

# Press Release

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## **GRANGE URGES PMMB TO EXTEND CURRENT OVER-ORDER PREMIUM**

Harrisburg, Pa (June 6): At a hearing held June 1 in Harrisburg, the Pennsylvania State Grange asked the Pennsylvania Milk Marketing Board (PMMB) to extend the \$2.15 over-order premium currently in place for milk produced, processed and sold in Pennsylvania.

Matt Espenshade, a seventh generation dairy farmer and member of Elizabethtown Grange #2076, offered testimony on behalf of the Grange. He and his father milk 80 cows on a Lancaster County farm that has been operated by his family since 1867. Espenshade previously offered testimony before the PMMB on this same issue in December 2010.

Espenshade testified that even though the milk price paid to farmers has risen over the past six months, input costs such as fuel and feed continue to rise as well. He shared that for many farms, something as simple as an extra delivery of feed or unexpected repair bill can mean the difference between just getting by and being in a serious financial crisis.

In urging the PMMB to extend the current over-order premium, Espenshade noted the impact the current economy has had on his family's farm.

“The deregulation of the electric utilities, rising fuel and feed costs and changes within the industries that support and depend on dairy farms have all weighed heavily on profitability. We have tried to maximize our facilities and did the best we could under the circumstances.”

However, after enduring twenty consecutive months of negative profitability, it was obvious that significant changes needed to be made to their operation in order to remain viable in today’s dairy industry. Though plans are being developed, there is substantial risk involved, with no guarantee of success if implemented.

“Our situation is real, and it is not unlike that of many farm families across Pennsylvania. As one generation steps in and the current generation phases out, there are difficulties to overcome. Having to accomplish a farm transition or expansion in these turbulent times requires caution and thorough planning. A little luck and a lot of faith helps too”, said Espenshade.

In closing, Espenshade spoke of the importance of maintaining the over-order premium to the future of his family’s farm and the businesses that support the dairy industry.

“The money you choose to invest in the over-order premium is not just supporting the local farmer, but the businesses they depend on as well. To be honest, the premium you approve today will not spend much time in the pockets of the average farmer. This premium will help dairy producers to maintain farm equity and pay down the debt that has accumulated.”

The Pennsylvania State Grange continues to advocate on behalf of agriculture and rural communities and for milk price that is beneficial to the dairy farmer.

The current order, approved in December 2010, is set to expire on June 30. The Pennsylvania Milk Marketing Board is expected to announce their decision in a couple weeks.

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