MILK PRICE CONTROL IN PENNSYLVANIA

Report of the Majority of the Members
of the Governor's Milk Control Inquiry Committee
Commonwealth of Pennsylvania

State Milk Control
Resale Price Control

APRIL 1, 1965

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Report of the Majority of the Members of the Governor's Milk Control Inquiry Committee Commonwealth of Pennsylvania

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APRIL 1, 1965

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The Honorable William W. Scranton
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Governor Scranton

We, the undersigned six members of a 10 member committee you appointed in September, 1964, to study milk price control in Pennsylvania hereby submit our report and recommendations.

We represent consumers, dairy farmers, milk dealers and dairy employees---a cross section of people with divergent interests. This includes those who produce the milk on the farm, those who process and actually deliver it, as well as the consumer, the Pennsylvania housewife.

The committee immediately recognized that, as Governor of the Commonwealth, you had a great responsibility in this matter due to the enormous size and tremendous complexity of the industry under study. And, we were most aware that you had delegated much of this responsibility to the committee. This, tied in with our varying personal backgrounds, made it mandatory we ever consider the public interest.

Our majority group truly regrets that after months of attending meetings, hearing witnesses and reading voluminous testimony that the entire committee of 10 could not agree on a composite report. We understand two other reports signed by three members and one member, respectively, already have been submitted.

We six committee members transmit this only after additional weeks of gathering new data, frequent mail and telephone consultations, followed by a final meeting to agree on the actual wording of the report.

When you appointed the committee you requested recommendations for both statutory and administrative improvements in the system of milk price control in Pennsylvania. Those who testified before the committee, verbally or through briefs, were asked to do likewise.

All responsible producer groups appearing before the entire committee recommended that milk control be continued in its basic present form and that resale pricing, as provided in the present law, be maintained.

It is our unanimous opinion that the Pennsylvania Milk Control Law, as written and tested in the many state and federal courts, now grants adequate powers to the Commission to regulate the dairy industry of the Commonwealth which will be in the interest of all concerned. This includes, of course, the interest of the consuming public for whose protection the law originally was written.

This adequacy of statutory construction was verified in most of those briefs which presented factual evidence on industry problems and the workings of the law which controls its economics. The few practical changes in the law which were proposed is believed can be overcome through some reinterpretation of the act itself.

We would not be honest if we stated the system of controls was perfect and needed no change. This is not so. We submit a number of recommendations in the attached report but they deal mainly with administration which we believe needs improvement. We do commend the present Commission, however, for its efforts under difficult conditions to correct some of the problems which now exist.

We should like to express our thanks to those---too numerous to mention---who cooperated with us in presenting testimony, gathering data and the like. Our only regret was the lack of opportunity to participate in the actual writing of what might have been one report from the entire committee.

Very truly yours,

John B. Backhus
Glen A. Boger
Mrs. Stanley Dombroski
E. J. Farabaugh
Louis G. Galliker
J. Lewis Williams

MILK CONTROL IN PENNSYLVANIA

Recommendations of the Majority of the Members of the Governor's Committee of Inquiry[1]

Pennsylvania's milk industry, since 1933, has been under the jurisdiction of the Pennsylvania Milk Control Commission. This agency's powers over the production, processing and sale of milk and fluid milk products are contained in the Milk Control Law (as amended) first passed in temporary form in 1933, permanently in 1937.

An industry involving $830,000,000 gross revenue annually has for the past 32 years, therefore, adapted itself to a certain regulatory pattern. Farmers, processors and distributors have invested vast sums of money in reliance upon the system of marketing developed under Pennsylvania milk control. In addition, the life work and future aspirations of thousands of employees and their families in the state are involved in this industry.

Elimination of the system, or even major changes in its operation, of necessity must be made only after the most profound consideration and study.

AREAS OF STUDY

We now are called upon by the Governor of the Commonwealth to investigate the manner in which the system functions, its effect on the various elements that comprise the industry, the price structures which have developed at the farm and resale levels, and the administration of the Act by the responsible regulatory agency. In short, the Governor seeks a status report with an evaluation of the present system and recommendations for changes, if any, in the basic law itself or in the manner in which it is administered.

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1. *John B. Backus, Glen A. Boger, Mrs. Stanley Dombroski, E. J. Farabaugh, Louis G. Galliker, J. Lewis Williams*

After hearings and various meetings of the Committee it became clear that the following alternatives had to be examined if our work was to be of any value or benefit:

First: Shall the Milk Control Law, which confers on a three-man Commission (appointed by the Governor and confirmed by the Senate) the power to fix minimum prices at both producer and resale levels be repealed?

Second: Shall the Milk Control Law be amended to remove the power to fix minimum resale prices for fluid milk and milk products, leaving the Commission with authority to fix minimum producer prices only?

Third: Shall the Milk Control Law be amended to narrow, broaden, or otherwise change the present basic powers now conferred upon the Commission?

Fourth: Shall the Secretary of Agriculture of the United States be requested to extend his jurisdiction through Federal Milk Orders into any part or all of the Commonwealth of Pennsylvania under the terms of the Agricultural Marketing Agreement Act of 1937, as amended?

Fifth. Shall changes be made in the administration and enforcement of the law by the Milk Control Commission and, if so, what should those changes be?

Answers to these queries can *only* be found after a careful analysis of the facts surrounding the marketing of milk under the statute. Relevant statistical data is essential to a proper understanding of the complicated problems involved in the operation of Pennsylvania's milk industry under state control. Appended to this report, therefore, are 37 tables from which the major conclusions contained herein are drawn.

EFFECT OF MILK CONTROL ON PRODUCERS --- PRICES PAID AND PRODUCTION

From 1961 to 1964 the number of milk producers in Pennsylvania dropped from 34,000 to 28,000. Milk production in the same period increased slightly (1.5%)

from 6.6 billion pounds to 6.7 billion pounds, and the gross amount paid producers increased from $311,000,000 in 1961 to $319,000,000 in 1964 (2.6%).

Of the total production by Pennsylvania farmers in 1964, 70% was shipped to milk dealers located in Pennsylvania, and 30% was shipped to buyers outside the state. Except for an insignificant amount, the latter portion was purchased by dealers regulated under Federal Milk Orders and *not* under the pricing authority of the Pennsylvania Commission.

For milk sold to Pennsylvania dealers, all of which was subject to the minimum prices fixed by the Commission, the producer received a blend price of $4.85 per hundredweight in 1961 and $4.91 in 1964.

There is a confusion in the minds of the public between blend pricing and the price paid farmers for bottled milk (Class I). While the average blend in 1964 may have been $4.91 in 1964---or 10.56¢ per quart---it must be remembered that dealers paid the highest price in this blend for their fluid milk which, on a simple average basis, amounted to about $5.98 for all markets in 1964, or 12.86¢ per quart.

In addition, it must be remembered that dealers *do not* receive the home delivered price for all their milk but they also get a "blend" of home delivered price, price into stores, reduced price for volume sales to institutions and hotels, etc. This varies with each dealer. *Statistics of the Pennsylvania Milk Control Commission do reveal, however, that the producer receives 56% of the average retail and wholesale prices for fluid milk as established by the Commission.*

Meanwhile, producers shipping to out-of-state buyers received a blend price of only $4.29 per cwt. in 1961 and $4.33 in 1964 (9.31¢ per qt.) compared to the above figures of $4.85 and $4.91, respectively. The average butterfat content of the milk in all cases was substantially identical (3.7%).

Thus, in 1961, had there been no Pennsylvania Milk Control Law and had prices paid Pennsylvania farmers for milk supplied to Pennsylvania plants been the same as those in the surrounding Federal Order markets, the revenue to Pennsylvania farmers would have been reduced by 56¢ per hundredweight on 4.78 billion pounds of milk, or \$26,768,000. In 1964 the reduction would have been 58¢ per hundredweight on 4.73 billion pounds, or \$27,434,000.

In this same period, the average annual gross milk revenue to Pennsylvania farmers shipping to Pennsylvania plants rose from \$9,612 in 1961 to \$12,280, a 27% increase. Those shipping to out-of-state buyers received \$8,089 in 1961 and \$9,765 in 1964, an increase of only 20%.

It appears undeniable that the Pennsylvania Milk Control Law has been of *substantial benefit* to the Pennsylvania dairy farmer, and the elimination of this statute or the substitution of Federal regulation for producer prices would be a severe blow to the agricultural economy of the Commonwealth.[1]

Table 3 shows that average prices paid Pennsylvania producers for milk sold in the state increased in all areas from 1961 to 1964 except in Zone 1 of Area 9 (Johnstown-Altoona) where there was a minor decrease of 3¢ per hundredweight, and in Areas 2 (Pittsburgh) and 7 (Erie). In Pittsburgh, the decrease was 15¢ per hundredweight and in Erie 31¢ per hundredweight.

