

Eastern Co-op goes to FmHA to guarantee \$20 million loan

HARRISBURG — A \$20 million loan to help stabilize milk marketing in the Northeast is under discussion between Eastern Milk Producers Cooperative, Inc., Cortland, New York, and the Farmers Home Administration, J. Fred

King, FmHA Pennsylvania State Director, announced Thursday.

Eastern's annual meeting will be held this coming Wednesday, June 4 in Syracuse.

Under the plan which has been submitted to the

Government agency for approval, Eastern would finance two cheese processing plants near the Pennsylvania-New York border to be leased to Leprino Foods for the manufacture of mozzarella cheese.

Funding would be arranged through the First Pennsylvania Bank, Philadelphia, with FmHA guaranteeing up to 90 percent of the loan. FmHA is a credit service of the U.S. Department of Agriculture. Eastern Milk Producers

represents over 4100 dairy farm families in New England and the Mid-Atlantic states, including 2,000 members in Pennsylvania. During 1978 the cooperative marketed two billion pounds of fluid and manufacturing milk, but

absorbed losses of \$3.5 million from surplus milk supplies.

The Leprino plants provide a market for this surplus production.

The plant locations are in the Elmira, New York area — one at Horseheads and one at Waverly, on the Pennsylvania-New York border. Limited production is now underway at these plants.

The FmHA-guaranteed loan, if approved, will allow for completion of the processing expansion. At full production, Leprino expects to employ 245 persons at the two plants and use 650 million pounds of milk per year.

The Farmers Home Administration guarantees up to 90 percent of loans made by private lenders to businesses and industries in rural areas to strengthen local economies and provide jobs for rural people.

The Eastern Milk Producers loan must be approved by both the Pennsylvania and New York state offices of Farmers Home and reviewed by the FmHA Business and Industry Division, Washington, D.C., before the guarantee can be issued.

Tree pruning to be shown

LANCASTER — A demonstration on the training and pruning of young apple and peach trees will be held at 7 p.m. Thursday, June 5, at Cherry Hill Orchards, south of New Danville.

Marshall Ritter, Penn State pomologist, will conduct the demonstration session. A question and answer period will follow the demonstration.

Persons attending the session should meet at the No. 3 farm located a half mile south of the Long Lane-New Danville Pike intersection. Parking will be provided in the lot near the new red poultry houses.



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