

History

**Niagara Milk Cooperative, Inc.
1931-2006**

**Upstate Milk Cooperatives, Inc. & Upstate Farms Cooperatives, Inc.
1971-2006**

**Upstate Milk Cooperatives, Inc. & Predecessor Cooperatives
1938-1977**

1931 – 2006 • HISTORY

NIAGARA MILK COOPERATIVE, INC.

Niagara Milk Cooperative was founded in 1931 by a group of 25 Niagara County local farmers. Many of the original families are still shipping milk to the Co-op.

In 1952 the Co-op purchased its first headquarters on Pine Avenue and 72nd Street in Niagara Falls after operating out of the president's home for two decades.

Also in the 1950's Niagara began to bottle and distribute its own milk under the name of Diffine's Dairy, using a plant on Hyde Park Boulevard in Niagara Falls.

Niagara purchased the dairy at 8450 Buffalo Avenue from the Wendt's family in 1966 due to expanding business. The Co-op offices moved to this location at the same time. Wendt's Dairy has always produced top quality fluid milk products.

In 2004, Wendt's was selected by Cornell University as having the best milk in New York State, scoring 100% in the annual taste-testing program.

In 2005, Quality Chekd Dairies, Inc. named Wendt's Dairy the recipient of the notable Irving B. Weber Award, recognizing them as excelling in overall company achievement.

In 2006, the member producers of Niagara Milk Cooperative approved an agreement to proceed with a merger with Upstate Farms Cooperative, Inc.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

1971

- President Peter J. Kehl reported to the membership on “Meeting the Challenges of Change”.
- Consolidation of Genesee Valley Cooperatives of Rochester, and Upstate Milk Cooperatives, Inc. into one combined organization took place on July 1.
- The business of Fairmont Foods in Buffalo was acquired by Upstate on September 1.
- Negotiations with Sealtest in Rochester concluded. The result was the acquisition of the Sealtest plant on Fulton Avenue, the garage facilities on Dewey Avenue, and a franchise agreement to use the Sealtest name in Rochester. Upstate already had a Sealtest franchise in place at the Dale Road plant in Buffalo.

The Rochester plant facility on Fulton Avenue was needed to replace the former Genesee Valley plant on Exchange Street, which had been taken for an Urban Renewal project.

- Parkside Dairy wholesale milk business in Monroe County was acquired in December.
- Effective December 31, Meadow Lane and other dairies doing business in Orleans, Niagara and Genesee counties were acquired. This resulted in milk dealer licenses being granted in two counties we did not previously have (Genesee and Orleans). This filled a gap which previously separated our Rochester and Buffalo divisions.
- The merger resulted in an organization with assets of \$9 million and member equity of \$4.75 million.

1972

- Sterling Amherst Farms Dairy discontinued operations on the Niagara Frontier, and their 51 producers joined cooperatives. As a result, all producers in the Niagara Frontier Milk Market were members of cooperatives, with the exception of a few producer-dealers.
- New York-New England Coordinating Committee appointed a subcommittee to study the development of a common sales agency for the Northeast. Upstate President, Peter J. Kehl, is named chairman.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Upstate producers were currently producing over half of all milk in the Rochester and Niagara Frontier market. The sales areas had been extended to cover practically all the production area.
- Federal support price level was currently \$4.93/cwt.
- Industry-wide issues included: Supply management, Import controls, Common Marketing Agency proposal among members of the New York-New England Coordinating Committee.
- In April, the milk business, plant and equipment of LeRoy Elm Dairy was acquired. Sales area included Genesee, Monroe, Livingston and Wyoming counties.
- July saw the remaining business of East Rochester Dairy (Parkside), including business in Monroe, Ontario and Wayne counties come under Upstate.
- Fluid bottling operations at Exchange Street were transferred to the newly remodeled, partially complete, Fulton Avenue plant in January.
- Fluid bottling operations at the Lyell Avenue plant were transferred to the Fulton Avenue plant in June.
- Retail milk prices were around \$.59/half gallon.
- Upstate Young Dairywomen's Association was formed in March. Delton Ressler was elected President. 5 meetings were held, as well as related participation by leaders in National Milk and American Institution of Cooperation.

