

Good morning, Chairman Rowe and distinguished members of the Republican Policy Committee. Thank you for the opportunity to give my testimony today. My name is Keith Masser and I am Chairman of Board of Sterman Masser, Inc. and Keystone Potato Products LLC.

I am here on behalf of our family of companies, Sterman Masser, Inc., Masser Logistic Services, Keystone Potato Products, and Lykens Valley Grain. Our corporate headquarters are located in Sacramento, PA, in Schuylkill County, with land and facilities also located in Dauphin and Northumberland counties.

Background

For more than 50 years, Sterman Masser Inc. has been a grower, packer, and shipper of potatoes. We are a family business, started by my father, Sterman Masser, in 1970, and now owned by son, David Masser, and daughter Julie Ballay. Dave and Julie are 8th-generation farmers and we have high hopes that one or more of our grand children will become the 9th generation.

We currently farm approximately 1000 acres of potatoes, along with 2300 acres of corn, 1500 acres of soybeans, and 850 acres of wheat annually. The remaining acreage is dedicated to a variety of cover and rotation crops, totaling over 6000 acres in production. We distribute approximately 350 million pounds of potatoes annually to chain stores throughout the eastern United States, with a primary focus on retail packaged potatoes. Our farming, packing, and distribution operations are supported by a team of approximately 450 employees who live in Schuylkill and surrounding counties.

Impacts of Current Energy Environment Operating our Business

Our operations are heavily dependent on energy. Diesel Fuel, Gasoline, Nitrogen Fertilizer, Plastic Packaging and Gas to fuel an 800 HP Boiler

Electricity is used to run our refrigeration, packaging and processing equipment.

Higher Pennsylvania electrical costs are difficult to pass on to our customers having out of state competitors in our potato business.

Our grain business is commodity price driven not allowing us to pass on additional costs of drying and storing grain.

All this will result in reducing the amount of jobs available in our company and reducing the amount of locally grown product and reducing our competitive advantage.

Electrical grid disruptions require us to utilize 6 diesel powered generators to maintain storage temperatures and keep our packing and processing lines running.

