

COMMONWEALTH OF PENNSYLVANIA
MILK BOARD

COMMONWEALTH OF PENNSYLVANIA,	:	
MILK BOARD	:	
	:	
v.	:	LEGAL DOCKET NO CE-25-004
	:	
HARRISBURG DAIRIES, INC.	:	
LICENSE NO. 1057300,	:	
Defendant	:	

ORDER

I. FINDINGS OF FACT

1. On March 12, 2025, the Pennsylvania Milk Board (Board) held a hearing to consider evidence and testimony to determine whether cause existed to suspend or revoke Defendant’s milk hauler's license.
2. On February 27, 2025, Board Staff issued citation CE-25-004 to Defendant, alleging that Defendant failed to comply with the terms of the stipulation agreement (“stipulation”) which formed the basis for the approval of Defendant’s 2024-2025 milk dealer license. Staff alleged that Defendant violated the stipulation by failing to make required payments to producers each Tuesday for milk received by Defendant the previous Sunday through Saturday.
3. The citation also alleged that Defendant violated section 310 of the Milk Marketing Law (“Law”) by failing to provide information requested by Staff detailing when producer payments were actually made.
4. The hearing was held *in camera* due to the confidential nature of the financial and other information discussed. The record is under seal.
5. Steven Zalman, the Board’s Director of Enforcement and Accounting, testified. AJ Dewey, Defendant’s President, testified.
6. Based on the hearing record and proposed terms agreed to by Staff and Defendant, the Board makes the following findings:
 - a. Defendant has paid producers late per the terms of the stipulation since at least December 3, 2024.

b. As of the hearing date, Defendant continued to pay producers late per the terms of the stipulation and was not currently paying for the immediately preceding Sunday through Saturday receipts. Defendant was paying for periods prior to the immediately preceding Sunday through Saturday receipts.

c. Defendant did not provide Staff with requested proof of payment in a timely manner.

7. The Board finds that sufficient credible evidence was provided to allow the Board to conclude that Defendant's milk dealer license should be revoked for failing to timely make producer payments.
8. The Board finds that sufficient credible evidence was provided to allow the Board to conclude that Defendant's milk dealer license should be revoked for refusing to provide information to Staff in a timely manner.

II. CONCLUSIONS OF LAW

1. Defendant received at least five days' notice of the hearing held on March 12, 2025.
2. The evidence presented to the Board was sufficient to conclude that Defendant's milk dealer license should be revoked. However, the Board concludes that it is not in the best interests of the Pennsylvania dairy industry to revoke Defendant's milk dealer license.

III. ORDER

AND NOW, to wit, this 7th day of May 2025, it is hereby ORDERED, ADJUDGED, AND DECREED, as follows:

On or before May 11, 2025, Defendant shall increase the security posted on account of its producers by [REDACTED], such that the total security posted on account of its producers shall be [REDACTED].

Defendant shall make producer payments, meaning the money is released from Defendant's bank to producers, each Wednesday. The weekly Wednesday payments shall be at a rate at least equal to the prior month's lowest class price for milk received or made available to Defendant during the preceding Sunday through Saturday. Defendant shall provide an unsworn statement to the Board each Thursday that the weekly payment has been made accompanied by proof that the payments have been released from Defendant's bank to producers.

Effective May 7, 2025, the weekly Wednesday producer payments shall exceed the amounts due as described above by at least 10% until the weekly Wednesday producer payments are current and paying producers for the immediately preceding Sunday through Saturday receipts.

When a final payment is due pursuant to federal or state regulations, Defendant shall make payment on that date. Defendant shall provide an unsworn statement to the Board the day following payment accompanied by proof that the payment was made.

In November 2025 the Board will determine whether Defendant may pay producers according to the terms of 7 Pa. Code sec. 143.12. The Board will thereafter review annually at each license renewal whether Defendant may pay producers according to the terms of 7 Pa. Code sec. 143.12.

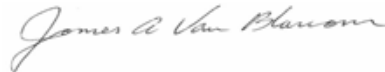
Defendant shall inform the Board by e-mail no later than two business days from learning of any possible material adverse change in its business or of its inability to timely pay producers or of its inability to comply or remain in compliance with this order.

A certified copy of this Order shall be served upon Defendant, according to Law, and the original Order shall be filed in the office of the Pennsylvania Milk Marketing Board, 2301 North Cameron Street, Harrisburg, Pennsylvania 17110.

PENNSYLVANIA MILK BOARD



Robert N. Barley, Chairman



James A. Van Blarcom, Member



Kristi Kassimer Harper, Consumer Member

Date: May 7, 2025