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June 17, 2026

Robert N. Barley, Chairman
c/o Douglas L. Eberly, Esq.
PA Milk Marketing Board
Room 110, Agriculture Bldg.
2301 North Cameron Street
Harrisburg, PA 17110

RE: Over-Order Premium Hearing June 3, 2026

Dear Chairman Barley and Members of the Board:

As interested parties in the current Over Order Premium Hearing proceeding, the Pennsylvania Association of Milk Dealers, the Pennsylvania State Grange, and the Pennsylvania Food Merchants Association by and through the undersigned wanted to collectively thank the Board for taking the issue seriously and continuing your deliberations because the undersigned parties strongly support the continuation of the Over Order Premium at \$1.00 and the Fuel Adjuster. We wanted to urge the Board, if it is at all possible, to try to come to a decision in time for the price announcement this month.

The Pennsylvania Food Merchants and the Pennsylvania Association of Milk Dealers also wish to convey to the Board the importance of having certainty in pricing for the month of July. If a decision to implement an Over Order Premium is made after the price announcement date, this can create chaos for customer relations and for stores attempting to implement changes. It is more problematic with the upcoming July 4 holiday. Therefore, though our members strongly urge the continuation of the Over Order Premium for July through December, we caution that a decision to implement an Over Order Premium after the price announcement date should not create disruptions and instead plan for an August implementation. We are very sorry to suggest this as it means a significant reduction in dairy farm income in the absence of the Over Order Premium in July and we hope the Board can avoid such an adverse impact and find its way to a decision to adopt a \$1.00 Over Order Premium in a timely manner so that there is still a chance to have the premium in July.

The undersigned acknowledge that there is pressure to pass legislation that would implement a Board Established Premium that may be collected differently and is intended to be distributed to all Pennsylvania farmers, but we wish to remind the Board that it still has an

obligation under Section 801 of the Milk Marketing Law to maintain prices that will maintain an adequate supply of fluid milk and an appropriate reserve supply. Since there is no other Pennsylvania specific revenue source in place for Pennsylvania farmers serving the Class I market, the evidence before the Board arising out of the June 3 hearing establishes a need for the continuation of the Over Order Premium.

The Pennsylvania Grange testified to rising input costs, Marburger producer and Nutrien Ag crop consultant testified to the need for the Over Order Premium and discussed rising input costs, Dairy Farmers of America acknowledged the value of the premium in the face of rising costs, and so did the Pennsylvania Farm Bureau. There was only one producer representative that opposed any Over Order Premium and it was for reasons not having to do with the criteria set forth in Section 801. We trust that if the Board diligently focuses on the evidence presented at the hearing and not outside forces, you can and will be able to come to agreement to continue the Over Order Premium and the Fuel Adjuster. We urge the Board to do so in time for a July implementation.

There is activity related to Senate Bill 689. In some cases, supporters of the legislation have engaged with current opponents to identify common ground and potential amendments, but no matter how soon that legislation is passed, we wish to remind the Board that the legislation will require hearings and a fair bit of time to put something in place. In addition, there is some risk that litigation over whatever reforms are adopted could create further delays. At a minimum, the Over Order Premium and Fuel Adjuster should be continued in the absence of some other Pennsylvania specific revenue source. This is especially true in light of the testimony of expert witness Sara Dorland who reported that recent Federal Order changes have made producers serving the Class I market in Pennsylvania worse off and unable to fully recoup the cost of serving the Class I market.

For that reason, we request that the Board continue the Over Order Premium at \$1.00 in the face of rising input costs and testimony that \$1.00 would not create competitive issues for Pennsylvania milk. The Pennsylvania Milk Board's system of milk pricing has always worked and has held up against federal court scrutiny because it has been based on the facts presented at the hearing and not outside forces. The facts presented at the hearing support the need for the Over Order Premium to be set at \$1.00, especially in the absence of a source of revenue that will support Pennsylvania's Class I infrastructure in the face of adversity from input costs and FMMO changes.

Respectfully submitted,

By: /s/ Wendy M Yoviene
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By: /s/ Matt Espenshade
Master
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By: /s/ Allen Warshaw
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cc: Interested Parties

CERTIFICATE OF SERVICE

On this 17th day of June, 2026, I, Samira Fredericks, a secretary in the law office of Baker, Donelson, Bearman, Caldwell & Berkowitz, hereby certify that I have served on this day true and correct copies of the foregoing on behalf of the Pennsylvania Association of Milk Dealers, the Pennsylvania State Grange and the Pennsylvania Food Merchants Association by E-mail to the following persons:

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