

RCMA Begins Milk Diversion

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"It is clear that Farmland is working to destroy RCMA," William Zuber, a LeRoy, N.Y., farmer who is president of RCMA, said bluntly.

In response, RCMA has intensified its own recruitment efforts, particularly among independent producers in Pennsylvania, and begun "diverting RCMA member milk that would normally be shipped to Farmland to handlers who are repaying the RCMA prices," Anna said.

Reportedly, two truckloads of milk that formerly went to Farmland from producers in southeastern New York were diverted both Monday and Tuesday. In addition, the 28-day notice required by Pennsylvania regulations to shift supplies from one dealer to another was issued by RCMA in January and will expire Feb. 7, according to Ed Jones, a dairy farmer and RCMA organizer in Wayne County, Pa.

Presumably, that would clear the way for further diversions. RCMA members currently account for more than half of Farmland's supply, Anna said.

Jonas said he and other organizers have been on the road talking to Farmland shippers in an effort to enroll in RCMA those who are not now members and to get members' consent to divert their milk from Farmland. RCMA is guaranteeing members whose milk is diverted a four-month alternative market at their current prices (plus any over-order premiums) and hauling rates, he said.

A nine-year Farmland shipper himself, Jonas said he supports the diversion as a means of forcing the dealer to cooperate with the RCMA program, which he views as the only way of avoiding the price declines dictated by national conditions and the recent support price cut. Although Farmland is now offering its own premiums and other inducements on a selective basis, Jonas added, these benefits will cease if RCMA discontinues its efforts.

Marc Goldman, the president of Farmland, declined to respond specifically to these claims in a phone conversation Wednesday. Asked why his business has been seeking dairymen with RCMA contracts, he said, "We're an independent (dairy) and we've always sought an independent supply of milk."

Goldman did say that RCMA's efforts to prop up Class I prices that will otherwise decline is the wrong long-term strategy for the industry as a whole and for farmers. He attributed the small rise in Class I sales recorded nationally in the last few years to declining prices and increased advertising. He said farmers should continue to concentrate on quality and marketing considerations rather than what he called "price-fixing."

RCMA's efforts, he added, are akin to those of union members in the steel industry several years ago. In seeking higher prices for fluid milk, RCMA is making "much the same mistake that the union members made," he said.

The agency has set a price of \$14.45 a hundredweight on Order 2 Class I milk in February, the same price it has had since September. This is 76 cents above the \$13.69 federal order price. In November, before milk prices began declining, the premium was 48 cents.

To date, RCMA has paid pre-

miums for both September and October milk. This week, it began sending checks for November milk at a rate of 16 cents a hundred-

weight. This amount is less than 48 cents for several reasons, including the fact that premiums apply only to Class I milk while payments are made on all milk shipped by producers. However, the diffi-

culties with Farmland also have had an impact. Anna said the payment rate would have exceeded 20 cents if Farmland had reached agreement with RCMA.

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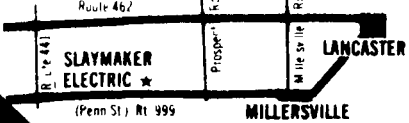
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