



Commonwealth of Pennsylvania
Milk Marketing Board

SECRETARY

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DATE: March 24, 2022

TO: General Manager
Add company field here

FROM: Dr. Carol A. Hardbarger, Secretary *Carol A. Hardbarger*

RE: Follow-up to Feb. 16 letter on bidding on Federal contracts for Pennsylvania deliveries

The Pennsylvania Milk Marketing Board is a state agency that enforces the Milk Marketing Law and the Law regulates the economics of milk transactions in PA.

Our agency has been in contact with USDA to discuss procedures to better assist USDA eligible dairy vendors who may submit bids for deliveries to Pennsylvania locations. I sent out a letter on February 16 to all eligible dairy vendors from a list USDA provided to me. We have since discovered that not all vendors were on that list.

This letter is to reinforce the information provided in the February letter and to provide some additional information I hope will be helpful to you.

Any bids for fluid milk and cream products to be delivered to a Pennsylvania location such as a food bank or other location under a federal program must be made at the PA minimum wholesale price for that product at the time of the bid's due date. The table below shows what products we regulate for sales in the commonwealth, which also fall under minimum price regulations for deliveries of federal food contracts:

Table 1. PA regulated dairy products – fluid, evaporated, organic, and Ultra High Temperature

<u>Class 1</u>	<u>Class 2</u>
Standard (Whole) Milk	Mixed Milk
Reduced Fat (2%) Milk	Light Cream
Lowfat (1%) Milk	Medium Cream
Nonfat (Skim) Milk	Heavy Cream
Flavored milk of any fat content	Sour cream, regular, light, and lowfat
Buttermilk	
Eggnog	

The bid must also be in compliance with minimum wholesale prices for the PA Milk Marketing Area in which the delivery site is located.

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Our pricing structures allow for volume discounts and these can be applied to any bid. Each Milk Marketing Area, as stated above, has its own minimum wholesale price for each type and volume-size of product, and also has its own volume discounts.

Pricing information for any month may be found on our website at [Wholesale/Retail Pricing \(pa.gov\)](#) under Resale Prices.

Any submission for an under-minimum wholesale price bid is considered an illegal bid. The vendor will be notified within 1-3 days of the award announcement that the bid and contracted sales are illegal. In general, a citation will be issued by my office which can lead to a license suspension or a financial penalty via consent agreement to avoid a hearing.

Additionally, any sales conducted under the contract are each in violation of the PA Milk Marketing Law and subject to citations and penalties.

To avoid having to undertake these actions, we are engaging in an information distribution strategy that includes this letter. We will also be providing minimum pricing information on our website specifically for federal program bid submissions and will make our staff available to consult with individual vendors and review prices before bid submission.

Please contact me at the phone number or email (preferred) above with any questions.