

Lehigh charges

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charges a "crybaby publicity barrage." Dairylea said Lehigh's charges were totally false and said the prices cited by Dairylea also were totally false.

But Dairylea refused to disclose the actual prices saying it would never begin to tell anyone about the details of any business agreement.

At A&P's Montvale, N.J. plant company officials said they could not comment on the case as it was being handled by their legal department.

"We are charging the lowest price we are allowed by law in those 20 stores," was all company spokesman Bill Vitulli would say.

Lehigh's Barry maintained the laws were intended to protect the price paid to dairy farmers.

Barry said consumers are paying between \$1.80 and \$1.94 for the same package of milk at A&P.

"That gives A&P 38 to 52 cents per gallon on what is supposed to be an economy package," Barry said.

He called the margin "an outrageously high profit for any chain store to extract."

He said it results in an extraordinarily low payment price to farmers.

Barry said he felt the Dairylea agreement amounted to illegal tolling of milk.

"Earl Fink (PMMB Executive Secretary) has the power to pull the licenses," Barry said. "The regulations are liberal and he can attempt to do it."

"If he doesn't, why should anybody abide by the law?" Barry asked.

Fink said Thursday he had assigned a team to investigate the Lehigh charges. He said if the charges in the complaint were substantiated that PMMB would hold a hearing.

Even should Fink move to

revoke license as requested by Lehigh, the action could be slowed down in court for 30 to 90 days by Dairylea.

"If PMMB is unwilling to move against A&P and Dairylea they put Lehigh in an untenable position," Barry said.

He called Dairylea's pricing "idiotic" and said only a desperate co-op could sell milk at a price as low as Dairylea.

"We worked hard to move from a \$5 million loss to \$800,000 profit and we'd hate to lose it to the bad management of another co-op," Barry said.

"They are where we were five years ago. Their last financial statement showed them about \$4 million in debt," he said.

He said Dairylea's action could only end up costing the farmer money.

Dairylea took strong exception to the charges. Dairylea said Lehigh is "desperate."

"We're annoyed to perceive anyone trying to keep a customer by using a government agency to browbeat the customer," said Dairylea's Bruce Snow.

Snow said Dairylea was fully audited by PMMB before the deal with A&P was consummated. He said the deal was made last Friday, February 8.

On Saturday, February 9, a hearing was held to give PMMB better control over tolling.

Regulations were promulgated to require a 45-day notice on such contracts and requiring a three percent margin.

Dairylea charged PMMB failed to have a public hearing on the matter before taking action.

Snow said Dairylea asked to comment on the matter and PMMB refused to allow comment.

He said Dairylea's legal council said the amendment to PMMB rules is illegal because it is ambiguous and because of the manner in which it was promulgated.

Snow also pointed out Dairylea was servicing the A&P account before the rule was instituted.

They had started the day before PMMB gave its ruling.

PMMB's Fink agreed that Dairylea's agreement with A&P was started before the regulation took effect.

But, Fink said, the regulation was proposed in December, was open to comment for 30 days, and PMMB voted to promulgate the regulations on Saturday, February 2.

The regulation was published in the Pennsylvania Bulletin on February 9.

Since Dairylea's agreement went into effect the day before the regulation was published Fink said the rules do not apply to the agreement.

That did not seem to make Dairylea any happier about Lehigh's charges.

"Lehigh, for years, has taken accounts away from other people. They should be willing to meet competition with competition rather than force," Snow maintained.

In its charges, Lehigh also asked a state-wide hearing to review retail minimum pricing as now structured to avoid over-control.

Lehigh recommended a major change to allow all dealers and retailers to sell at competitive prices, but not below cost.

Lancaster Farming, Saturday, February 16, 1980—A27

A hearing set for Tuesday may touch on that subject. The February 12 hearing will give the industry a chance to tell PMMB how to improve its regulations on tolling.

But the meeting should

have little or no effect on the Dairylea deal.

And it probably will be a while before dairy circles stop spinning from the charges.

