16-Lancaster Farming, Saturday, November 23, 1963 a New York referendum. yould eliminate th two-cent ADA checkoff.

## Milk Co-op Approves Increase Of Two Cents Dues Per CWT

A two cent per hundred- continued in the Lancaster weight increase in dues was area.

approved by delegates of the Interstate Milk Producers Cooperative Thursday at the organization's closing session in two cents a month to ADA, Philadelphia.

hour discussion at the 27th dealers to stop the present er had ever been defeated in changes, among other things, annual meeting, and endorsed action of the co-op's board of directors who had earlier proposed the dues increase. One cent of the checkoff on milk shipped will go toward financing the cooperative activities and the other cent will be used for milk promotion activities - probably through American Dairy Association, athough the resolution did not specifically restrict the use of the increase

The increase in funds for operation of the cooperative is needed, it was explained, because of the change last year in the Internal Revenue law which requires cooperatives to return in cash 20 per ccent of each year's net savings.

The increase in commission | was the third since 1947 when dues went from four to five cents per hundred weight Another one cent increase became effective in 1953.

Because of the new tax ruling general manager James Honan said the cooperative's reserve account would have dropped from the present \$740,000 to \$602,000 in the next seven years He added tnat market risks are continually rising even as income would have dwindled

The extra one-cent commission increase, at today's present voume of member's milk of one billion pounds, will bring in an average of \$105, 000 more net savings a year.

Honan said the cash return "foiced" by the IRS legislation will amount to about \$42, 500 - equal to about onehalf cent a hundredweight on present production.

"So for the one-cent increased commission for Inter-State finances," he said, members will get about onehalf cent back each year"

Honan said Inter-State has written assurancés from both the American and Atlantic Dairy Associations that the present program, which amounts to 4,800 a year, will be

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Honan noted that members who have already signed a deduction authorization to give The vote-came after a one bers and notify members'

effect, will cancel the ADA ket by the association.

## Co-op Agency.

(Continued from Page 1) He asserted, "A No vote have any order at all."" would not be an automatic the Benjamin Franklin Hotel, the association will return end of federal orders," and voted on recommended decithese deduction cards to mem- added that he could not re- sions on the New York Fedmember when a proposed ord- eral order. The proposed

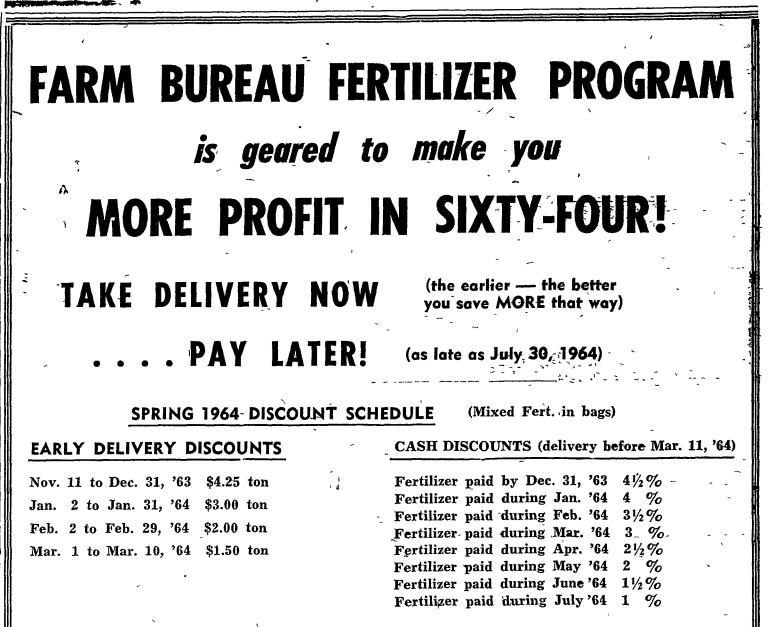
Approval of the Inter-State Stratton criticized what he ing of bulk milk provision in dues increase, when put into called undue pressure by the the present order. amendment to a market; order, November 25 referendum. "were told by the Secretary, 'Now you fellows get together and vote right or you won't

Earlier the membership

U.S. Secretary of Agriculture The ballots will not - be checkoff without a loss in milk in promoting market orders., counted until next week, and promotion for the local mar- He said midwestern dairymen, the individual cooperative after defeating a proposed votes will be cast in the

> Abner Risser and Simeon Horton, Mount Joy, represented the Mount Joy Milk Producers Cooperative at the convention.

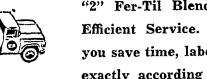
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