



# Agriculture & Rural Affairs Committee

*Senator Mike Brubaker, Chairman*

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November 12, 2009

## Memorandum

**Subject:** Committee Hearing on Milk Pricing Transparency

**To:** Members

**From:** Mike Brubaker, Chairman  
Senate Agriculture and Rural Affairs Committee

Many of you are aware of the current crisis in the dairy industry; you may have been contacted by dairy farmers in your district or from across the state who have expressed the need for relief from extremely low prices received for their product over the past year. I have had conversations with numerous producers and attended multiple meetings with dairy farmers on this issue and it is clear that "something" must be done. It is much less clear what that "something" should be and on which level of government the change is needed. I have concluded that the first step in determining how the situation might be improved is to understand the current pricing structure; an extremely complex and convoluted payment arrangement that involves both governmental and non-governmental entities. Therefore, on **December 9, 2009, 1:00 – 4:00 p.m. in Hearing Room 1 of the North Office Building** I have scheduled a hearing to discuss the transparency of milk pricing.

For your information, I have attached a summary of how the milk price to the farmer is determined; you can see that it is extraordinarily complex and difficult to understand. It is my goal through this hearing to determine where every penny of the \$3.43 I spend on a gallon of milk at the grocery store goes; who receives what portion of that price and for what it is used. In the coming weeks I will be developing an agenda and will share that with you when it is completed.

Please plan to attend this important hearing; agriculture is our state's leading economic driver and dairy farming makes up the largest portion of that industry. If you have any questions or concerns, please feel free to contact Kristin Crawford, Executive Director of the committee, at 787-4420.

MWB/kjc  
Attachment

cc: Interested Parties (w/o attachment)