

**Testimony Offered for
Pennsylvania Farm Bureau
Before the Pennsylvania Milk Board
Regarding the Level and Duration of the Over-Order Premium**

June 3, 2026

**Presented by Paul Hartman
Dairy Farmer, Scattered Acres, Inc.**

Introduction

Chairman Barley and members of the Board:

Good afternoon, my name is Paul Hartman, and I offer this testimony on behalf of Pennsylvania Farm Bureau (PFB)—the largest general farm organization in Pennsylvania. Farm Bureau thanks the Board for providing the opportunity to offer testimony regarding the level and duration of the Class I over-order premium. We agree with Petitioner’s recommendation that the Board maintain the over-order premium at \$1.00 per hundredweight for the next six months, along with the fuel-adjuster premium.

I chair PFB’s Dairy and Farm Policy Committee. I’m an eighth-generation dairy farmer from Berks County. My family farm, Scattered Acres, Inc., is a ninth-generation farm in Berks County with around 2,000 holsteins. Our farm also grows forages and grain on approximately 1,200 acres. Our farm ships milk to Clover Farms Dairy in Reading where we receive over-order premium. In my daily duties, I’m employed as a herdsman where I help manage our milking facility in Reinholds, where we milk around 1100 cows three times per day.

Before delving into the reasoning for our recommendation for this hearing, we thank the Board for their efforts regarding over-order premium reform. We also thank Senators Vogel and Schwank for their leadership and support of OOP reform.

Last year I testified before this Board and asked for over-order premium reform. However, we cannot help but note that it has now been over four years since PFB and other stakeholders first called for meaningful over-order premium reform. Unfortunately, each passing over-order premium hearing thus signifies a six-month benchmark of sorts where many Pennsylvania dairy farmers continue to question whether premium reform will materialize. So, while adoption of Petitioner’s recommendation will benefit a class of dairy farmers in the State, for others, today’s hearing will simply be another reminder of the fact that they receive little or no part of a premium that was intended to benefit them.

And to that end, in the absence of premium reform that meets the three elements often outlined by the Pennsylvania Department of Agriculture, we must note PFB’s support of the over-order premium is not everlasting. Therefore, while we continue to press for premium reform, and reiterate our willingness to work with all stakeholders on a solution, we feel compelled to stress the urgency of the situation at hand for the benefit of all Pennsylvania dairy farmers.

As to today’s hearing, we agree with many of the points made by Petitioner to support continuation of the premium level and duration. In Berks County, we’re categorized as being under “severe drought” as well as “moderate drought” conditions¹ and are expecting lower yields from forage crops planted at our farm

¹ [Pennsylvania | Drought.gov](https://www.pennsylvania.gov/drought)

last fall. Further, the drought conditions for South-Central Pennsylvania are particularly notable given that the region represents a substantial portion of the total number of dairy farms in Pennsylvania.²

In terms of broad overall trends for our farm operation, milk income is at a net mailbox price of \$18.20/cwt in January 2026 and \$19.20/cwt in February 2026. Each of these prices includes an over-order premium of approximately \$0.19/cwt, which has been consistent for the past several months.

Regarding expenses, I think it is important to highlight a few specific expenses that have trended higher currently. As many farmers know, especially dairy farms which cannot utilize the H-2A foreign labor system, labor continues to be an increasingly high expense. Our farm employs around 30 employees, with labor costs again up from last year. As noted in previous testimony, our farm chooses to prioritize retaining our current workforce through regular pay increases, and while fortunate to be able to shoulder such costs, it does carry an increased expense.

Other expenses that I think worth highlighting are those which farms have little control in managing such as animal care and fertilizer expenses. With respect

² See [What Dairy Brings to Your Community | Center for Dairy Excellence](#). Of note, Berks, Lancaster, and Lebanon Counties by themselves represent over 1,200 of the estimated 4,027 dairy farms in Pennsylvania.

to animal care, copper sulfate has gone up from \$88 a bag last year to \$110.50 in 2026.

Relatedly, fertilizer prices have also risen and are expected to continue that trend. Nitrogen fertilizer has risen from \$350 to \$450 a ton. Actual and projected increased expenses are impacting our bottom line. When the Iran war started, our bedding supplier immediately added a fuel surcharge due to the spiking diesel fuel cost. On our farm the diesel fuel cost has risen 61% since the end of January. Further, the cost of fuel for our tractors increased from \$2.73/gal on January 28 to \$4.84/gal April 4th.

Conclusion

Pennsylvania Farm Bureau supports Petitioner's recommendation to maintain the existing over-order premium of \$1.00 for the next six months, along with the fuel adjuster. Overall, milk income metrics are trending downward and many non-feed expenses continue to rise. We thank the Board for providing the opportunity to testify on these issues, and I'm happy to answer any questions you may have.