1973

- Collins Milk Producers Cooperative became a member of Upstate.
- Regional Common Marketing Agency (RCMA) formed. The purpose of RCMA was to provide enough financial return to producers so that they would be able to stay in business. According to Upstate President, Peter J. Kehl, RCMA generated production incentives of \$.08, \$.40 and \$.33 during the months of September, October and November respectively.
- Upstate Young Dairywomen's Assn. Member Paul Sears, was elected as Regional and National Vice-President of the Young Cooperators of the National Milk Producers Federation.
- Remodeling of the Fulton Avenue plant was completed, and an open house was held in May.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Final settlement with Urban Renewal for the Exchange Street property in Rochester was \$1,580,400. This was about \$900,000 more than the best offer made by the Urban Renewal Agency before litigation.
- Operation of the Drive n' Buy subsidiary was terminated.
- The Cloverleaf subsidiary was merged into the Upstate parent corporation.
- The Meadow Lane Dairy in Medina, NY was assimilated into the Dale Road plant.
- Substantial progress was made on the new Western New York Milk Market Order.

1974

- RCMA returned \$.1539/cwt. to producers in over order premiums during the 16 months preceding December 31, 1974.
- Paul Sears elected President of the Young Cooperators of the National Milk Producers Federation.
- Delton and Mary Ressler won the Outstanding Young Farmer Award For Dairy at the American Farm Bureau meeting.

1975

- Much time was spent this year working through the National Milk Producers Federation and National Council of Farmer Cooperatives to respond to false accusations that dairy cooperatives were taking advantage of consumers and keeping dairy imports down to reasonable levels.

1976

- On October 1, 1967, Peter J. Kehl retired from the position of President of Upstate Milk Cooperatives, Inc., after having served in that capacity with distinction for many years. His contributions to the success of the Cooperative were too numerous to list here, as were his many activities in related organizations such as the National Milk Producers Federation. By action of the Board of Directors, Mr. Kehl was authorized to serve as a director of the National Milk Producers Federation for one more year. He was also re-elected to the Executive Committee of National Milk Producers Federation.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Upstate unified the price paid to members in both markets before the WNY Order came into being.
- Upstate celebrated 5 years of doing business since the merger with Genesee Valley.
- Frank L. Wiley was elected President of Upstate.

1977

- Dan Wolf elected Vice-President for the Northeast Region for the Young Cooperators Northeast Region of the National Milk Producers Federation.
- Peter J. Kehl was elected Honorary Director for Life of the National Milk Producers Federation. Mr. Kehl was a director and member of the Executive Committee of the Federation.
- Lake County Dairy in Jamestown, NY, was acquired by Upstate. Upstate operations commenced there on October 1.
- Upstate purchased the former Soccio Restaurant in LeRoy, NY. It was remodeled to house office personnel and the Upstate Member Milk Laboratory.

1978

- Marketing conditions very difficult. Many proprietary handlers discontinued accepting milk from hundreds of producers in parts of NYS other than WNY. Milk production was higher than in the previous year, and some cooperatives saw difficulty in finding and keeping profitable outlets for milk from members' farms.
- In January, Upstate Corporate office personnel moved into the newly acquired building at 7115 West Main Street, LeRoy, NY. Prior to this move, office facilities were rented in LeRoy on Church Street.
- On June 1, the Member Milk Laboratory commenced operations in the LeRoy building.
- The History of Upstate Milk Cooperatives was authored by Carl Miller and Henry Blewer. This history summarized the formation and development of Upstate, its predecessor organizations, the WNY Milk Marketing Orders and the Producers Bargaining Agencies. It gave a useful perspective of milk marketing in WNY.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Since the merger, 7 years had passed. During that time, member advances went from \$6.42/cwt to \$10.32/cwt. Products marketed increased from \$49.9 million to \$97.5 million this year. Total assets increased from \$12.5 million at the time of the merger, to \$19.4 million in 1978.

1979

- Bill Zuber was elected President. Recognition was given to Frank L. Wiley for his years of dedicated service and leadership.
- During this year, Upstate Milk Cooperatives acquired Dairy Center of the Finger Lakes, Genesee Farms closed their Batavia plant, and Upstate Milk Cooperatives began bottling milk under the Genesee Farms label.
- O-AT-KA Milk installed a new dryer in Batavia, and purchased the Mayville plant.
- One of the most significant changes was the adoption of the Member Investment and Reorganization Programs. The Member Investment Program replaced the revolving fund system and provided the basic capital needs of the cooperatives' facilities in proportion to the member-owner's milk production. With the adoption of the Reorganization Program, the producer-members of the ten former member cooperatives became direct members of Upstate. Upstate Milk became one cooperative, consisting of one corporation, unified in structure and purpose.