This clearly demonstrates the pressure on producer prices exerted by the cheaper milk prices prevailing in the state of Ohio. We have no doubt this has been a continuing problem in these particular markets but we see no evidence of that type of difficulty in other Pennsylvania areas. *Thus, the rest of the state should not be penalized because of peculiar problems in western Pennsylvania.*

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1. *Tables 15 to 30 provide information for each milk marketing area, similar to the state-wide statistics discussed above.*

During the four years under study the minimum prices fixed by the Commission were allowed to become seriously misaligned with those in the adjacent out-of-state markets. In 1961, the Pittsburgh Class I price was as much as \$1.44 per hundredweight higher than the Cleveland Class I price; \$1.61 higher in 1962; \$1.53 higher in 1963; and \$1.11 higher in 1964. No price fixing body, whatever its powers, can expect to develop so great a differential in Class I prices and retain the market for local producers.

In August, 1964, the present Commission took a long step toward solving this problem by reducing the Pittsburgh Class I price to \$5.40 per hundredweight. The full effect of the Commission's action has not yet been felt, *but we commend the Commission for its action,* and believe the solution to this problem lies in achieving the proper relationship between the Class I prices in Erie and Pittsburgh and those in the contiguous out-of-state markets, *accompanied by a vigorous enforcement of those prices.*

We are not unaware of the importation of milk into Pennsylvania from out-of-state sources, i.e., shipments from supply plants maintained by Pennsylvania dealers outside of the Commonwealth, and purchases in bulk tank from unaffiliated outside sources. Statistics for some of these transactions are available for the year 1963 only, and are set forth in the attached tables.

In that year, 358 million pounds of milk were imported into the state from receiving stations or supply plants operated by Pennsylvania dealers located outside Pennsylvania. Statistics show that 248.6 million pounds were purchased outside Pennsylvania in the form of bulk tank shipments from New York, Maryland, New Jersey, Ohio and Wisconsin.

The volume imported from out-of-state receiving stations represented 6.6% of total receipts by dealers, and that from out-of-state sources by bulk tank 4.6%. Dealers paid \$16,387,000, or \$4.57 per hundredweight, for the receiving station milk, and \$12,122,973 or \$4.87 per hundredweight for the out-of-state bulk tank milk.

The receiving station milk entered only two areas in Pennsylvania: 76% went to Philadelphia, and 24% into Pittsburgh. In 1964, the Philadelphia price for this milk was increased by 19¢ per hundredweight and in Pittsburgh by 35¢ per hundredweight. Further substantial improvements have taken place in the Pittsburgh price since the effective date of the last Commission Order for this area with a revised Class I price. We see no reason to believe that this source of milk, with its relatively unimportant volume, and the continuing price improvements, will threaten the integrity of the state price control system.

The bulk tank shipments from out-of-state came into nine of the 16 areas and zones of Pennsylvania in 1963. By far the major portion (78%) was imported into the Pittsburgh market. In this area such shipments were undoubtedly a part of the regular milk supply, and represented (in 1963) 15% of the total receipts for Pittsburgh dealers. In all other areas, these purchases, where made at all, were intermittent. Generally, they were only to alleviate an unanticipated shortage of milk, and amounted to but 1.3% of total milk receipts by Pennsylvania dealers outside the Pittsburgh market.

Again the Pittsburgh market is the only place in the Commonwealth where we find a maladjustment, if such it be. The average price paid for this milk in 1963 was $4.93 per hundredweight which compares favorably with the statewide average price, and the average Federal Order prices.

We conclude from the foregoing facts that the welfare of the Pennsylvania milk producer demands a continuation of the system of milk price control by a State Commission under a state statute. The present methods have enhanced the producers' milk revenue substantially, and the evidence indicates that the increased revenues are directly attributable to the system of milk controls developed under the provisions of the Pennsylvania Milk Control Law.

Some milk is exported by Pennsylvania dealers at prices unregulated by the Commission. We believe the Commission should establish prices paid producers for such milk. The U. S. Supreme Court in the Eisenberg Case[1] has held this to be legal unless Federal Orders have pre-empted this field. The Commission has established such prices for bottled milk, thus it follows that prices should be established for milk sold in bulk.

As pointed out above some milk is imported at prices unregulated by either the Philadelphia Federal Order or the state Commission from out-of-state sources. With the exception of the Pittsburgh area, however, this supply appears to be minimal, amounting to only about 1% of total receipts by other Pennsylvania dealers. The problem is undoubtedly serious in the Pittsburgh area. *This, however, does not serve as sufficient grounds for condemnation of the entire system, which operates satisfactorily througrout the rest of the Commonwealth.*

We urge the Commission to act swiftly and vigorously against any parties---producers or dealers---who resort to trick, artifice or other devices to impart the characteristics of inter-state commerce to shipments of milk which essentially are intra-state in nature. Swift action here, coupled with the establishment of Class I milk prices which are realistically aligned with those in neighboring markets can do much to bring the situation in Pennsylvania under control.

EFFECT OF PENNSYLVANIA MILK CONTROL ON CONSUMER PRICES

One basic fact assumes major significance in an examination of the consumer side of the milk control problem---56% of the consumer dollar is paid out to farmers as cost of raw product, and 25% to employees to cover the costs of processing and delivery.

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1. *Milk Control Board of Pennsylvania v. Eisenberg Farm Products, 59 S. Ct. 528, 306 U. S. 346, 83 L.Ed. 752, rehearing denied 59 S. Ct. 773, 306 U. S. 669, 83 L.Ed. 1063.*

We do not believe the dairy farmer is overpaid for his investment or efforts today. Therefore, any suggestion which will tend to depress the revenue derived from the sale of milk must be subjected to the most searching examination.

Any reduction in gross revenue from the sale of milk in the Commonwealth will reflect immediately in a reduction in the number of dollars available for payment to farmers and labor.

The most important influence on what the consumer pays for milk is the Class I price paid farmers for milk thus utilized. Table 32 demonstrates that the Class I prices established by the Pennsylvania Commission are higher than those in surrounding states. With one minor exception (Western Maryland) the adjacent markets are under Federal Milk Regulation.

In 1964, the markets to the north, south and east of Pennsylvania had average annual Class I prices ranging from $5.34 per hundredweight to $5.30 per hundredweight. In the Pennsylvania markets geographically related to those markets, the Class I prices ranged from $5.93 per hundredweight to $6.16 per hundredweight. To the west, the Federal Order Calss I prices ranged from $4.61 to $4.74. The Class I prices in western Pennsylvania markets varied from $5.72 to $6.03. Since 100 pounds of milk produces approximately 46 quarts, it is apparent that the raw product cost of Class I milk in Pennsylvania exceeds that established in the surrounding markets by 1.3¢ to 2.8¢ per quart. It is this factor which produces the higher gross return for dairy farmers referred to in the foregoing section of this report.

It has been proposed that the resale price control features of the Pennsylvania statute be eliminated. It is claimed that consumer prices then would be reduced by the forces of competition. *We do not agree and even if this were the result, we would not recommend it.* Reduced consumer prices inevitably would reduct prices paid to farmers and would introduce instability into the second most important industry in Pennsylvania. Ultimately, it would result in a major setback in the agricultural economy of the entire Commonwealth since 41¢ from the total farm dollar in the state comes from milk.

Table 34 contains an analysis of consumer milk prices in the major population centers around Pennsylvania, and Table 40 sets forth those prices for the several areas in Pennsylvania as fixed by the Milk Control Commission. In the New York, New Jersey, Maryland, District of Columbia and West Virginia markets, the resale prices of milk approximate those in Pennsylvania. In the Ohio markets, however, consumer prices are below the Pennsylvania level. This no doubt has been a factor in the consumer protests which are in evidence in Pennsylvania markets adjacent to the Ohio line, and nowhere else in the Commonwealth.

Our study shows the Ohio prices are the result of many factors which we do not consider desirable, and which we hope *never* become a part of the milk marketing pattern in Pennsylvania.

Prices paid Ohio producers are depressed, and disastrous competitive price wars, unfortunately, have become an accepted part of their milk marketing. As an example, in the town of Mentor, Ohio, some 15 miles east of the City of Cleveland, the out-of-store price for milk sold in half-gallon containers for the past six months has been 19¢ to 33¢. Use of milk as a loss leader by stores, particularly on week-end sales, appears to be the rule rather than the exception.

These conditions have had their forseeable consequences. The number of milk dealers and processors in Ohio has diminished by more than 70% in the past 14 years. In 1950 there were 1,197 independent and individual milk dealers. By 1964 this number had shrunk to 374.[1] Although there has been a reduction in the number of Pennsylvania independent business men in the milk business, the loss in numbers has been slower and less drastic. In 1950 there were 864 fluid milk dealers in the Commonwealth, and in 1964, 590, or a reduction of 31%. We do not subscribe to the theory that the processing and distribution of milk should be carried on by a few large national companies.

1. *Source: Dept. of Agriculture, State of Ohio.*

Small and medium sized independent milk dealers are essential to the economy of their local communities. Strong local communities make for a strong state.

For a number of years efforts have been exerted in Ohio to remedy the chaotic conditions through some form of price fixing or fair trade legislation. These conditions are typical of many states which find their milk industry in dire distress for the same reasons, and where strenuous efforts are under way to enact statutes to eliminate instability and chaos. Examples such as the states of Michigan, South Carolina, New Jersey, and others have been brought to the attention of this committee.

