those in high competition markets.

The PMMB also protects farmers by auditing processing plants and ensuring that farmers get paid properly, fairly, and that the processors are adequately financed to pay for the milk delivered to them.

While milk promotional efforts treat milk as a generic commodity, it is a perishable, variable-quality commodity, and the loss of the dairy industry to rural Pennsylvania (the state with the largest rural population in the United States) would put consumers, especially rural consumers, at the mercy and uncertainty of imported products.

Earlier this year, as a result of overwhelming support and at the request of the state's mainstream agricultural organizations, the PMMB maintained for a year a 30-cent premium to help dairy farmers who experienced a several dollar drop per hundredweight of milk in pay because of an unexpected drop in the price of cheese at the now defunct Green Bay Cheese Exchange.

That cheese price decline and the subsequent decline in the price of milk continued through spring, and has not recovered well. Projections are that it can be expected to recover somewhat this fall, though it is expected to decrease again in later winter.

Because the cheese exchange only dealt with the trading of a

minor percentage of the nation's cheese, and that price was used as a major component in the formula the USDA uses to calculate the price of milk farmers receive, the cheese price is now calculated by surveying other and more representative markets.

That 30-cent premium that was to end May 30, was on top of an existing 50-cent premium, that has been steady for years.

Any additional over-order premium that the PMMB may consider during the Oct. 10 hearing would be on top of the existing premiums.

### Arena Of Change

But the dairy industry is challenged with more to adjust to than bad weather and low milk prices received at the farm.

Much discussion about federal, state and local policies has been occurring in the wake of the fall of the former Soviet Union, the "Republican takeover" in Washington and Pennsylvania.

In fact, there was failed effort by

at least one state politician last year to build support for eliminating some authority of the PMMB. There have been some fringe long-time opponents to the PMMB, but under the current political attitude, all aspects of government are being reviewed and questioned.

It seems as though all aspects of the dairy industry and farming in general have changed tremendously. It also appears as though, in an attempt to adjust and jockey for profitable and manageable positions, change continues on most fronts and can be expected to continue for some time.

Meanwhile, Pennsylvania's U.S. Sen. Arlen Specter, currently seeking re-election, this week continued to publicize his request of U.S. Agriculture Secretary Dan Glickman to set new dairy policy.

He is now calling for a national floor price (minimum price) paid to farmers of \$14.50 per hundredweight of milk, to cover their cost of production.

Specter's call for the floor price echoes that of the National Far-

mers Union, which happened to be in Washington DC Sept. 6-10 to promote its calling for a floor price, as well as a basic formula price based on production costs, wholesale cheese prices and retail milk prices.

"When the National Cheese Exchange closed, USDA agreed to base the price on wholesale cheese prices. Their responsiveness is very encouraging, but we need a price that will take into account producers' costs and retail prices," said Robert Junk president of the Pennsylvania Farmers Union, who was in Washington the whole week.

While the PFU and the NFU are seeking a temporary floor price to prevent even more farmers from going out of business, others have their own agenda.

Some of the differing agendas have been coming from self-described "family farmer" organizations that formed in recent years and gained some momentum and

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# September 22 - 25

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  - **Jr. Dairy Management Contest - \$1000 Scholarship**
  - **PA 4-H & FFA Dairy Judging Contest**
  - **Careers & Opportunities Night - Sunday**
  - **Pennsylvania Junior Dairy Show**
  - **Youth Showmanship Contest - Sunday**

## SCHEDULE OF EVENTS

### Saturday, Sept. 20th

6 30 p m - Pennsylvania Dairy Princess Pageant, Sheraton Harrisburg East

### Sunday through Thursday - September 21 thru 25

12 00 Noon - 8 00 p m - Country Craft Market, DAC

### Sunday, Sept. 21st - Youth Programs

1 00 p m - Youth Showmanship Contest, Small Arena

5 30 p m - "A Brown Swiss Youth Happening", Dairy Activity Center

6 30 p m - Pennsylvania Junior Guernsey Breeders Meeting & Social, Room D  
- Pennsylvania Ayrshire Youth Meeting & Social, Room E

7 00 p m - Pennsylvania Junior Jersey Meeting Room C

7 00 p m - Careers and Opportunities Night, Dairy Activity Center

8 00 p m - Junior Dairy Show Olympics, SA

### Monday, Sept. 22

8 00 a m - Invitational Youth Dairy Cattle Judging Contest (4-H, FFA, and Collegiate) - SA

8 00 a m - Pennsylvania Junior Dairy Show Judging Contest Awards Banquet, Sheraton Harrisburg East

7 30 p m - Ayrshire Sale, SA

### Tuesday, Sept. 23

9 00 a m - All-American Ayrshire Show  
9 00 a m - Pennsylvania Fall Championship Holstein Show

10 00 a m - Junior Dairy Management Contest, 2nd Floor, Main Building

10 00 a m - Pennsylvania 4-H and FFA Dairy Judging Forum - SA

3 00 p m - Eastern National Milking Shorthorn Show - LA

### Wednesday, Sept. 24

9 00 a m - National Guernsey Show - LA

9 00 a m - Eastern National Brown Swiss Show

5 00 p m - All American Buffet - DAC

7 00 p m - Eastern National Holstein Sale, Small Arena

### Thursday, Sept. 25

8 00 a m - Eastern National Holstein Show

8 00 a m - Mid-Atlantic Regional Jersey Show

\*\*\*\* - Supreme Champion (selection immediately following the Holstein and Jersey shows)

LA = Large Arena, SA=Small Arena, DAC=Dairy Activities Center

## PLAN TO ATTEND!