



# Senate Agriculture and Rural Affairs Committee

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Chairman

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October 19, 2016

House Bill: 1265

Printers Number: 2313

Prime Sponsor: LAWRENCE

## SYNOPSIS

Amends the Milk Marketing Law to require information on state-mandated premiums to be disclosed with payments for milk.

## BILL SUMMARY

HB 1265 amends the Milk Marketing Law by requiring milk dealers and cooperatives to provide the specific dollar amount of state-mandated premium on the written statement that accompanies each payment for milk. This stated amount shall be separate and distinct from and may not be substituted for or commingled with any amount paid as a bonus or other premium. The state-mandated premium (commonly called the "over-order premium") is applied to milk used for drinking (Class I) that is produced, processed and sold in Pennsylvania and is collected from the consumer in a state-mandated minimum retail price.

*Effective Date: 60 Days*

## CURRENT LAW

The Milk Marketing Law (Act 105 of 1937) regulates the production, transportation, manufacture, processing, storage, distribution and sale of milk in the Commonwealth. Since 1988, the PA Milk Marketing Board has assessed a fee, known as the "over-order premium" on every gallon of fluid milk sold in PA, with the intent that it is returned to certain PA dairy farmers to help cover production costs.