1980

- Upstate Milk and other Northeast cooperatives discussed how milk marketing operations could be improved throughout the Northeast.

1981

- Upstate Milk Cooperatives, Inc. completed ten full business years. In the 10 years, the value of products marketed increased from \$49.9 million to \$149.3 million. Advances to producers for milk increased from \$34.8 million to \$116.1 million. Total assets increased from \$12.5 million to \$29.3 million.
- O-AT-KA Milk installed its' first butter print machine and established the Gold Cow label.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Upstate Milk expanded the Dale Road plant, acquired Bonnybrook Dairy of Rochester and Farner & Parker Dairy in Gowanda.
- Purchased Great Northern Juice from the Mesmer Brothers Dairy on Grand Island.

1982

- Upstate Milk and Dairylea approved an affiliation between both cooperatives to consolidate operations in our marketing orders.
- The Dairylea plant in Buffalo was closed.
- Home delivery in Buffalo was discontinued.
- Upstate's Jamestown plant was expanded.
- People's Dairy, Pollio Dairy and Souhan Dairy were acquired by Upstate.
- At this time, Upstate had 884 producer-members.

1983

- The Dairy Compromise Bill was enacted into law. This law provided for a National Dairy Promotion program funded by dairy producers, and a paid diversion program. The Compromise Bill activated a \$.50 cent per hundredweight deduction to help fund the Commodity Credit Corporations' dairy program.
- Upstate Milk acquired Auburn Guernsey Farms and JennyLee Dairy.
- Bison Foods in Buffalo was purchased by Upstate Milk in April.

1984

- National Dairy discussion centered around the 1985 Farm Bill and dairy policy for the future.
- The Upstate Board established our mission: "To market milk for Cooperative members at the best possible economic return to members over a period of time, and engage in other activities that will enhance the mission".

1985

- Effective January 1, 1985, Erie Cooperative resigned from Upstate Milk Cooperatives.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- On January 10th, the LeRoy Elm Dairy plant burned down. The Manchester plant expanded products to replace the LeRoy plant that was never rebuilt.
- Upstate Milk acquired DeRyke Dairy in Rochester.
- Bill Zuber was appointed a director of RCMA.

1986

- The Food Security Act of 1985 was passed by Congress and signed into law by the President. This legislation provided for a Whole Herd Buyout and scheduled reductions in commodity support prices.
- Upstate Milk acquired Modern Dairy in St. Mary's, Pennsylvania.
- The Upstate Board of Directors and the Upstate milk haulers adopted a volume discount hauling rate.

1987

- The Milk Control and Producer Security Reform Act was signed into law by Governor Cuomo. The new licensing provisions became effective April 1, 1988, ending the restrictions for obtaining license to sell and distribute in New York State.
- Juice processing and distribution began at the Ridge Road (DeRyke Dairy) plant.
- RCMA opened its office in Batavia.
- The Beck's Ice Cream Mix operation was moved from Blasdell to our Dale Road plant.
- The Board of Directors approved the volume discount program for our member-owners.

1988

- RCMA began collection and distribution of over-order premiums. Upstate Milk was instrumental in the initial formation and operation of RCMA in the 1970's. Upstate President Bill Zuber served as President of RCMA.
- Historic changes were made by amending and expanding the Western New York Milk Marketing Order.

1971 – 2006 • HISTORY HIGHLIGHTS
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- Sorrento Cheese was granted privileges to handle producer milk direct from dairy farms in WNY.
- Upstate Milk acquired Vogt's Dairy in Dansville, NY and Dairy Foods of Erie, PA.

1989

- Herb Binsack was appointed General Manager of Upstate Milk Cooperatives, Inc.
- The Upstate Board of Directors approved a monthly premium program and twice a month milk check for our members-owners.
- Upstate acquired Annis Dairy in Avon, NY and Mesmer Dairy in Grand Island, NY.
- Upstate launched a new premium label - "Upstate Farms".

1990

- Lynn Smith retired from Upstate's Membership Department and Craig Alexander was hired as its Director.