Rules change for returning U.S. animals from Canada

WASHINGTON, D.C. — Rules for animals returning to the United States after being exhibited in Canada have been amended, the U.S. Department of Agriculture reported Thursday.

Pierre Chaloux of the USDA's Animal and Plant Health Inspection Service, said the amendment will allow animals and poultry to be exhibited in Canada and returned to the United States within 90 days without the need for Canadian health or test certification.

Horses, however, must have been tested with negative results for equine infectious anemia prior to entering Canada and returned within 90 days of the date the horses were tested.

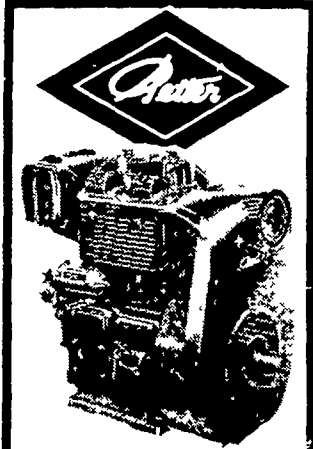
Offspring of U.S. animals born in Canada during the

90-day period will not need tests to enter the United States.

Chaloux said the new regulations also will permit foals of Canadian mares to enter the United States without testing for equine infectious anemia, provided the accompanying mares were found negative to equine infectious anemia tests before giving birth and imported within 60 days of the test date.

The amendment was published in the February 8 Federal Register.

A final impact analysis statement has been prepared and is available from Program Services Staff, Room 870, APHIS/USDA Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782.

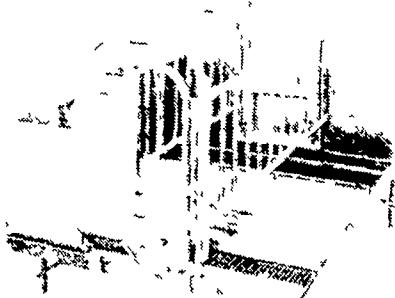


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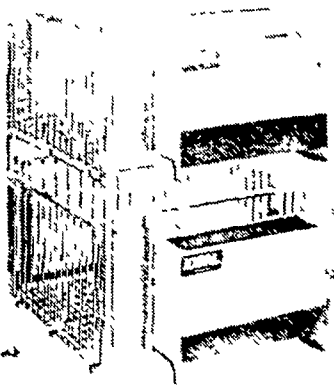


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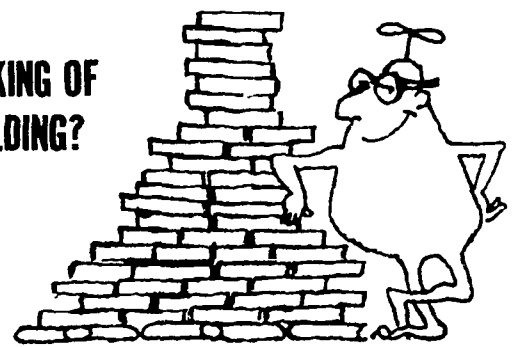
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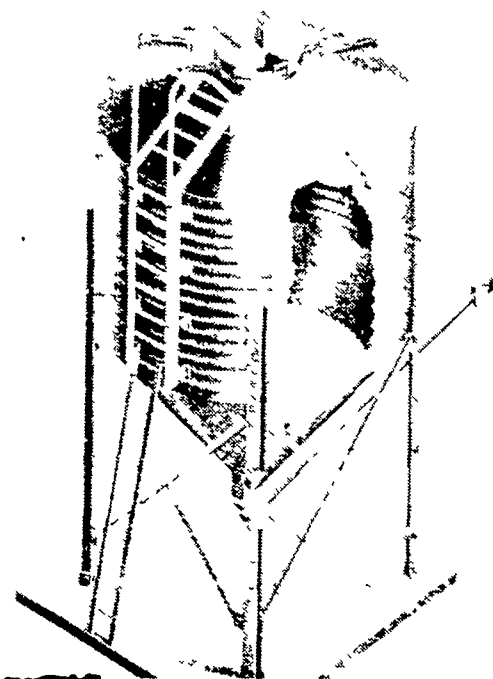
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