

# Milk dealers still unhappy over security bill

HARRISBURG — The introduction of Senate Bill 1287 to create the Pennsylvania Milk Producers' Security Fund has not been enthusiastically received by the state's milk dealers.

The fact that such legislation—copied from New York—was not introduced earlier has been erroneously blamed on "pressure" from milk dealers and irresponsibility on

legislators. The fact is that no one could come up with a plan which would accomplish the job and still be fair to all segments of the industry, maintains Milk Dealers Association Henry R. Geisinger.

Senate Bill 1287 still does not meet these requirements and is unfair, he said Wednesday. After preliminary discussion on the legislation it was

prepared and sent to the Senate floor without even an opportunity to make minor amendments to clear up some language, he charged.

Once again the proprietary milk dealers — not cooperatives — appear to be the main economic target of this legislation. The Security Fund concept is "farmer protection insurance" but neither farmers nor operating cooperatives are asked to ante up one penny for their own business protection, he pointed out.

Dealers wish they could find the same kind of benefactor or financial angle to meet losses which they face in the market place due to bankruptcies and other business losses when stores, restaurants or other accounts go bankrupt.

The question arises why should dealers pay for farmer insurance at one end and take the losses at the other end of their business operation and now long they can stand it, Geisinger said.

When the system began in the depression '30s it was a little different story. Then there were over 1100 milk dealers, most of which were small, localized operations with minimum capital and with low bond requirements. Today, with fewer than 200 dealers remaining, placing the cost of this bond or Security Fund on them creates a near impossible situation from a cost standpoint if dealers are to remain in business, he said.

What is less than thrilling

is the fact that the drive to make dealers pay comes mainly from cooperative leaders and their pressure on major farm organizations rather than from independent farmers, he said.

This "sock-the dealer" approach stems from a number of organizations which, according to the best financial records available, need a lot to learn about their own financial management, Geisinger said.

It is most unfair to have the pressure, the big talk and the accusations against dealers coming from people who don't have to pay the bill — and co-ops are virtually exempt though they compete in the market place where they are not even required to pay the minimum prices demanded from dealers. It is miraculous if you can get someone to pay your bills or insurance, he said.

If farmers had to pay for this coverage it would be a mere fraction of their current return—about one to two cents on a \$12 blend price. And it certainly would be a drop in the bucket cost compared to the millions paid in recent years for co-op dues, assessments to cover losses, money lost in reblending (again, only a co-op privilege), etc., Geisinger said.

If farmers paid they could get 100 percent protection and could "run the show," he said.

From the dealer viewpoint there are serious competitive problems in border


area where out-of-state dealers, who would not be forced to pay, sell much non-Pennsylvania-produced milk.

He raised a question as to whether there is protection in Senate Bill 1287 for the Keystone State milk producer who sells his milk out of state.

All dealers ask is that farmers be assessed at least part—if not all—of the cost of this insurance. One of these days, with this kind of legislation, there no longer

will be independent dealers. Perhaps that is the aim of the cooperatives, Geisinger said.

From recent reports it would appear that many co-op losses stem from cooperatives fighting cooperatives for business and the question continues as to the soundness of the pricing structures and whether the banks, which lend them money, can continue to give them financial help, he concluded.




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## Golden Guernsey 4-H club to meet April 8

The 4-H Golden Guernsey Club held its first meeting of the year at the home of Mr. and Mrs. Raymond Witmer.

Officers were elected for the upcoming year. The new president will be Gerald Garber, while Connie Balmer was elected vice-president.

Other new officers include: Mary Witmer, secretary; & Jay Garber, treasurer; Joanne Ferguson, news reporter; Joe and Doug Rohrer, song and game leaders; and Carol and Connie Balmer, county council officers.

The next meeting will be held on April 8, at 7:30 p.m.

at Mr. and Mrs. George Rohrer's farm. At the meeting, the members will hold an auction to bring in some money for the club. After the auction, a slide presentation is planned.

The club is still open to any youth between the ages of 8 and 18 who would like to raise a Guernsey calf.



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