

LeHi reorganization

(Continued from Page A1)

Farmers equal to the balance of the book value of the assets, or approximately \$1.8 million."

In other words, total assets are roughly \$21.8 million.

Upon liquidation of the old organization, the remaining cash would be distributed to the preferred shareholders. Depending on the results of pending litigation, the actual figure may vary, but it is expected to be close to \$1.8 million.

That would result in a payment of about 15 cents on the dollar to the preferred shareholders. Common shareholders will receive nothing.

Atlantic Processing, Inc. will be formed by the present directors of Lehigh Valley Cooperative Farmers investing \$20,000 of their own money, officials say.

The stock, however, will be subject to a voting trust, the trustee of which will be a bank.

The Baltimore Bank for Cooperatives, which is the dairy's principal creditor, will finance the transaction. But officials emphasize the Bank did not suggest the plan.

In conditionally accepting the proposal the Bank has agreed to repurchase \$2.3 million of its own stock for 80 percent of its value from Atlantic Processing. That amount, about \$1.8 million, is the source of funds for the purchase of Lehigh Valley Cooperative Farmers.

The Bank also has agreed to restructure other obligations.

Once the new organizations are set up, Lehigh Valley Farmers would enter into a milk marketing contract with Atlantic Processing.

Officials say the new marketing agreement would provide members with the same terms and payments as they now are receiving but would require participation for one year.

The agreement between Lehigh Valley Farmers and Atlantic Processing would be in effect until the debt to the Baltimore Bank is repaid.

The plan further provides that Lehigh Valley Farmers may buy back the stock of Atlantic Processing, Inc. within 10 years at the same price paid.

The organization has been struggling to regain its financial footing since 1974 when it was discovered the Co-op paid \$5.2 million in overdistributions. In order to keep afloat the association collectively assessed its members \$3.8 million.

Fiscal 1978 was the first year since then that the dairy operations showed a profit, but even in that year farmers were assessed to cover losses incurred during a strike at the Allentown plant.

Fiscal 1979 is expected to show a considerable gain but the Co-op's staggering debt

load, including interest to shareholders, has complicated its overall financial picture.

In July 1978 a proposal to buy stock back from preferred shareholders was withdrawn by officials when it became clear there was overwhelming opposition to it.

That plan called for a \$5000 per farmer assessment and provided a 20 cents on the dollar distribution to preferred shareholders.

A vote on the current plan is expected April 25 at the organization's annual meeting in Lancaster.

Lancaster Guernsey tour April 7

LANCASTER — The Lancaster County Guernsey Breeders Association will conduct a tour Monday, April 7, 8:30 a.m. sharp meeting at the Lancaster Shopping Center, Routes 501 and 222.

At 9:45 a.m. the group will tour the Inter-State milk processing plant, ½ mile east of Mt. Holly Springs on Route 34.

At 11:15 p.m. they will reach the Lester VanArsdale farm, 1 mile east of Biglerville on Route 234.

This is a father and three sons operation with 175 head of Guernsey cattle and a new freestall set-up. This stop also features a covered manure storage facility with hydraulic ram and a lagoon.

The milking facility is a double six parlor with Universal automatic takeoffs. This family farms 600 acres.

At 12:45 p.m. the tour will include the farm of Mervin Myers. This also is a family operation with two sons. Snider's Prince Lilly the holder of national class records and with a lactation of 2-9, 21,350 pounds of milk and 1203 pounds of fat — a 5.6 test in a 305 day lactation lives here. A manure holding pond with a mechanical manure ram and earthen banked holding area are also to be seen at this farm.

The last stop at 2:15 p.m. will be the Hanover Shoe Manufacturing Company. Here the group will see shoes made from the leather to the box.


Anyone interested in the tour is invited to attend. The group plans to car pool and everyone is asked to bring their own lunch. For more information call, 717/464-2894, 717/548-2618, or 717/626-8055.

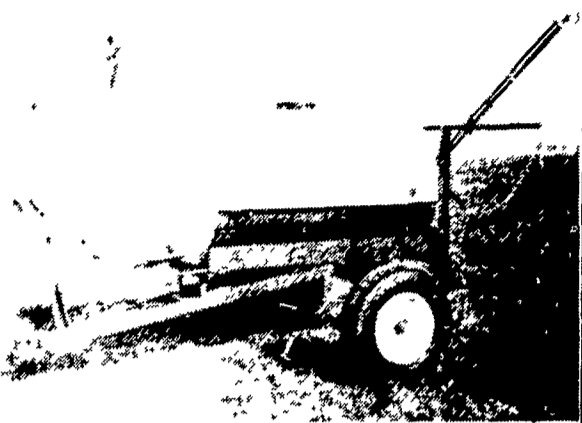
Apple holdings up 7 million

HARRISBURG — Pennsylvania apples in cold storage on February 29 totaled 108,310,000 pounds, 2,579,000 bushels of 42 pounds each, according to the Pennsylvania Crop Reporting Service.

Apple holdings are up 7,160,000 pounds, or seven percent from a year ago.

York Imperial apples in storage for processing, at 769,000 bushels, comprise the largest variety in cold storage, followed by Red Delicious at 502,000 bushels; Rome apples at 457,000 bushels; and Golden Delicious apples at 358,000 bushels.

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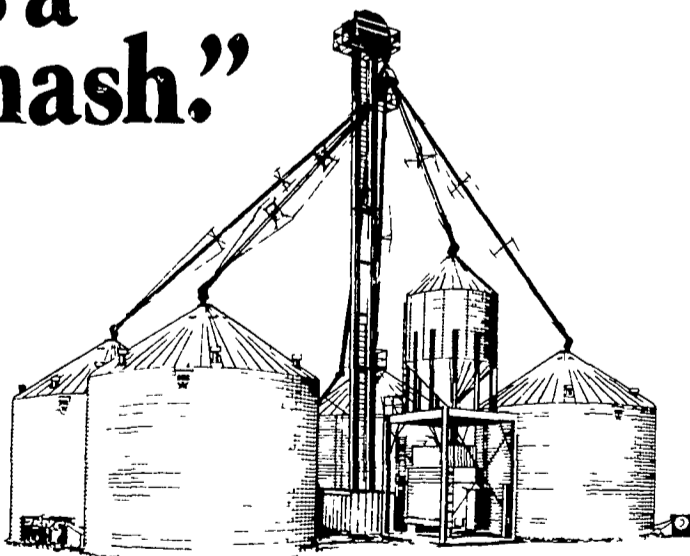
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