With other states trying to achieve the position we already have in Pennsylvania under our established Milk Control Law, *it would seem highly unreasonable to recommend that we discard the principle of resale price-fixing which is as essential to effective Milk Control as the fixing of minimum producer prices.*

We do urge, however, that the Commission continue to recognize the entrance into the marketing pattern of the larger packages, such as the half-gallon and gallon containers, and establish price differentials which will reflect any cost savings involved in those packages. Such savings should be passed on to the milk consumer. There appear at this time to be half-gallon prices in only ten of the 14 areas and zones in Pennsylvania, and gallon prices in only 6 of the 14. It is recommended that the Commission establish proper half-gallon and gallon prices in all zones and areas in Pennsylvania at both the home delivered and out-of-store levels.

COMPETITIVE BIDDING

It has been suggested in the committee hearings that prices for milk sold to schools and institutions, including state and municipal establishments, be decontrolled, and that such milk be sold on the basis of competitive bidding. In support of this position it is pointed out that the Milk Control Commission imposes no price regulation upon milk sold to federal institutions located on ceded property, and that such milk is sold at prices lower than the minimum prices fixed by the Commission. This fact cannot be denied.

It is the opinion of this Committee that within the limits of the law the Milk Control Commission should impose price regulation *upon all sales of milk* at wholesale or retail in the Commonwealth. We deplore the exemption which must be extended to sales of milk to federal institutions located on property ceded to the Federal Government. We support Congressional action to remove this exemption as it is most discriminatory.

We commend the Commission for the establishment of special pricing for school milk and milk sold in quantity to public agencies. However, when prices are established or paid which are less than those warranted by actual costs it forces others to subsidize these special prices. Here, the other milk consumer or the farmer must pay the difference. Any pricing action along these lines can be accomplished by the Commission under the terms of the present act without amendment.

PERMISSIVE RESALE PRICING

The theory of "permissive" resale pricing has been advanced. This would permit the Milk Control Commission to remove minimum resale pricing in any area where it believes controls no longer are required for reasons of "public interest" or market stability. *To this we are unalterably opposed.* This system would represent a delegation of legislative power of too great magnitude and consequence to any board or commission. It has been established in our neighboring state of New Jersey that this results in regulation by pressure group or by politics rather than by the orderly legislative process and it has created a chaotic situation in that state. The economic problems involved in the production and handling of milk are too delicate and too complicated to be exposed to regulation by local pressure groups, whatever may be their nature.

"REASONABLE RETURN" FOR PRODUCER PRICES

The present Milk Control Law uses "cost of production plus a reasonable return" as the standard for fixing minimum producer prices. This is proper so long as it is recognized that the standard can apply only to the production of milk needed for Class I demands plus a reasonable reserve supply, which is accepted by custom as 120% of Class I sales. Removal of the standard, which has been suggested, might well render the law unconstitutional and certainly would lessen the very protection for Pennsylvania farmers, which was one of the fundamental purposes of the act.

The basic purpose of the Milk Control Law is to maintain an adequate supply of pure and wholesome milk for the inhabitants of Pennsylvania. To better stabilize minimum producer prices base and surplus plans have been suggested. No amendment is needed to achieve this result. *It is, therefore, recommended that the Milk Control Commission give due regard in the prices it fixes for producers' milk to the Class I demand plus the reasonable reserve which should be attached to it.*

BOUNDARIES OF STATE MARKETING AREAS

There has been some question about the boundaries of the marketing areas within the Commonwealth as established by the Milk Control Commission for its pricing orders. The present areas were established so hearings of the Commission affecting the marketing of milk in any given area might be easily accessible to farmers, milk dealers and consumers, so they would not be required to travel unreasonably long distances to attend such hearings.

Changes in the areas may be made by the Commission after due notice and a hearing. We recommend that the Commission review the present areas and make proper adjustments as the facts indicate. If the reduction of the number of areas would increase efficiency this should be done.

REQUIREMENT OF CONFIDENTIALITY

The matter of confidentiality of records, as outlined in section 301 of the act, has been discussed at length. The question has been raised on a number of occasions whether this feature of the law adequately safeguards the rights of the consumer. The committee is of the opinion that *no amendment* is required but the interpretation by the Commission should be revised. The law provides broad powers to demand full information and statistics from all segments of the industry---both producer and dealer.

Milk control cannot be compared to that of public utility regulation for in this latter area there is no competition. The milk industry, even under regulation, is highly competitive. Unlimited disclosure of individual company records to all applicants including competitors would be improper and unnecessary. We recommend that the Commission, as required by the Act, extend confidentiality only to information in the possession of the Commission and only to its members, agents and employees.

However, any evidence offered by interested parties, be it by dealers, producers, consumers or anyone other than Commission employees and agents, should be subject to full examination and cross-examination.

ISSUANCE OF TENTATIVE ORDERS

Tentative price orders should be issued at least 10 days before the conference on such tantative orders, so that interested parties may have proper opportunity to study and analyze them, and submit their views and suggestions for consideration by the Commission prior to issuance of the final order. This may be achieved by issuance of the proper regulation. No amendment of the act is needed.

FARM JUG PRICES

We call upon the Commission to strictly construe the exemption granted farmers for sale of milk they produce upon their own farms. Those operations which fail to qualify for the exemption should be licensed as milk dealers, and required to comply with the minimum prices established by the Commission.

The committee recommends that the Commission re-examine the definitions in the statute of "stores" and "milk dealers". It is believed that a better interpretation as applied to some of these operations, coupled with good enforcement, would alleviate the sitution to a great degree.

It is further recommended that the Commission consider the advisability of hearings to fix minimum prices at which milk may be sold by farm jug operators, where sales do not qualify for the statutory exemption---prices which would reflect the unusual circumstances of such operations.

IMPACT OF MILK CONTROL ON DEALER PROFITS

Since the beginning of Milk Control in Pennsylvania each licensed dealer has been required to submit to the Commission an annual balance sheet and profit and loss statement upon detailed forms prescribed by the Commission. Periodic audits are made of the records and operations of individual dealers to test the accuracy of these figures.

In preparation for each general price hearing the staff of the Commission prepares a consolidated profit and loss statement and balance sheet covering the activities of all dealers in the area involved in the hearing. This statement generally encompasses the full calendar year preceding the date of the hearing. Various adjustments in the individual statements are made by the Commission staff to eliminate nonrecurring items of expense or revenue, and to deal with any expense items considered *excessive or improper*. With 32 years of experience in this field, the Commission has developed valuable guidelines and precedents, which enable it to arrive at credible and reasonable anaylses of these financial records.

The Committee strongly believes, however, that a more equitable analysis of industry operations could be accomplished if a more uniform system of accounting were established under Commission regulations---and then *enforced.* It might well require outside professional assistance to set up new accounting guides in line with modern procedures. The, it certainly will take properly trained and adequately paid personnel to handle the audits and analyses, for without this any change in basic procedure would be a waste of effort for all concerned.

Table 37, appended hereto, contains information taken from the latest Commission survey made in each marketing area in the state relative to return on the sales dollar and return on net worth to milk dealers operating in that area. The table also contains a record of the results of a continuing survey made by the First National City Bank of New York of the net profits after income taxes earned by dairy operations nationwide.

It is apparent that with few exceptions have milk dealers in Pennsylvania earned after taxes the percentage of profit indicated as the United States average. The Pennsylvania range is .57% to 2.10%, while the national range is 2.5% to 2.7% as indicated in the table.

We agree with the statement made by Professor D. A. Clarke, Jr. of the University of California (Berkeley) when he concludes in his study "*Fluid Milk Price Control in California*" published in June 1955: "that there is no significant evidence that price spreads for milk distribution are wider in markets with state control than in markets where resale prices are established without state price-control operations. In fact, the reverse seems to be true, although average differences are small relative to within-group price variation. . ."[1.]

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1. *This 1955 conclusion is repeated in a 1965 study of California's Milk Marketing Regulations, requested by the Governor, and made by the same Dr. Clarke. He states "the California Milk Stabilization Program has NOT resulted in prices, margins, or profit rates that are out of line with similar measures existing in other markets."*

The evidence presented likewise persuades us that the system of milk control in Pennsylvania has not produced greater profits for milk dealers than those earned in areas where there is no resale price fixing, and, in fact, has tended to restrict such profits. The value of the system lies not in potentially long profits but rather in stability of marketing.

ADMINISTRATION OF THE LAW

Here we agree is the area in which the most beneficial changes can be made. *The Commission is hampered in its administration of the Act in almost every department.*

The enforcement staff is too small to police the industry effectively. It needs to be augmented by the services of additional competent investigators and auditors as well as with the services of a full time enforcement attorney. Salaries should be adjusted to attract competent personnel. Its activities should be carried on in a more agressive manner, and all segments of the industry (producer and dealer alike) should be brought into strict compliance with the law. Buying and selling techniques of doubtful legality must be brought to issue before the courts WITHOUT DELAY, and the staff and abilities necessary to prepare the cases involved should be secured.

