



Professional Dairy Managers of Pennsylvania

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

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PDMP Stands Behind Dairy-MAX Legislation

Bellefonte, PA -- The Professional Dairy Managers of Pennsylvania (PDMP) today announced that they are lending their enthusiastic support to the Dairy Modernization or Expansion Tax Credit Program (Dairy-MAX) that was introduced last week as Senate Bill 1486 by Senator Roger A. Madigan (R-23) and House Bill 2604 sponsored by Representative Art Hershey (R-Chester).

Dairy MAX will stimulate investment in the dairy industry, which currently provides \$4.2 billion revenue and more than 40,000 jobs for Pennsylvania's economy. Based on a tax credit of 25% of the costs associated with dairy farm modernization or expansion, Dairy MAX will allow a farm to improve aging facilities and add new technology. Capped at \$250,000 per farm, the credits will help offset costs that can average \$2,500 to add just one stall.

PDMP President Logan Bower believes Dairy MAX would be a "tremendous boost" to dairy producers. Speaking from experience as dairy farmer Bower says, "For Pennsylvania's dairy families, who are already struggling with very narrow profit margins, investing in expansion and technology is often cost prohibitive. The Dairy MAX tax credit program can provide the incentive for a family farm to make the decision to move forward and invest in the dairy operation, or for the next generation of that family to continue the business and commit to expansion and modernization."

In introducing the bills, Senator Madigan and Representative Hershey called it "a comprehensive initiative" because its benefits extend far beyond dairy farmers. It is anticipated that the improved profitability and additional on-farm income will provide in excess of \$400 million in returns for the state's economy and result in the creation of 2800-3400 new jobs. In addition to touching the dairy farmer directly, the increase in milk supply will support the Northeast's dairy processing infrastructure, and impact the tax payer through new jobs, stronger businesses, better access to locally produced dairy products, a cleaner environment, and a return of revenue to the local economy.

"Most people don't realize that the dairy industry is responsible for 42 percent of Pennsylvania's agricultural revenue. If we are to remain among the nation's leading dairy states, it will be necessary for our dairy farms to modernize, expand, and add technology," Bower points out. "Many of the state's 8,500 dairy farms have barns built in the 1950's and Pennsylvania currently loses an average 300 dairy farms each year because they just can't operate profitably. Dairy MAX can help ensure the future of the industry for coming generations with long term benefits to the state's economy, the marketplace, and the tax payer."

PDMP is an organization of progressive, positive-minded dairy producers and agribusiness leaders. Its mission is to advance the dairy industry in Pennsylvania through improved productivity and profitability. For more information on PDMP, visit their website at www.pdmp.org or email info@pdmp.org.