1991

- Upstate Milk celebrated its 20th year, and had grown to become Western New York's leading dairy products marketer with a commitment to providing quality products and dependable service.
- Manchester plant closed.

1992

- Bill Zuber resigned in April due to illness. Don Rudolph performed the President's duties until his election as President in November.
- Upstate acquired the Hood business in the Syracuse area and the Cumberland Farms business in the Watertown area.
- The "Louisville Plan" to encourage fall-over-spring milk production, was terminated in the WNY Order.

1971 – 2006 • HISTORY HIGHLIGHTS
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1993

- In September, Upstate announced it had reached an agreement with the U. S. Department of Justice regarding its investigation into Western New York school district milk bidding practices by settling all claims against Upstate for \$975,000..
- The Upstate Board of Directors approved a new marketing agreement with DairyLea.
- A new co-generation plant located next to O-AT-KA in Batavia helped decrease energy costs by providing low-cost steam to O-AT-KA.
- Tom Rodak was hired as Director of Membership and Field Services, following Craig Alexander's resignation.

1994

- Herb Binsack resigned as General Manager in March. Bob Hall became General Manager in April.
- Fiscal year 1994 was a difficult year for Upstate. For the first time in Upstate's history, there was an operating loss.

1995

- Fiscal year 1995 was a year of accomplishments, including a \$3 Million improvement in operating results.
- The "Upstate Farms - Generations of Quality" label was launched, representing Upstate Milk as being simply the best.

1996

- 25th Year anniversary celebrated
- Juice plant on Ridge Road closed and processing of juice products moved to Dale Road facility
- High Protein Program offered as a member benefit

1997

- Name changed legally from Upstate Milk Cooperatives, Inc. to Upstate Farms Cooperative, Inc.

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

- Ceased processing of Sealtest brand products – replaced with Upstate Farms® brand – in cow patterned cartons
- Cooler room expanded at Fulton Avenue
- Upstate fluid milk judged “best tasting” at the New York State fair
- Foodservice Division established
- Introduction of Milk for Life® products
- Members became responsible for full reimbursement to coop for rejected loads

1998

- Production of milk and flavored milks began in Single Serve Plastic Pint Bottles
- Acquired fluid milk business of Homestead Dairies in Massena, NY

1999

- Upstate fluid milk judged “best tasting” at the New York State fair
- Upstate fights proposed Federal Milk Marketing Order reforms which are significantly biased toward the Upper Mid-West
- USDA offered market loss payments
- Bison wins gold for their Sour Cream’s taste and freshness and silver for low-fat Cottage Cheese at NYS fair
- Upstate began processing yogurt for the McDonald’s yogurt parfait product

2000

- Daniel Wolf of Lyons elected President of the Board of Directors in November
- Upstate fluid milk judged “best tasting” at the New York State fair
- Federal Milk Marketing Order reforms implemented, creating 11 Federal Orders in the U.S.
- Pricing for milk changed to be Multiple Component Pricing, including the new Producer Price Differential (PPD)
- Upstate ceased bottling at the Jamestown facility
- Intense™ brand chocolate milk introduced in Single Serve Plastic Pint Bottles

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

2001

- The General Headquarters was moved from LeRoy, NY to a recently refurbished office building at 25 Anderson Road, Buffalo
- Members' Web Site launched in March
- Offered Fixed Forward Pricing contracts to members
- The cooler at Dale Road was expanded and modernized (to 32,000 sq. ft.)

2002

- Upstate joined "Pride of New York" program
- Milk Income Loss Contracts (MILC) program implemented by USDA, as part of the 2002 Farm Bill, with the intention of stabilizing producer prices
- Upstate fluid milk judged "best tasting" at the New York State fair
- By-Laws revised – proxy voting for delegates allowed

2003

- Returns to members for premium programs and year-end distributions were a record \$1.13/cwt.
- The Commercial Division launched their customer and consumer-aimed Web Site
- Dry warehouse expansion at Fulton Avenue
- Cooperatives Working Together (CWT), a farmer-led and farmer-funded national program, was created to help strengthen and stabilize producer prices
- Bison French Onion Dip won Best of Class at NYS fair

2004

- Construction began on cultured products facility in West Seneca
- Syracuse cooler converted to cross-dock operation
- Bison awarded best tasting dip at NYS fair: French Onion-gold medal; Southwestern Chipotle-silver medal
- O-AT-KA began processing butter under the Upstate Farms label

1971 – 2006 • HISTORY HIGHLIGHTS
UPSTATE MILK COOPERATIVES, INC. & UPSTATE FARMS COOPERATIVE, INC.