Action should be taken to establish with greater precision the dividing line between inter-state and intra-state movements of milk insofar as the operation of Pennsylvania Milk Control is concerned. We believe the Commission has by its own actions restricted its powers unduly. It appears that the tendency has been to agree that a given transaction is exempt as *inter*-state commerce when a deeper probe would quickly reveal nothing more than a carefully veiled *intra*-state transaction.

Broad, effective and intelligent enforcement requires an adequate staff along with salaries which will attract competent men trained to cope with the intricacies of modern day milk economics. This requires additional money and, undoubtedly, a sizeable increase in the Commission's operating budget. It is the Committee's opinion that this be given immediate consideration since it is our belief this will give a new look to the entire program, *and should bring quick action to correct many of the existing problems.*

Of equal importance from a technical viewpoint is the establishment of an adequate statistical and economic analysis staff. The best basis for price orders is a broad, accurate and current knowledge of all economic, financial, and operating data pertaining to the industry. The fact gathering task is tremendous in its ramifications. Yet, without a workable knowledge of all pertinent data as it develops, the price fixing function tends to be performed *emotionally rather than scientifically.* We believe the statistical and accounting staff should be enlarged, and supplied with the tools necessary to perform this most important duty.

CONCLUSION

From the information which has been made available to us we conclude that certain basic and substantial changes should be made in the administration of the Pennsylvania Milk Control Law.

We recommend the following:

(a) Establishment of Class I prices for milk properly related to, but not necessarily the same as, Class I prices in the marketing areas contiguous to Pennsylvania.

(b) Extension of minimum producer prices for milk sold by Pennsylvania dealers in bulk to buyers located outside of Pennsylvania.

(c) Enforcement action necessary to put an end to the use of the inter-state commerce exemption in cases where the movement of milk is intra-state in nature and only inter-state in appearance.

(d) Establishment of proper differential prices to reflect the reduced costs involved in sales of milk in multi-quart containers, such as the half-gallon and the gallon.

(e) Continuation of special pricing for school and institutional milk.

(f) Retention of the standard of "reasonable return" in both producer and resale price determinations.

(g) Confinement of the requirement of confidentiality to the records of the Milk Control Commission and its employees only.

(h) Issuance of tentative price orders at least 10 days prior to the pre-order conference required by the act.

(i) Strict construction of the farm jug exemption in the act, tied in with the statutory definition of a "store" and a "milk dealer", and imposition of minimum prices fixed by the Commission on those farm jug operators who fail to qualify for due statutory exemption.

(j) The establishment of uniform system of accounting to provide a more equitable analysis of industry operations.

(k) An increase in the Commission's operating budget so the staff may be enlarged with the addition of an enforcement attorney and other competent personnel at salaries commensurate with their responsibilities.

(l) Enlargement of the Commission's statistical and economic analysis staff.

These changes can be made without amendment of the Milk Control Law. *It is our unanimous opinion that the law should neither be repealed nor emasculated by removal of the powers to fix minimum prices at either the producer or resale level.*

Finally, we see no need for an extension of Federal Milk regulation into Pennsylvania unless it is *clearly demonstrated* that adoption of the recommended changes in administration do not solve the problems now facing the industry.

A P P E N D I X

Report of the Majority of the Members
of the Governor's Milk Control Inquiry Committee
Commonwealth of Pennsylvania

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PENNSYLVANIA MILK CONTROL COMMISSION MILK MARKETING AREAS

Area 1	Philadelphia
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Area 5	Scranton-Wilkes Barre
Area 6	Lehigh
Area 7	Erie
Area 8	Harrisburg
Area 9	Johnstown-Altoona
Area 12	York
Area 13	Williamsport-Sayre-Athens
Area 14	Lancaster
Area 15	Reading-Berks

TABLE 1. PENNSYLVANIA PRODUCERS SHIPPING TO PENNSYLVANIA PLANTS

AREA	Number of Producers 1961	1962	1963	1964	Volume of Production (000,000 omitted) 1961	1962	1963	1964
STATE TOTAL	24,169	22,572	20,356	18,933	4,788	4,871	4,768	4,737
1	4,673	4,176	3,524	3,179	1,141	1,157	1,117	1,117
1-A	394	361	330	329	101	102	101	108
2	5,460	5,097	4,728	4,303	1,036	1,050	1,017	1,014
4	808	640	585	540	132	132	132	132
5 - Zone 1	1,064	962	947	904	155	147	157	156
5 - Zone 2	25	16	24	21	5	4	5	4
6	1,358	1,280	1,242	1,187	339	359	375	380
7	889	889	755	667	232	236	209	195
8 - Zone 1	2,532	2,388	2,243	2,110	382	403	402	393
8 - Zone 2	1,084	1,012	903	858	114	106	99	98
9 - Zone 1	1,193	1,128	986	927	250	262	259	272
9 - Zone 2	267	253	240	232	56	55	54	56
12	732	723	615	601	166	173	158	164
13	1,115	1,172	1,109	1,055	231	251	256	254
14	1,706	1,549	1,126	1,083	321	319	264	267
15	456	449	414	379	108	110	108	105

Source: *Pennsylvania Milk Control Commission*

TABLE 2. PENNSYLVANIA PRODUCERS SHIPPING TO PENNSYLVANIA PLANTS

AREA	Payments to Producers ($ 000 omitted) 1961	1962	1963	1964
STATE TOTAL	$232,322	$233,108	$227,560	$232,487
1	56,658	56,112	54,565	58,196
1-A	5,572	5,509	5,494	5,978
2	48,957	49,429	46,557	46,313
4	7,081	5,791	5,405	5,319
5 - Zone 1	7,775	7,487	7,918	7,864
5 - Zone 2	318	245	331	292
6	17,747	18,443	19,059	20,056
7	11,334	11,394	9,741	8,927
8 - Zone 1	17,325	17,740	17,940	17,978
8 - Zone 2	4,667	4,172	4,016	4,140
9 - Zone 1	12,603	12,976	12,817	13,462
9 - Zone 2	2,955	2,803	2,722	2,886
12	7,839	7,976	7,415	7,930
13	11,020	12,423	12,804	12,734
14	14,717	14,444	11,984	12,509
15	5,698	5,607	5,624	5,616

Source: *Pennsylvania Milk Control Commission*

TABLE 3. PENNSYLVANIA PRODUCERS SHIPPING TO PENNSYLVANIA PLANTS

Average Prices Paid Producers and Butterfat Content
Per Cwt.

AREA	1961		1962		1963		1964	
	Rate	B.F.	Rate	B.F.	Rate	B.F.	Rate	B.F.
STATE TOTAL	4.85	3.74	4.79	3.75	4.77	3.77	4.91	3.77
1	4.97	3.74	4.85	3.74	4.88	3.78	5.21	3.73
1-A	5.47	3.83	5.38	3.86	5.39	3.85	5.52	3.80
2	4.72	3.74	4.70	3.75	4.58	3.75	4.57	3.77
4	5.33	3.82	5.27	3.84	5.27	3.89	5.46	3.89
5 - Zone 1	4.99	3.77	5.07	3.80	5.03	3.81	5.02	3.77
5 - Zone 2	5.76	3.99	5.76	3.84	6.03	3.83	6.05	3.78
6	5.23	3.73	5.12	3.73	5.07	3.75	5.27	3.74
7	4.87	3.68	4.82	3.69	4.66	3.71	4.56	3.77
8 - Zone 1	4.53	3.71	4.40	3.71	4.46	3.72	4.56	3.72
8 - Zone 2	4.09	3.78	3.93	3.79	4.05	3.79	4.20	3.77
9 - Zone 1	5.02	3.88	4.95	3.78	4.94	3.83	4.94	3.84
9 - Zone 2	5.05	3.77	5.08	3.84	5.01	3.82	5.07	3.77
12	4.70	3.78	4.59	3.76	4.68	3.80	4.81	3.80
13	4.77	3.72	4.93	3.72	4.99	3.76	5.01	3.76
14	4.57	3.72	4.53	3.69	4.54	3.72	4.68	3.73
15	5.28	3.69	5.06	3.72	5.19	3.72	5.33	3.72

Source: *Pennsylvania Milk Control Commission*

TABLE 4. PENNA. PRODUCERS SHIPPING TO PENNA. PLANTS

Average Individual Producer Shipments and Payments

AREA	Average Annual Shipments Per Producer (000 omitted) 1961	1964	Average Annual Payment Per Producer 1961	1964
STATE TOTAL	198	250	$ 9,612.	$ 12,280.
1	244	351	12,126.	18,340.
1-A	257	329	14,131.	18,180.
2	189	235	8,973.	10,748.
4 - Zone 1	182	213	9,703.	11,692.
4 - Zone 2	136	145	7,364.	7,894.
5 - Zone 1	146	173	7,316.	8,707.
5 - Zone 2	221	228	12,872.	13,868.
6	249	320	13,080.	16,874.
7	264	294	12,727.	13,374.
8 - Zone 1	150	186	6,846.	8,521.
8 - Zone 2	104	114	4,301.	4,885.
9 - Zone 1	210	293	10,571.	14,522.
9 - Zone 2	210	245	11,078.	12,443.
12	223	274	10,548.	13,187.
13	206	241	9,881.	12,069.
14	198	246	8,632.	11,575.
15	236	277	12,510.	14,826.

