



## Professional Dairy Managers of Pennsylvania

*Seeking to Advance the Dairy Industry in Pennsylvania  
Through Improved Productivity and Profitability*

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May 22, 2009

The Honorable Dwight Evans, Majority Chairman  
House Appropriations Committee  
512 E Main Capitol  
Harrisburg, PA 17120-2203

The Honorable Mario Civera, Republican Chairman  
House Appropriations Committee  
245 Main Capitol  
Harrisburg, PA 17120-2164

Dear Mr. Chairmen and Honorable Members of the House Appropriations Committee:

Dairy is the economic driver for the Commonwealth's number one industry, agriculture. Dairy has been reeling over the past several months with market conditions that have dairy farmers receiving less in payment for their milk than it is costing them to produce it. Now the industry faces an equally stiff blow with the passage of Senate Bill 850, a budget proposal that eliminates support for the Center for Dairy Excellence, the only dedicated resource for the Commonwealth's dairy industry.

The Professional Dairy Managers of Pennsylvania has placed the backing of the entire organization behind efforts to ensure the restoration of the "ag excellence" budget line item which funds the Center. Senate Bill 850 eliminates a program with a proven record of success and pulls the rug out from under an industry that contributes more than \$4.5 billion in economic revenue and more than 50,000 jobs to our state's economy.

In these challenging times, the Center for Dairy Excellence is nationally recognized and respected as a stabilizing force for the industry, a leader in industry development, and a vital resource for individual producers.

While PDMP understands the importance of budget that does not increase taxes, this \$600,000 line item creates demonstrated economic value for a relatively modest sum. The Center is not an expenditure; it is an investment in maintaining an industry that plays a major role in the state's economy.

Pennsylvania cannot afford the costs of placing the dairy industry in peril. The Center positions the state to fight against analysts' predictions that our country could lose up to 25% of its dairy farms in 2009. A 25% loss of PA dairy farms would ultimately cost the state nearly 2 billion pounds of milk, 16,000 jobs and \$1.9 billion in economic revenue.

Dairy cannot afford the costs of a budget that provides zero funding for many programs that are vitally important to the sustainability of the business. The industry stands to lose CDE services such as:

- Incentive grants that encourage farms to expand and modernize and to keep pace with changing technology that is environmentally sound,
- Dairy Profit Teams that help farms make better decisions and increase profits,
- Succession Planning Teams that assist families with transition planning to keep dairy farms in operation,
- Support through the Dairy Business Planning template that allows dairy farm families to create a comprehensive business plan for their unique operation,
- New Risk Management Initiatives,
- Increased consumer awareness of the value dairy adds to the local communities and the Commonwealth, and
- Industry education such as “The Pennsylvania Dairy Profitability Forum.”

The Professional Dairy Managers of Pennsylvania is an organization of progressive, positive-minded dairy producers and agribusinesses. We are leaders in the dairy industry, we represent generations of dairy farmers, and we want to stay in the dairy business.

On behalf of the state’s 7600 dairy farms, PDMP sends an urgent message to the General Assembly of the priority to restore funding for the Center for Dairy Excellence and ensure that the Pennsylvania retains an industry that is vital to the state’s economy and is the source of the safe, wholesome and local supply of milk and dairy products on which our state’s consumers depend.

Respectfully,

Rod Hissong  
President PDMP