2005

- Pay price surface was re-structured to more closely recognize Federal Order plant location values
- Established a base zone transportation credit
- NYS Fair awards: Gold to Bison French Onion Dip; Silver to Buttermilk; Award of Excellence to Bison Salsa Dip
- Open House and Tour for members and their families at the new West Seneca cultured products facility in October
- Agreement with Dairylea for a 10 year milk marketing agreement
- Upstate's new partner in ownership of O-AT-KA is Dairy Farmers of America, who acquired shares previously held by Dairylea Cooperative, Inc.

2006

- First production of yogurt at the new West Seneca facility in January
- Organic Milk Program offered to members
- Fulton Avenue began processing Organic milk
- New West Seneca cultured products facility in full production as of May 1st
- Consolidation of Upstate Farms Cooperative, Inc. and Niagara Milk Cooperative, Inc. occurred July 1, 2006

UPSTATE MILK COOPERATIVES, INC.
(& PREDECESSOR COOPERATIVES)

A HISTORY
1938 THRU 1977
FORTY YEARS OF PROGRESS

By Henry Blewer and Carl Miller

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FOREWORD

When the Board of Directors of Upstate Milk Cooperatives, Inc. commissioned Henry Blewer and myself the task of writing a history of the Upstate Cooperative, we were given a real challenge. It has been a task that we have thoroughly enjoyed. As we have searched through the records of the various cooperatives that go back over the years, we have relived events out of which great good has come to milk producers in Western New York. We recall men who saw the need for developing better market conditions for themselves, their neighbors, and a better standard of living for their families. Those men had a vision and were willing to sacrifice their time and ability to make that vision a reality. As those men came together and worked together, they developed into leaders. Through their leadership, they developed ideas, and they made those ideas a reality. Through their efforts, they were able to help bring about many needed reforms. In many cases they were threatened with the loss of their markets, neighborhoods were divided, yet they had the courage to hold on when the going was tough. Today we have a cooperative milk marketing system that ranks among the best in this good land of ours. Let us not weaken or lose that which has been gained over the past forty years.

Henry and I are grateful that we had a part in those interesting years. We are grateful that we had the opportunity to work with so many of those leaders, to have known them as men, and had the opportunity to call them our friends. It has been a most rewarding experience. We sincerely appreciate the opportunity to search through old records of the various cooperatives and to dig out and record long forgotten facts and events. We have endeavored to record events of human interest rather than dry statistics. We have made it our aim to present to today's younger dairymen some of the economic difficulties that the men who milked cows forty years ago faced. We hope we have been able to do this in such a manner that today's dairy farmers will appreciate "the blood, sweat and tears" that went into this effort and from which so much good has come. If we have been able to accomplish this we will be content and it will have been worthwhile.

Carl W. Miller

1. The Chaotic Years

The changes that have taken place in the dairy industry during the past 100 years are almost beyond comprehension. These changes include all phases of the industry: production, manufacturing, and marketing. Prior to the turn of the century, dairying was truly a "horse and buggy" industry. Not only was the farmer limited by the horse and its muscle power, but much of his work had to be done by his own muscle power. In those days he was also limited in the area of the marketing of his products. Because he was limited by the distance he could haul his milk by horsedrawn vehicle, (usually not more than four or five miles). Western New York, like much of the rest of the country, was dotted with small cheese or butter factories.

To today's modern dairy farmer, it is hard to imagine the limitations imposed upon those early farmers. Without electricity and machinery to operate his farm, he was limited as to the size of his dairy operation. The number of cows he could milk by hand was not more than ten or twelve per man. The cows of that day were generally a mixed lot, a mixture of several breeds in which beef breeding probably was predominant. These cows were bred to freshen in the spring, produce most of their milk on pasture and were dry in winter. The dairyman of that day did his chores, especially in the winter, by the light of a kerosene lantern, shoveled the manure by hand, and hauled his milk in a horse-drawn vehicle. All these were very limiting factors. As a result, the farmer of that day endeavored to produce much of what he consumed. This included milk, cheese, butter, eggs, meat, fruit, potatoes, vegetables, flour from his own wheat, maple sugar, fuel and much more. He purchased only what he could not produce on his own farm. His wife traded excess butter and eggs at the nearby grocery store for items she could not make.