Source: *Pennsylvania Milk Control Commission*

TABLE 5. PENNA. PRODUCERS SHIPPING TO PENNA. SUPPLY PLANTS FOR EXPORT

AREA	Number of Producers				Volume of Production (000,000 omitted)			
	1961	1962	1963	1964	1961	1962	1963	1964
STATE TOTAL	9,756	9,253	9,355	8,896	1,839	1,875	2,010	2,008
1	808	817	766	820	152	172	174	197
1-A	265	271	282	290	46	52	57	60
2								
4								
5 - Zone 1								
5 - Zone 2	796	769	654	653	175	180	175	174
6								
7								
8 - Zone 1								
8 - Zone 2								
9 - Zone 1								
9 - Zone 2	300	318	316	312	51	50	54	56
12								
13	399	314	450	419	97	79	112	112
14	380	401	797	762	70	81	155	155
15	161	161	153	140	25	28	28	28

Source: *Pennsylvania Milk Control Commission*

TABLE 6. PENNA. PRODUCERS SHIPPING TO PENNA. SUPPLY PLANTS FOR EXPORT

AREA	Payments to Producers (000 omitted) 1961	1962	1963	1964
STATE TOTAL	78,911	78,897	85,278	86,904
1	6,357	7,099	7,264	8,705
1-A	2,076	2,282	2,522	2,683
5 - Zone 2	7,809	7,874	7,693	7,769
9 - Zone 2	2,081	1,955	2,269	2,343
13	4,211	3,342	4,707	4,787
14	3,119	3,581	5,684	6,820
15	1,133	1,249	1,269	1,281

Source: *Pennsylvania Milk Control Commission*

TABLE 7. PENNA. PRODUCERS SHIPPING TO PENNA. SUPPLY PLANTS FOR EXPORT

Average Prices Paid Producers and Butterfat Content
Per Cwt.

AREA	1961		1962		1963		1964	
	Rate	B.F.	Rate	B.F.	Rate	B.F.	Rate	B.F.
STATE TOTAL	4.29	3.69	4.21	3.66	4.24	3.67	4.33	3.67
1	4.16	3.79	4.13	3.75	4.16	3.70	4.40	3.71
1-A	4.47	3.71	4.38	3.63	4.40	3.63	4.45	3.64
5 - Zone 2	4.44	3.65	4.36	3.65	4.39	3.70	4.45	3.63
9 - Zone 2	4.03	3.64		3.68	4.15	3.69	4.14	3.72
13	4.33	3.60	4.22	3.60	4.20	3.65	4.24	3.61
14	4.45	3.70	4.41	3.62	4.31	3.65	4.38	3.66
15	4.47	3.65	4.42	3.63	4.41	3.62	4.47	3.64

Source: *Pennsylvania Milk Control Commission*

TABLE 8. PENNA. PRODUCERS SHIPPING TO PENNA. SUPPLY PLANTS FOR EXPORT

Average Individual Producer Shipments and Payments

AREA	Average Annual Shipments per Producer (000 omitted)		Average Annual Payment per Producer	
	1961	1964	1961	1964
STATE AVERAGE	188	225	$ 8,089.	$ 9,765.
1	189	242	7,889.	10,533.
1-A	175	208	7,843.	9,254.
5 - Zone 2	221	267	9,651.	11,895.
9 - Zone 2	132	180	6,949.	7,641.
13	243	266	10,559.	11,424.
14	184	204	8,213.	8,953.
15	157	204	7,044.	9,134.

Source: *Pennsylvania Milk Control Commission*

TABLE 9. OUT-OF-STATE PRODUCERS SHIPPING TO OUT-OF-STATE SUPPLY PLANTS FOR IMPORT

AREA	Number of Producers 1961	1962	1963	1964	Volume of Production (000,000 omitted) 1961	1962	1963	1964
STATE TOTAL	2,181	1,966	1,226	1,099	523	521	358	340
1	1,784	1,505	725	591	446	438	271	244
1-A								
2	415	447	499	418	79	79	85	77
4								
5 - Zone 1								
5 - Zone 2								
6								
7								
8 - Zone 1								
8 - Zone 2								
9 - Zone 1								
9 - Zone 2								
12								
13								
14								
15								

Source: *Pennsylvania Milk Control Commission*

TABLE 10. OUT-OF-STATE PRODUCERS SHIPPING TO OUT-OF-STATE SUPPLY PLANTS FOR IMPORT

AREA	Payments to Producers (000 omitted) 1961	1962	1963	1964
STATE TOTAL	24,559	23,826	16,387	16,334
1	21,307	20,556	13,755	12,838
2	3,402	3,099	2,584	2,615

TABLE 11. OUT-OF-STATE PRODUCERS SHIPPING TO OUT-OF-STATE SUPPLY PLANTS FOR IMPORT

Average Prices Paid Producers and Butterfat Content Per Cwt.

AREA	1961 Rate	1961 B.F.	1962 Rate	1962 B.F.	1953 Rate	1953 B.F.	1964 Rate	1964 B.F.
STATE TOTAL	4.69	3.80	4.56	3.82	4.57	3.73	4.80	3.70
1	4.77	3.83	4.69	3.86	5.06	3.77	5.25	3.72
2	4.28	3.61	3.88	3.62	3.01	3.61	3.36	3.65

TABLE 12. OUT-OF-STATE PRODUCERS SHIPPING TO OUT-OF-STATE SUPPLY PLANTS FOR IMPORT

Average Individual Producer Shipments and Payments

AREA	Average Annual Shipments per Producer (000 omitted) 1961	1964	Average Annual Payment per Producer 1961	1964
STATE AVERAGE	239	310	$ 11,278.	$ 14,832.
1	249	397	11,958.	20,830.
2	191	186	8,211.	6,275.

Source: *Pennsylvania Milk Control Commission*

TABLE 13. BULK TANK SHIPMENTS TO PENNSYLVANIA DEALERS FROM OUT OF STATE - 1963

AREA	Pounds Shipped (000,000 omitted)	Payments Made (000 omitted)	Average Prices Paid
STATE TOTAL	248.6	$12,123.	4.87
1	4.6	208.	4.52
1-A	0.2	10.	5.00
2	195.4	9,646.	4.93
4	4.2	204.	4.85
5 - Zone 1			
5 - Zone 2			
6			
7	3.8	160.	4.21
8 - Zone 1	10.7	508.	4.75
8 - Zone 2	4.8	222.	4.62
9 - Zone 1			
9 - Zone 2			
12	2.4	87.	3.60
13			
14	19.8	908.	4.59
15			

Source: *Pennsylvania Milk Control Commission*

TABLE 14. STATEWIDE SUMMARY OF PRODUCER SHIPMENTS

		1961	1962	1963	1964
Pa. Producers -	Lbs. (000,000 omitted)	4788	4871	4768	4737
to Pa. Plants -	Average Price Paid	$ 4.85	$ 4.79	$ 4.77	$ 4.91
	Average Butterfat	3.74%	3.75%	3.77%	3.77%
Pa. Producers -	Lbs. (000,000 omitted)	1839	1875	2010	2008
to Pa. Supply -	Average Price Paid	$ 4.29	$ 4.21	$ 4.24	$ 4.33
Points-Export -	Average Butterfat	3.79%	3.66%	3.67%	3.67%
Out-of-state -	Lbs. (000,000 omitted)	523	521	358	340
Producers for -	Average Price Paid	$ 4.69	$ 4.56	$ 4.57	$ 4.80
Import	Average Butterfat	3.80%	3.87%	3.73%	3.70%
Volume Tank -	Lbs. (000,000 omitted)			248.6	
Shipments from-	Average Price Paid			$ 4.87	
Out-of-State -	Average Butterfat			3.70%	
Average Statewide Class I Price		$ 6.01	$ 6.02	$ 6.01	$ 5.98

Source: *Pennsylvania Milk Control Commission*

TABLE 15. SUMMARY OF PRODUCER RECEIPTS & PAYMENT

Area 1 - Philadelphia

Producer Numbers:	1961	1962	1963	1964
a. Pa. producers to Pa. Plants	4,673	4,176	3,524	3,179
b. Pa. producers to Pa. Plants-Export	808	817	766	820
c. Out-of-State Producers to Out-of-State Plants-Import	1,784	1,505	725	591
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	1,141	1,157	1,117	1,117
b. Pa. producers to Pa. Plants-Export	152	172	174	197
c. Out-of-State Producers to Out-of-State Plants-Import	446	438	271	244
Payments to Producers ($ 000 omitted);				
a. Pa. producers to Pa. Plants	$56,658	$56,112	$54,565	$58,196
b. Pa. producers to Pa. Plants-Export	6,357	7,099	7,264	8,705
c. Out-of-State Producers to Out-of-State Plants-Import	21,307	20,556	13,755	12,838
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	4.97 3.74	4.85 3.74	4.88 3.78	5.21 3.73
b. Pa. producers to Pa. Plants-Export	4.16 3.79	4.13 3.75	4.16 3.70	4.40 3.71
c. Out-of-State Producers to Out-of-State Plants-Import	4.77 3.83	4.69 3.86	5.06 3.77	5.25 3.72
Average Annual Minimum PMCC Prices:				
Class I prices	$ 5.88	$ 5.88	$ 5.88	$ 5.80
Market Blend prices-Fluid Plants			4.90	
Pennsylvania Dealers Total Supply				
Annual Marketwide Class I Utilization			66.6%	
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	1961	1964	1961	1964
a. Pa. producers to Pa. Plants	244	351	$ 12,126	$ 18,340.
b. Pa. producers to Pa. Plants-Export	189	242	7,889.	10,533.
c. Out-of-State Producers to Out-of-State Plants-Import	249	397	11,958.	20,830.

