

NEDCO sues N.Y. milk handlers

SYRACUSE, N.Y. — NEDCO has filed suit against Empire Cheese, Inc., (a subsidiary of H.P. Hood) and Elmhurst Milk and Cream Co., Inc. The two separate lawsuits were filed last week in State Supreme Court in Syracuse, alleging that Elmhurst and Empire Cheese are illegally picking up milk from producers currently under contract with NEDCO.

The suit against Empire Cheese requests damages of \$250,000 and seeks an injunction ordering Empire to cease any further efforts to pick up milk of farmers under contract to NEDCO. Most of the producers named in the suit

against Empire are located in and around Cayuga County.

According to NEDCO Chief Executive Officer, Dean McCormac, NEDCO has also charged Elmhurst Milk and Cream Co. with illegally violating membership contracts, requesting damages in the amount of \$150,000. Producers named in the suit are concentrated in Herkimer County.

McCormac noted that the lawsuits result from the illegal defection of a number of NEDCO producers in January 1985, due to negative publicity about NEDCO's financial situation. He added that

"Illegal terminations of NEDCO producer contracts have completely stopped. As many as 50 percent of the farmers who left during that period have returned to

NEDCO, and more are returning every day." The NEDCO C.E.O. added that these lawsuits are necessary because Empire Cheese and

Elmhurst Milk and Cream Co. have refused to honor membership contracts between producers and NEDCO, which is a violation of New York State Law.

Farm Bureau advances plan for dairy price supports

WASHINGTON — The nation's largest farm organization is asking for a dairy program in the 1985 Farm Bill that will be more responsive to market conditions and will not continue to offer production incentives when market signals indicate that production should decrease.

Testifying, on behalf

of the American Farm Bureau Federation before the Senate Agriculture Committee, Peter Curra, President of the Maine Farm Bureau and a member of the AFBF board of directors, recommended revision of the dairy program in 1985 farm legislation to "adjust support prices according to market signals derived from

average price history and to levels of government purchases of dairy products." In this manner, market forces will provide communications between producers and consumers, while government programs give assistance to orderly marketing of dairy products.

"The dairy industry

does not exist in a vacuum, but must be considered, in the 1985 farm bill, within the context of its interaction with livestock and feed sectors," said the Maine dairyman.

Farm Bureau recommends that the dairy purchase program be continued in the new bill, Curra said, but that the support rate should be set at 90 percent of the average of the previous three years' all-milk price, adjusted on Oct. 1 of each marketing year. This procedure will make the program more responsive to market conditions.

A further recommendation is for adjustments to the support rate if government purchases do not meet desired levels, according to a schedule of purchases from a low of 3 billion pounds annually, to 7.99 billion.

If purchases reach or exceed 8 billion pounds during a marketing year, Farm Bureau supports granting discretionary authority for the Secretary of Agriculture to adjust the support price, by no more than three percent, on April 1 of that marketing year and for any subsequent six-month period that purchases are projected to exceed that level.

"This program would remove the discretion to alter the program according to political considerations and instead provide support prices that are determined by indicators of market conditions," Curra said.

The Maine farmer also pointed out that the 3.3 million member farm organization's dairy policy is developed by dairymen along with other producers, and fits the broad general framework supported by Farm Bureau to maximize income opportunities, reduce overproduction, ensure ample supplies of farm products at competitive prices and provide a supply reduction program to be implemented when carryover of any commodity exceeds workable levels.

Farm Bureau favors loan levels tied to market prices and conditions, for all major export commodities and continued use of target prices, for those commodities now using that feature, to provide income support for farmers during their adjustment to a market-responsive agriculture.



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