However, by the turn of the century, many changes were becoming evident. More efficient horse-drawn farm machinery was being developed. The development of the small gasoline engine in many cases helped ease the load of the farmer and his family.

In those early years the fluid milk industry was extremely primitive. Much of the fluid milk needs of the cities and villages were served by dairy farmers living nearby. They either bottled the milk of their production and peddled it to nearby consumers or, in many cases, consumers picked up their milk at the farms. As the cities grew, many of these producer-distributors saw their farm land converted into space for city dwellings and business places, and they were forced to look elsewhere for their milk supply. As a result, they went into the country and contracted with farmers who lived near the railroads, and made arrangements to have this milk shipped into the city by rail. It is hard to conceive the conditions under which this milk was marketed. Sanitary codes were only beginning to be developed. Cooling facilities were limited to cold well water; pasteurization had not then become universal. Thus, it is easy to see why milk-borne diseases were prevalent.

About 1910 some rather important changes were becoming evident in the dairy industry of Western New York. One example of this was the building of the large milk powder plant by the Merrell-Soule Co. in Arcade, New York. This plant used the newly developed spray process to convert milk into powder. This product was concentrated, would keep without refrigeration, and could be shipped throughout the world. At about this same time other plants were built in Western New York, some of which manufactured condensed or evaporated milk. These plants did much to replace the rather primitive, inefficient cheese factories that were in existence throughout Western New York. Milk manufacturing plants were built in such places as Attica, Perry, Cattaraugus, Cohocton, Gorham, Elba, Sherman, Clymer and many other places.

With the advent of World War I in 1914, conditions affecting agriculture changed drastically. Farmer costs were rising; labor was becoming scarce. Milk prices were not keeping pace with increased costs. As conditions became increasingly difficult, farmers sought relief. As a result of these conditions, farmers organized the Dairymen's League and withheld their milk from market in what became known as the "Milk Strike of 1916." Farmers refused to deliver their milk to the dealer's plants and kept it on the farm; either separating it or even, in some cases, dumping it. Because economic conditions were favorable due to the increased demand for dairy products resulting from the war, dealers soon met the demands of farmers for increased prices and the strike was of short duration. The war demand lasted until about 1921. During this period, farmers experienced relatively good prices. The prevailing price for milk during that period is believed to have been about \$2.25 per cwt.

By 1921, the wartime demand for food collapsed. Manufacturers of dairy products found their warehouses full of milk powder and condensed milk. As a result, many refused to buy milk and general chaos was the result.

Until this time the Dairymen's League, Inc., which originally was a bargaining organization, had been fairly successful. But with the collapse of the manufacturing markets for milk, the need for a different type of organization was evident. It was at this time that the Dairymen's League reorganized and became known as the Dairymen's League Cooperative Assn., Inc. This reorganization was based upon the so-called "pooling plan," and instituted the "classified price plan" for selling milk. This concept of selling milk was an entirely new approach to milk marketing. Under this plan milk was sold for the best possible price based upon its use, and the receipts blended into a uniform price. This plan did much to bring order to the market and was, at first, generally quite successful.

As the plan developed, the Dairymen's League Cooperative Assn., Inc. acquired plants to handle surplus milk and to keep this milk from becoming a demoralizing factor in the fluid market. This helped to stabilize conditions in the industry.

While this plan was in theory a good method of marketing milk, it did have certain weaknesses. Many of these weaknesses became evident in the Western New York market. One of the features of the classified price plan was that fluid milk was priced higher than milk used in manufacturing. The basis for this was that the fluid markets had to be supplied every day through the year, that supplies had to be adequate, and the quality of this fluid milk had to be high. It was also contended that extra milk was needed to back up the fluid market in times of shortage and that this milk must also be marketed to the best advantage possible, although at times below the price of fluid milk. Thus evolved the need for pooling or equalizing the price of milk to all the members of the Association.

As this plan operated over the years it became evident that certain individuals, both dealers and producers, could circumvent its provisions. For example, a dealer could contract with a given number of producers for a specific amount of milk and pay these producers a price that was below the prevailing price of Class I or fluid milk. Because neither the dealers nor the producers had any appreciable amount of surplus, the price paid by that dealer would thus be below the established Class I price. Yet, these producers would receive a price above the so-called "blend price." At the same time, the Dairymen's League Cooperative Assn., Inc. became burdened with an even greater amount of surplus, thus lowering the blend price to an even greater extent to their members.