General Price Hearings in Area 1 - Effective date of Order: June 12, 1961
April 1, 1964

Source: *Pennsylvania Milk Control Commission*

TABLE 16. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 1-A - Suburban Philadelphia

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. Plants	394		361		330		329	
b. Pa. producers to Pa. Plants-Export	265		271		282		290	
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants	101		102		101		108	
b. Pa. producers to Pa. Plants-Export	46		52		57		60	
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. Plants	$5,572		$5,509		$5,494		$5,978	
b. Pa. producers to Pa. Plants-Export	2,076		2,282		2,522		2,683	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	5.47	3.83	5.38	3.86	5.39	3.85	5.52	3.80
b. Pa. producers to Pa. Plants-Export	4.47	3.71	4.38	3.63	4.40	3.63	4.45	3.64
Average Annual Minimum PMCC Prices:								
Class I prices	5.73		5.73		5.73		5.68	
Market Blend Prices-Fluid Plants Pennsylvania Dealers Total Supply					5.40			
Annual Marketwide Class I Utilization					79.7%			
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. Plants	257		329		$14,131		$18,180	
b. Pa. producers to Pa. Plants-Export	175		208		7,843		9,254	

General Price Hearings in Area 1-A - Effective date of Order: June 12, 1961
April 1, 1964

Source: *Pennsylvania Milk Control Commission*

TABLE 17. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 2 - Pittsburgh

	1961		1962		1963		1964	
Producer Numbers:								
a. Pa. producers to Pa. Plants		5,460		5,097		4,728		4,303
b. Out-of-State producers to Out-of-State Plants-Import		415		447		499		418
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants		1,036		1,050		1,017		1,014
b. Out-of-State Producers to Out-of-State Plants-Import		79		79		85		77
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. Plants		$48,957		$49,429		$46,557		$46,313
b. Out-of-State Producers to Out-of-State Plants-Import		3,402		3,099		2,584		2,615
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	4.72	3.74	4.70	3.75	4.58	3.75	4.57	3.77
b. Out-of-State Producers to Out-of-State Plants-Import	4.28	3.61	3.88	3.62	3.01	3.61	3.36	3.65
Average Annual Minimum PMCC Prices:								
Class I Prices		6.06		6.11		6.04		5.72
Market Blend Prices-Fluid Plants Pennsylvania Dealers Total Supply						4.53		
Annual Marketwide Class I Utilization						55.5%		
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:		1961		1964		1961		1964
a. Pa. producers to Pa. Plants		189		325		$ 8,973		$10,748
b. Out-of-State producers to Out-of-State Plants-Import		191		186		8,211		6,275

General Price Hearings in Area 2 - Effective Date of Order: April 1, 1960
Sept. 1, 1961
Aug. 1, 1964

Source: *Pennsylvania Milk Control Commission*

TABLE 18. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 4 - Schuylkill

Producer Numbers:	*1961*	*1962*	*1963*	*1964*
a. Pa. producers to Pa. Plants	808	640	585	540
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	132	132	132	132
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	7,081	5,791	5,405	5,319
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	5.33 3.82	5.27 3.84	5.27 3.89	5.46 3.89
Average Annual Minimum PMCC Prices:				
Class I Prices	6.03	6.03	6.03	6.01
Market Blend Prices-Fluid Plants Pennsylvania Dealers Total Supply			5.18 Zone 1 5.36 Zone 2	
Annual Marketwide Class I Utilization			66.6% Zone 1 73.3% Zone 2	
Annual Production per Producer (000 omitted) and Annual Payments made per Producer:	*1961*	*1964*	*1961*	*1964*
a. Pa. producers to Pa. Plants - Zone 1	182	213	$ 9,703	$11,692
Zone 2	136	145	7,364	7,894

General Price Hearings in Area 4 - Effective date of Order: Sept. 1, 1961
April 1, 1964

Source: *Pennsylvania Milk Control Commission*

TABLE 19. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 5 - Scranton - Wilkes Barre - Zone 1

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. plants	1,064		962		947		904	
Production (lbs 000,000 omitted):								
a. Pa. producers to Pa. plants	155		147		157		156	
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. plants	7,775		7,487		7,918		7,864	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. plants	4.99	3.77	5.07	3.80	5.03	3.81	5.02	3.77
Average Annual Minimum PMCC Prices:								
Class I Prices	5.98		5.98		5.98		5.98	
Market Blend Prices-Fluid Plants					5.02			
Pennsylvania Dealers Total Supply								
Annual Marketwide Class I Utilization					63.6%			
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. plants	146		173		$7,316		$8,707	

General Price Hearings in Area 5 - Effective Date of Order: Feb. 1, 1965

Source: *Pennsylvania Milk Control Commission*

TABLE 20. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 5 - Scranton-Wilkes Barre - Zone 2

	1961	1962	1963	1964
Producer Number:				
a. Pa. producers to Pa. Plants	25	16	24	21
b. Pa. producers to Pa. Plants-Export	796	769	654	653
Production (lbs. 000,000 omitted);				
a. Pa. producers to Pa. Plants	5	4	5	4
b. Pa. producers to Pa. Plants-Export	175	180	175	174
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	318	245	331	292
b. Pa. producers to Pa. Plants-Export	7,809	7,874	7,693	7,769
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	5.76 3.99	5.76 3.84	6.03 3.83	6.05 3.78
b. Pa. producers to Pa. Plants-Export	4.44 3.65	4.36 3.65	4.39 3.70	4.45 3.63
Average annual Minimum PMCC Prices:				
Class I Prices	5.93	5.93	5.93	5.93
Market Blend Prices-Fluid Plants				
Pennsylvania Dealers Total Supply			6.03	
Annual Marketwide Class I Utilization:			94.6%	
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*	*1964*	*1961*	*1964*
a. Pa. producers to Pa. Plants	221	228	$12,872	$13,868
b. Pa. producers to Pa. Plants-Export	221	267	9,651	11,895

General Price Hearings in Area 5 - Effective date of Order: Feb. 1, 1965

Source: *Pennsylvania Milk Control Commission*

TABLE 21. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 6 - Lehigh

	1961		1962		1963		1964	
Producer Numbers:								
a. Pa. Producers to Pa. Plants	1,358		1,280		1,242		1,187	
Production (lbs. 000,000 omitted):								
a. Pa. Producers to Pa. Plants	339		359		375		380	
Payments to Producers ($ 000 omitted):								
a. Pa. Producers to Pa. Plants	17,747		18,443		19,059		20,056	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. Producers to Pa. Plants	5.23	3.73	5.12	3.73	5.07	3.75	5.27	3.74
Average Annual Minimum PMCC Prices:								
Class I Prices	6.08		6.08		6.02		6.05	
Market Blend Prices-Fluid Plants								
Pennsylvania Dealers Total Supply					5.10			
Annual Marketwide Class I Utilization:					68.3%			
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*2961*		*1964*	
a. Pa. Producers to Pa. Plants	249		320		$13,080		$16,874	

General Price Hearings in Area 6 - Effective date of Order: Sept. 1, 1962
Feb. 1, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 22. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 7 - Erie

Producer Numbers:	*1961*	*1962*	*1963*	*1964*
a. Pa. producers to Pa. Plants	889	889	755	667
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	232	236	209	195
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	11,334	11,394	9,741	8,927
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	4.87 3.68	4.82 3.69	4.66 3.71	4.56 3.77
Average Annual Minimum PMCC Prices:				
Class I Prices	6.08	6.08	6.08	6.08
Market Blend Prices-Fluid Plants Pennsyvlania Dealers total Supply			4.62	
Annual Marketwide Class Utilization			71.9%	
Annual Production per Producer (000 omitted) and Annual Payments made per Producer:	*1961*	*1964*	*1961*	*1964*
a. Pa. producers to Pa. Plants	264	294	$12,727	$13,374

General Price Hearings in Area 7 - Effective date of Order: March 1, 1962

Source: *Pennsylvania Milk Control Commission*

TABLE 23. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 8 - Harrisburg - Zones 1 and 2

