

# Milk marketing reform sues to block Agri-Mark

WASHINGTON, D.C. — The National Association for Milk Marketing Reform, a trade association of small dairy processors, has filed its opposition to the Consent Judgment proposed by the Department of Justice in settlement of its lawsuit to block the merger of H.P. Hood, Inc., New England's largest dairy into Agri-Mark, the largest dairy co-op in the Area.

NAMMR's counsel, Donald A. Randall, describes the consent judgment as totally unacceptable to the small Northeastern dairies and to many of the remaining independent dairy farmers out of the 900 who were selling to Hood at the time of merger announcement last February.

He predicted this giant

combination of the largest dairy co-op supplier and its largest corporate customer will drive many farmers out of business, if they refuse to join Agri-Mark, because they will have few, if any, remaining dairies to sell to, as many of the independent dairies will fail also.

This threat to the economic survival of the independents, NAMMR said, caused it to change its position of enthusiastic support for the Department of Justice Complaint filed in the U.S. District Court in Vermont on June 27, 1980.

Randall said that by the terms of the consent judgment "it appears to be a step backward, if not complete surrender by the Government."

NAMMR's detailed comments are being filed

with Justice under provisions of the antitrust laws, which allowed any interested party to make comments during a 60 day period which ended Monday.

The Department must respond to all comments, and both response and comments must be filed in the Court before the judgment can be entered.

Specifically, NAMMR requests Justice to withdraw its consent to the judgment and to proceed to trial if necessary to have H.P. Hood divested from Agri-Mark and its co-venturer, Agway, the farm supply co-op.

In the alternative NAMMR petitions the Department to ask for a minimum of 60 days more, and hearings in the Court, during which all affected persons — dairy farmers, dairy processors

and the public's representatives may offer evidence of probable economic injury if the consent judgment is entered.

NAMMR listed five reasons for Justice to withdraw its consent and/or to have further hearings:

1. The independent dairy farmers are not protected after March 1981.
2. The competition of the small dairy co-ops will ultimately disappear as they will be merged into Agri-Mark or eliminated from the Market.
3. The small milk processors are not protected, and this competitive force will be lost.
4. There is no protection against further mergers or acquisitions by Agri-Mark-Hood, and this "snowballing" effect of

mergers and acquisitions has occurred in other parts of the country where powerful area co-ops have become dominant, multi-stage, regional co-ops in a few years. The first step in doing this is, often, as in this case, to acquire the competing co-ops' major customer.

5. Consumers are not protected from unduly enhanced prices for milk and

dairy products which are the usual result of area-wide premium prices obtained by the dominant co-op, which are prices above those set by the U.S. Department of Agriculture marketing orders. Such prices are not in the public interest, nor is the loss of selection of products from competing dairies which are forced out of the market, NAMMR said.

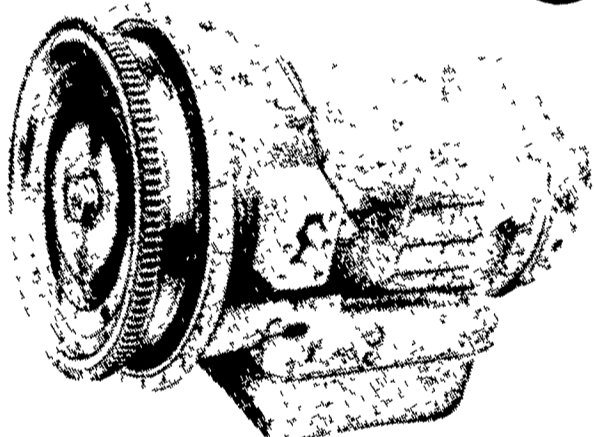


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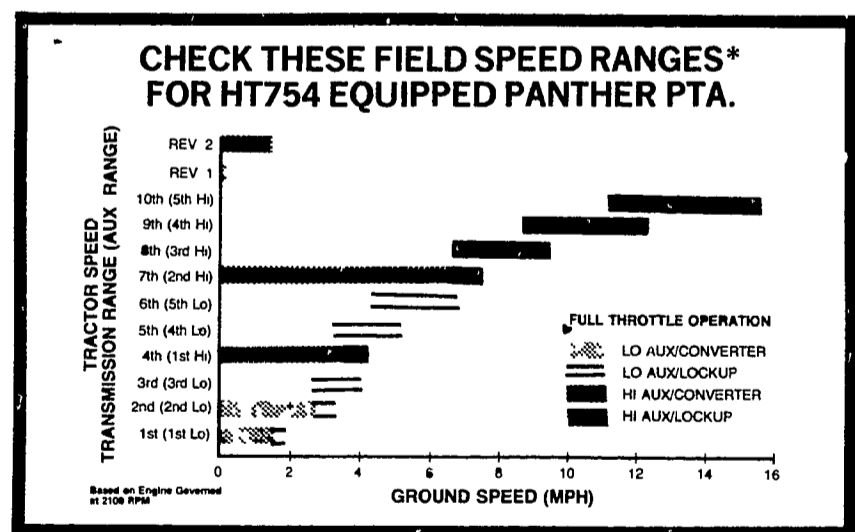


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