

BEFORE THE PENNSYLVANIA MILK BOARD

**OVER-ORDER PREMIUM
All Milk Marketing Areas**

November 6, 2024

Rebuttal Testimony of Secretary Russell C. Redding

Presented on Behalf of the Commonwealth of Pennsylvania

Department of Agriculture

Submitted October 23, 2024

Chairman Barley and Members of the Board:

Thank you for the opportunity to offer testimony today. My name is Russell C. Redding and I serve as Secretary of the Pennsylvania Department of Agriculture. I am testifying on behalf of the Pennsylvania Department of Agriculture (“Department”) regarding the level and duration of the Class I Over-Order Premium.

Today’s hearing marks the seventh time in more than 2 ½ years that the Department has presented testimony before the Board on this subject. As in many of the past hearings, today we are not opposing the proposal by the Pennsylvania State Grange to maintain the current \$1.00 per hundredweight Over-Order Premium for another six months. However, our non-opposition should not be taken as an acceptance of the status quo. As we have expressed previously, we believe systemic reform is needed for our dairy industry, and sooner rather than later.

As we have watched this process play out over the last couple of years, we have concluded that it is not enough to simply turn the calendar pages every six months without any change to the current system. We don’t want the Board to lose the sense of urgency that was expressed in some of the earlier hearings. We will soon be entering into the third growing season since we started advocating for

reform, and with each six-month extension, it is becoming clear that support for the current system will continue to erode.

The Department continues to advocate for a system that distributes premium dollars uniformly among all Pennsylvania dairy farmers, does not charge consumers substantially more than what is paid to dairy farmers, and does not provide economic incentive for mechanisms that lower or avoid premium payments to Pennsylvania producers for Class I milk.

The Department pledges to stay at the table to help accomplish these goals. We look forward to working with the General Assembly to get legislation passed during the next calendar year that will provide the framework for a new system.

We also pledge to work with the Board and dairy industry stakeholders to finalize the details and implementation of a new system within that framework. We recognize this will not be a quick process and we further realize there are many miles and many voices involved to reach our ultimate destination. That's why we want to again stress the urgency of starting now to put the wheels in motion that will lead to the necessary changes. We cannot just continue to kick the can down the road every six months.

Thank you for consideration of our position in this matter and we look forward to continuing our partnership to address this critical issue.