Fluid Plants

	1961	1962	1963	1964
Producer Numbers:				
a. Pa. producers to Pa. Plants	692	624	597	586
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	192	196	200	202
Payments to Producers (000 omitted):				
a. Pa. producers to Pa. Plants	10,131	10,138	10,409	10,621
Average b.f. and Prices Paid	\$ %	\$ %	\$ %	\$ %
a. Pa. producers to Pa. Plants	5.26 3.76	5.16 3.79	5.18 3.79	5.25 3.79
Average Annual Minimum PMCC Prices:				
Class I Prices	6.06	6.06	6.06	6.06
Market Blend Prices-Fluid Plants Penna. Dealers Total Supply			5.27 Zone 1 4.88 Zone 2	
Annual Marketwide Class I Utilization:			73.1% Zone 1 81.7% Zone 2	
Annual Production per Producer (000 omitted) and Annual Payments made per Producer:	1961	1962	1963	1964
a. Pa. producers to Pa. Plants	278	345	\$14,672	\$18,119

General Price Hearings in Area 8 - Effective date of Order: April 6, 1959
May 13, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 24. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 8 - Harrisburg

Manufacturing Plants Only

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. Plants	2,924		2,776		2,549		2,381	
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants	303		312		301		290	
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. Plants	11,861		11,774		11,547		11,497	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	3.91	3.69	3.77	3.69	3.84	3.69	3.96	3.69
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. Plants	103		121		$4,052		$4,825	

Source: *Pennsylvania Milk Control Commission*

TABLE 25. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 9 - Johnstown-Altoona - Zone 1

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. Plants	1,193		1,128		986		927	
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants	250		262		259		272	
Payments to Producer ($ 000 omitted):								
a. Pa. producers to Pa. Plants	12,603		12,976		12,817		13,462	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	5.02	3.88	4.95	3.78	4.94	3.83	4.94	3.84
Average annual Minimum PMCC Prices:								
Class I Prices	6.03		6.03		6.03		6.03	
Market Blend Prices-Fluid Plants								
Pennsylvania Dealers Total Supply					4.94			
Annual Marketwide Class I Utilization					64.8%			
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. Plants	210		293		$10,571		$14,522	

General Price Hearings in Area 9 - Effective date of Order: April 1, 1960
March 1, 1962

Source: *Pennsylvania Milk Control Commission*

TABLE 26. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 9 - Johnstown-Altoona - Zone 2

Producer Numbers:	*1961*	*1962*	*1963*	*1964*
a. Pa. producers to Pa. Plants	267	253	240	232
b. Pa. producers to Pa. Plants-Export	300	318	316	312
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	56	55	54	56
b. Pa. producers to Pa. Plants-Export	51	50	54	56
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	2,955	2,803	2,722	2,886
b. Pa. producers to Pa. Plants-Export	2,081	1,955	2,269	2,343
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	5.05 3.77	5.08 3.84	5.01 3.82	5.07 3.77
b. Pa. producers to Pa. Plants-Export	4.03 3.64	3.68	4.15 3.69	4.14 3.72
Average annual Minimum PMCC Prices:				
Class I Prices	6.03	6.03	6.03	6.03
Market Blend Prices-Fluid Plants				
Pennsylvania Dealers Total Supply			5.01	
Annual Marketwide Class I Utilization			61.6%	

Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*	*1964*	*1961*	*1964*
a. Pa. producers to Pa. Plants	210	245	$11,078	$12,443
b. Pa. producers to Pa. Plants	132	180	6,949	7,641

General Price Hearings in Area 9 - Effective date of order: April 1, 1960
March 1, 1962

Source: *Pennsylvania Milk Control Commission*

TABLE 27. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 12 - York

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. Plants	732		723		615		601	
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants	166		173		158		164	
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. Plants	7,839		7,976		7,415		7,930	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	4.70	3.78	4.59	3.76	4.68	3.80	4.81	3.80
Average Annual Minimum PMCC Prices:								
Class I Prices	6.06		6.06		6.06		6.06	
Market Blend Prices-Fluid Plants					4.65			
Pennsylvania Dealers Total Supply								
Annual Marketwide Class I Utilization					64.7%			
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. Plants	223		274		$10,548		$13,187	

General Price Hearings in Area 12 - Effective date of Order: May 13, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 28. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 13 - Williamsport-Sayre-Athens

Producer Numbers:	*1961*	*1962*	*1963*	*1964*
a. Pa. Producers to Pa. Plants	1,115	1,172	1,109	1,055
b. Pa. producers to Pa. Plants-Export	399	314	450	419
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	231	251	256	254
b. Pa. producers to Pa. Plants-Export	97	79	112	112
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	11,020	12,423	12,804	12,734
b. Pa. producers to Pa. Plants-Export	4,211	3,342	4,707	4,787
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	4.77 3.72	4.93 3.72	4.99 3.76	5.01 3.76
b. Pa. producers to Pa. Plants-Export	4.33 3.60	4.22 3.60	4.20 3.65	4.24 3.61
Average Annual Minimum PMCC Prices:				
Class I prices	6.16	6.16	6.16	6.16
Market Blend Prices-Fluid Plants			5.00	
Pennsylvania Dealer Total Supply				
Annual Marketwide Class I Utilization:			59.46%	
Annual Production per Producers (000 omitted) and Annual Payments made per Producer:	*1961*	*1964*	*1961*	*1964*
a. Pa. producers to Pa. Plants	206	241	$ 9,881	$12,069
b. Pa. producers to Pa. Plants-Export	243	266	10,559	11,424

General Price Hearings in Area 13 - Effective date of Order: April 1, 1963
June 1, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 29. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 14 - Lancaster

Producer Numbers:	*1961*		*1962*		*1963*		*1964*	
a. Pa. producers to Pa. Plants	1,706		1,549		1,126		1,083	
b. Pa. producers to Pa. Plants-Export	380		401		797		762	
Production (lbs. 000,000 omitted):								
a. Pa. producers to Pa. Plants	321		319		264		267	
b. Pa. producers to Pa. Plants-Export	70		81		155		155	
Payments to Producers ($ 000 omitted):								
a. Pa. producers to Pa. Plants	14,717		14,444		11,984		12,509	
b. Pa. producers to Pa. Plants-Export	3,119		3,581		6,684		6,820	
Average b.f. and Prices Paid:	$	%	$	%	$	%	$	%
a. Pa. producers to Pa. Plants	4.57	3.72	4.53	3.69	4.54	3.72	4.68	3.73
b. Pa. producers to Pa. Plants-Export	4.45	3.70	4.41	3.62	4.31	3.65	4.38	3.66
Average Annual Minimum PMCC Prices:								
Class I Prices	6.00		6.00		6.00		6.00	
Market Blend prices-Fluid Plants								
Pennsylvania Dealers Total Supply					4.60			
Annual Marketwide Class I Utilization					44.9%			
Annual Production per Producers (000 omitted) and Annual Payments made per producer:	*1961*		*1964*		*1961*		*1964*	
a. Pa. producers to Pa. Plants	198		246		$8,632		$11,575	
b. Pa. producers to Pa. Plants-Export	184		204		8,213		8,953	

General Price Hearings in Area 14 - Effective date of Order: January 1, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 30. SUMMARY OF PRODUCER RECEIPTS & PAYMENTS

Area 15 - Reading-Berks

Producer Numbers:	1961	1962	1963	1964
a. Pa. producers to Pa. Plants	456	449	414	379
b. Pa. producers to Pa. Plants-Export	161	161	153	140
Production (lbs. 000,000 omitted):				
a. Pa. producers to Pa. Plants	108	110	108	105
b. Pa. producers to Pa. Plants-Export	25	28	28	28
Payments to Producers ($ 000 omitted):				
a. Pa. producers to Pa. Plants	5,698	5,607	5,624	5,616
b. Pa. producers to Pa. Plants-Export	1,133	1,249	1,269	1,281
Average b.f. and Prices Paid:	$ %	$ %	$ %	$ %
a. Pa. producers to Pa. Plants	5.28 3.69	5.06 3.72	5.19 3.72	5.33 3.72
b. Pa. producers to Pa. Plants-Export	4.47 3.65	4.42 3.63	4.41 3.62	4.47 3.64
Average Annual Minimum PMCC Prices:				
Class I Prices	6.11	6.11	6.11	6.11
Market Blend Prices-Fluid Plants				
Pennsylvania Dealers Total Supply			5.21	
Annual Marketwide Class I Utilization:			68.9%	
Annual Production per Producers (000 omitted) and Annual Payments made per producer:	1961	1964	1961	1964
a. Pa. producers to Pa. Plants	236	277	$12,510	$14,826
b. Pa. producers to Pa. Plants-Export	157	204	7,044	9,134

General Price Hearings in Area 15 - Effective date of Order: April 1, 1960
May 13, 1963

Source: *Pennsylvania Milk Control Commission*

TABLE 31. BLEND PRICES PAID BY PENNA. DEALERS BY AREA (FLUID PLANTS) AND CLASS I UTILIZATION

1963

AREA	Class I Utilization	Rate per Cwt.	Butterfat
STATE	63.2%	$4.84	3.7%
1	66.6	4.90	3.7
1-A	79.7	5.40	3.8
2	55.5	4.53	3.7
4 - Zone 1	66.6	5.18	3.8
4 - Zone 2	73.3	5.36	3.9
5 - Zone 1	63.6	5.02	3.8
5 - Zone 2	94.6	6.03	3.8
6	68.3	5.10	3.7
7	71.9	4.62	3.7
8 - Zone 1	73.1	5.27	3.8
8 - Zone 2	81.7	4.88	3.7
9 - Zone 1	64.8	4.94	3.8
9 - Zone 2	61.6	5.01	3.8
12	64.7	4.65	3.8
13	59.46	5.00	3.7
14	44.9	4.60	3.7
15	68.9	5.21	3.7

Source: *Pennsylvania Milk Control Commission*

TABLE 32. CLASS I PRICES - 3.5% b.f.

