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Contact: Carl Meiss, President

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**GRANGE REQUESTS PMMB MAINTAIN DAIRY OVER-ORDER
PREMIUM**

HARRISBURG, Dauphin Co. (Dec. 7) – Citing increased costs and continued depressed milk prices for dairy farmers, the Pennsylvania State Grange has asked the Pennsylvania Milk Marketing Board (PMMB) to extend the \$2.15 over-order premium for milk produced, processed and sold in the state.

Matt Espenshade offered testimony on behalf of the Grange. Espenshade is a seventh generation dairy farmer from Lancaster County. He and his father milk 80 cows on a farm that has been operated by their family since 1867. Espenshade also serves as Master of Elizabethtown Grange #2076.

During his testimony at the December 1 hearing, Espenshade noted the sharp decline in the number of dairy farms in the state.

“Though the economic downturn our nation has faced has been difficult for many, the dairy industry has been hit especially hard. U.S. Department of Agriculture data shows that Pennsylvania lost 14 percent of its dairy farms between 2006 and 2009.”

This trend appears to be continuing. In his local vicinity, seven dairy farms have gone out of business in the past 18 months.

Espenshade also shared the impact of rising energy costs, which continue to undermine the profit margin on Pennsylvania farms. The deregulation of the electric utilities, which was intended to increase competition amongst suppliers, has led to higher costs for his family’s dairy farm.

“Even now, after the heat of summer has passed and the fans no longer run in the barn, our October 2010 electric bill was still higher than the peak month of 2009.

The increased energy costs have been an added burden to many dairy producers. However, unlike other industries, a dairyman does not have the ability to pass on this expense.”

In concluding his testimony, Espenshade reminded the Board of the importance of the over-order premium.

“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 will not spend much time in the pockets of the average farmer. This premium will help dairy producers maintain farm equity and pay down the debt that has accumulated.”

The Pennsylvania Milk Marketing Board is expected to announce their decision in a couple weeks.

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