



National Milk Producers Federation

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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

September 24, 2013

Sen. Dominic Pileggi
Senate Majority Floor Leader
Senate Box 203009
Harrisburg, PA 17120-3009

Sen. Jay Costa
Senate Minority Floor Leader
Senate Box 203043
Harrisburg, PA 17120-3043

Dear Majority Leader Pileggi and Minority Leader Costa:

I write today to express the support of the National Milk Producers Federation (NMPF) of Senate Bill 994 (SB 994) which authorizes a nutrient procurement program within the State of Pennsylvania. The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. NMPF's member cooperatives produce the majority of the U.S. milk supply, making NMPF the policy voice of more than 32,000 dairy producers in Washington, DC and across the U.S. on matters of national significance.

The nutrient procurement program authorized by SB 994 will provide an effective and important policy mechanism to reduce nutrients cycling into the Chesapeake Bay and create needed incentives to encourage Pennsylvania dairy farmers to adopt new technologies, while saving precious taxpayers' money by reducing municipal wastewater treatment facility costs. The nutrient procurement program proposed in SB 994 would enable Pennsylvania dairy farmers to implement nutrient reduction practices at a fraction of what it currently costs municipal wastewater treatment facilities to achieve equivalent reductions in nutrient loads from existing waste streams.

SB 994 provides the necessary transparency and accountability that an effective nutrient procurement program requires while also providing significant savings for Pennsylvania taxpayers. The measure proposes that nutrient trading credits will be verified by the Pennsylvania Department of Environmental Protection using science-based metrics. Under SB 994, nutrient credit awards would be made solely on the basis of the most cost-effective proposals using price and defined benefits such as verified nutrient or sediment reductions. A recent Pennsylvania Legislative Budget and Finance Committee (LBFC) report, *A Cost Effective Alternative Approach to Meeting Pennsylvania's Chesapeake Bay Nutrient Reduction Targets* (January 2013), projected that utilizing an upstream non-point source strategy, such as defined in SB 994, could provide savings to Pennsylvania taxpayers up to \$1.5 billion annually by 2025.

Agri-Mark, Inc.
Arkansas Dairy Cooperative Association
Associated Milk Producers Inc.
Continental Dairy Products, Inc.
Cooperative Milk Producers Association
Dairy Farmers of America, Inc.
Dairylea Cooperative Inc.
Dairymen's Marketing Cooperative, Inc.
Ellsworth Cooperative Creamery
Farmers Cooperative Creamery
FarmFirst Dairy Cooperative
First District Association
Foremost Farms USA
Land O'Lakes, Inc.
Lone Star Milk Producers
Maryland & Virginia Milk Producers Cooperative Association
Michigan Milk Producers Association
Mid-West Dairymen's Company
Northwest Dairy Association
Prairie Farms Dairy, Inc.
Premier Milk Inc.
St. Albans Cooperative Creamery, Inc.
Scioto County Cooperative Milk Producers' Association
Select Milk Producers
Southeast Milk, Inc.
Swiss Valley Farms Company
Tillamook County Creamery Association
United Dairymen of Arizona
Upstate Niagara Cooperative, Inc.
Zia Milk Producers, Inc.

The dairy industry is an important component to a vibrant economy in Pennsylvania. Statewide dairy production and associated businesses contribute more than \$6 billion annually to Pennsylvania's economy creating more than 60,000 jobs. The nutrient procurement program authorized by SB 994 will provide important nutrient reduction for the Chesapeake Bay while providing Pennsylvania's dairy industry with improved economic viability and significant savings to Pennsylvania taxpayer.

I urge you to support SB 994 to authorize a nutrient procurement program to the benefit of Pennsylvania taxpayers, dairy farmers and the environment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Mulhern".

Jim Mulhern
Chief Operating Officer