



Commonwealth of Pennsylvania

Milk Marketing Board
2301 North Cameron Street
Harrisburg, PA 17110-9408

717/787-4194
FAX: 717/783-6492

WEB SITE: <http://www.mmb.state.pa.us>

E-mail: RA-PMMB@state.pa.us

BULLETIN

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CALCULATION OF MINIMUM PRICES TO PRODUCERS

The Pennsylvania Milk Marketing Board will continue to calculate minimum prices to producers under the terms of Official General Order A-903 Amended. If a dealer has a line item on the check or remittance advice that indicates a quality premium or other premium that is represented to the producer to be over and above the minimum price enforced by the Milk Marketing Board, Board Auditors will not consider that amount when evaluating whether the purchasing milk dealer has met their minimum producer obligation. The Board will however, continue to use these premiums when calculating Over-Price Premiums.

EXAMPLE:

Payment for milk:	\$4,900.00	
Quality premium:	<u>\$ 500.00</u>	
Total Check		\$5,400.00
Minimum Producer Obligation as calculated by Board (Includes Over-Order Premium):		\$5,300.00
Minimum Producer Obligation:	\$5,300.00	
Less Payment for Milk:	- <u>\$4,900.00</u> (Quality prem. not included)	
Underpayment		\$ 400.00

Board Auditors will actively enforce this interpretation beginning with payment for milk purchased in June 2005. If you have any questions regarding calculation of minimum prices to producers, please contact this office.

This Bulletin supersedes Bulletin No. 1375, dated February 2, 2005.

PENNSYLVANIA MILK MARKETING BOARD

Keith Bierly, Secretary

IF YOU REQUIRE THIS INFORMATION IN AN ALTERNATE FORMAT, CALL (717) 787-4194 OR 800-654-5984 (PA RELAY SERVICE FOR TDD USERS).