Annual Averages

AREA	1961	1962	1963	1964
1	5.88	5.88	5.88	5.80
1-A	5.73	5.73	5.73	5.68
2	6.06	6.11	6.04	5.72
4	6.03	6.03	6.03	6.01
5 - Zone 1	5.98	5.98	5.98	5.98
5 - Zone 2	5.93	5.93	5.93	5.93
6	6.08	6.08	6.02	6.05
7	6.08	6.08	6.08	6.08
8 - Zone 1	6.06	6.06	6.06	6.06
8 - Zone 2	6.06	6.06	6.06	6.06
9 - Zone 1	6.03	6.03	6.03	6.03
9 - Zone 2	6.03	6.03	6.03	6.03
12	6.06	6.06	6.06	6.06
13	6.16	6.16	6.16	6.16
14	6.00	6.00	6.00	6.00
15	6.11	6.11	6.11	6.11
Federal Order 36 - North East Ohio	4.628	4.508	4.51	4.61
Federal Order 48 - Youngstown, Ohio		4.608	4.61	4.71
Federal Order 8 - Wheeling, W. Va.	4.88	4.71	4.68	4.74
Federal Order 2 - New York - New Jersey	5.32	5.30	5.22	5.30
Federal Order 4 - Delaware Valley	5.60	5.514	5.328	5.63
Federal Order 16 - Upper Chesapeake			5.22	5.34

Source: *Pennsylvania Milk Control Commission and Federal Market Administrator's Reports for Federal Order Markets*

TABLE 33. COMPARISON OF RATES PAID

BY PENNSYLVANIA DEALERS TO PENNSYLVANIA PRODUCERS FOR MILK

SHIPPED TO PENNSYLVANIA PLANTS

and

BY OUT OF STATE DEALERS TO PENNSYLVANIA PRODUCERS FOR MILK

SHIPPED TO SUPPLY PLANTS LOCATED IN PENNSYLVANIA FOR EXPORT.

1964

AREA	Shipments to Pa. Plants		Shipments to Supply Plants for Export	
	Rate	B.F.	Rate	B.F.
STATE TOTAL	4.91	3.77	4.33	3.67
1	5.21	3.73	4.40	3.71
1-A	5.52	3.80	4.45	3.64
2	4.57	3.77		
4	5.46	3.89		
5 - Zone 1	5.02	3.77		
5 - Zone 2	6.05	3.78	4.45	3.63
6	5.27	3.74		
7	4.56	3.77		
8 - Zone 1	4.56	3.72		
8 - Zone 2	4.20	3.77		
9 - Zone 1	4.94	3.84		
9 - Zone 2	5.07	3.77	4.14	3.72
12	4.81	3.80		
13	5.01	3.76	4.24	3.61
14	4.68	3.73	4.38	3.66
15	5.33	3.72	4.47	3.64

Source: *Pennsylvania Milk Control Commission*

… FLUID MILK IN MARKETS SURROUNDING PENNSYLVANIA

December - 1964

	Home Delivered	Glass		Sold out of Stores		
				Paper	Glass	
	Qt.	*1/2 Gal.*	*Gal.*	*Qt.*	*1/2 Gal.*	*Gal.*
New York						
* Albany	29	57	-	26-29	43-53	75-79
* Binghamton	29	55	-	24-26	43	-
* Buffalo	29-30	56-59	-	23-26	45-51	89
* New York City	25-29 1/2	49-55	93-99	19 1/2-29 1/2	44-51	71-85
* Rochester	29-31	51	-	26	51	-
* Schenectady	29=	57	-	27	49	89
* Syracuse	29	58	-	-	41	-
New Jersey						
Atlantic City	32	56-62	1.07-1.08	26 1/2	50	86
Camden	20 1/2	58	99	25 1/2	-	-
Northern N. J.	29-31 1/2	54-55	98	25 1/2-28 1/2	46-55	86
Trenton	29	52	98	27	48-51	86-88
District of Columbia						
Washington	31-32	56=58	-	28-29	49	98
Delaware						
Wilmington	26-31	48-55	97	25	45	79
Maryland						
Baltimore	31	56	-	29	53	-
West Virginia						
Charleston	30	58	98	33	59	79-97
Wheeling	28	49	87-89	28	50	79-89
Ohio						
* Cleveland	26	41-46	-	21-23	38-40	74
* Youngstown	25	44-45		23	38-40	
Mentor (15 miles east of Cleveland)					19-33	

*Quantity discount on home delivered milk.

Source: *Fluid Milk and Cream Report, U. S. Dept. of Agriculture*
Youngstown and Mentor, Ohio - Individual Market Reports

TABLE 35. RESALE PRICES FOR FLUID MILK IN PENNSYLVANIA - DECEMBER, 1964

	Home Delivered Glass or Paper			Sold out of Stores Glass or Paper		
AREA	Qt.	1/2 Gal.	Gal.	Qt.	1/2 Gal.	Gal.
1	29 1/2	55	1;06	27 1/2	51	98
1-A	29 1/2	55	1.06	27 1/2	51	98
2	28	51	1.00	27	48 1/2	94
4	28	55		27	53	
* 5 - Zone 1	27			26		
5 - Zone 2	26			26		
6	26 1/2	52		25	49	
7	28	53	1.02	27	51	96
8 - Zone 1	27			26		
8 - Zone 2	27			26		
9 - Zone 1	27	53		26	51	
9 - Zone 2	27	53		26	51	
12	27			26		
13	27 1/2			26 1/2		
14	28			27		
15	27 1/2			26 1/2		
* Area 5 - Effective 2/1/65	28	53	1.02	27	50	96

Source: *Pennsylvania Milk Control Commission*

TABLE 36. COMMONWEALTH OF PENNSYLVANIA - MILK CONTROL COMMISSION

MILK DEALERS LICENSES ISSUED - 1950 - 1964

License Year *	Dealers	Manufacturers
1950 - 51	864	78
1951 - 52	832	79
1952 - 53	828	81
1953 - 54	795	90
1954 - 55	769	91
1955 - 56	702	90
1956 - 57	683	88
1957 - 58	675	84
1958 - 59	647	86
1959 - 60	661	82
1960 - 61	647	81
1961 - 62	624	77
1962 - 63	668	78
1963 - 64	592	69
1964 - 65	590	50

* License year begins May 1

Source: *Pennsylvania Milk Control Commission*

TABLE 37. MILK DEALERS' PROFITS UNDER PENNSYLVANIA MILK CONTROL

Pa. Milk Marketing Area No.	Most recent year for wich figures are Available Each Area	% Margin on Sales Each Area[1]	% Return on Net Assets Each Area[1]	National %[2] Margin on sales of leading dairy corporations for Corresponding Year	National[2] % Return on Net Assets of Leading Dairy Corporations for corresponding Year	National %[2] Margin on Sales of Leading cos.; 64 industrial, commercial and financial groups; 3984 companies
1	1962	1.87%[3]	6.23%[3]	2.6%	10.6%	5.7%
1-A	1962	.91%[3]	4.78%[3]	2.6%	10.6%	5.7%
2	1962	1.295%	8.0%	2.7%	10.6%	5.7%
4	1962	1.1564%	5.27%	2.7%	10.6%	5.7%
5	1963	1.47%	5.78%	2.7%	10.8%	5.9%
6	1962	2.10%	7.0%	2.6%	10.6%	5.7%
7	1960	1.62%	5.16%	2.5%	11.3%]	5.7%
8	1962	1.58%	8.16%	2.7%	10.6%	5.7%
9	1960	2.94%	9.46%	2.5%	11.3%	5.7%
12	1962	1.29%	7.68%	2.7%	10.6%	5.7%
13	1962	.57%	7.4%	2.6%	10.6%	5.7%
14	1961	1.18%	5.02%	2.6%	10.5%	5.5%
15	1963	1.45%	7.23%	2.7%	10.7%	5.9%

[1] Source: *Hearing records - PMCC Exhibits and Findings of Fact*

[2] Source: *First National City Bank of New York, "Monthly Economic Letter"*

[3] Source: *Calculated on PMCC minimum prices*