In the late twenties and early thirties, another factor became evident. This was the development of better roads and larger and better trucks. More and more dealers began to reach further out into the production area for their milk supply. Certain truckers, in order to enlarge or extend their routes, became essentially brokers in the procurement and sale of milk to dealers. As more and more producers sought preferential or "independent" markets for their milk, the market became increasingly demoralized. Several of the so-called "independent" dealers negotiated contracts with their producers that included a clause that tied the price paid to producers to the prevailing price of milk in the retail market. Thus it was possible for these dealers to start "price wars" from time to time, and the farmer had to bear the burden in reduced prices. One winter in the early 1930's, as a result of such a price war, producers received as low as \$.47 per cwt. for their milk.

The following testimony given by Robert J. Lemmon at a hearing before the Department of Agriculture and Markets explains conditions that existed at that time very well.

"As a result of chaotic conditions in the milk industry, a joint legislative investigation was made in 1932 (the so-called Pitcher Committee). Their report resulted in the creation of the Milk Control Board, which was empowered to set the price of milk at all levels from the farm to the consumer. The Division of Milk Control was created by the Legislature to replace the Milk Control Board as of April 1, 1934, with the same general powers.

"The method of price-fixing employed was as follows:

1. The State was divided into areas.
2. Milk was classified as to use.
3. Minimum prices were established for each class.
4. Minimum prices were established for milk sold for home delivery and for sale at wholesale.
5. Each marketer was required to pay his producers the blended price obtained by averaging his use in each price class.

"The Legislature gave these powers to the Division of Milk Control only on a one-year basis at the onset. They continued to do so each year until, on March 31, 1937, the law was allowed to expire.

"There were several reasons for this:

1. The Seelig Decision, which in effect prohibited the State from regulating the price of milk shipped across state lines. This was particularly damaging to enforcement efforts in the New York City area.
2. The difficulty of enforcing the regulations in regard to prices charged on home delivery and to wholesale accounts.
3. At the 1937 session of the Legislature, the so-called Rogers Allen Law was passed, which law was the forerunner of the regulations under which State Milk Marketing Areas are operated today.
4. In the same year the Congress of the United States passed laws permitting producer price regulation in the milk marketing areas,

"As a result of these new laws, the State and Federal Order for the New York City area was begun on September 1, 1938; the State Order for the Niagara Frontier Market was begun on October 1, 1938, suspended in February 1939 as the result of an adverse court decision, and reinstated in July 1939 as a result of reversal of the adverse court decision; and the State Order for Rochester was begun on December 1, 1939.

"In the Niagara Frontier area, which consists of the major portions of Erie and Orleans Counties and all of Niagara County, producer prices were not regulated from April 1, 1937, through September 30, 1938, and from February 1939 through June 1939.

"In the Rochester area, which consists of all of Monroe County except six towns on the southern and western boundaries, producer prices were not regulated from April 1, 1937, through November 30, 1939."

This legislation legalized the formation of producer bargaining agencies and made possible the establishment of State milk marketing orders. Farmers were able to take steps to improve their economic conditions.

In the winter of 1938, several meetings were held in which local producers discussed their economic situation and possible solutions. At about the same time, the Metropolitan Market had adopted a Federal Marketing Order and many producers were wondering if a state milk marketing order might help matters in the Buffalo area. It was pointed out that unorganized producers might band themselves together into cooperatives, and then these cooperatives might form a bargaining agency and bargain for better prices or, perhaps, secure a state milk marketing order. This led to the formation of the cooperatives in the Niagara Frontier.

2. Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc.

By the year 1938, dairy farmers in Western New York found themselves in such desperate economic conditions that they were literally forced to seek a solution to those problems which had confronted them for many years. Because of these conditions, farmers were not only willing, but were forced to overlook their past differences and work together to find a better way to market their milk. Such a solution was made possible through laws that had been passed both on the Federal and State levels. These laws were the Federal Agriculture Adjustment Act of 1937 and the Rogers-Allen Law passed by the Legislature of the State of New York. These laws permitted cooperative associations to meet together and bargain for sale of their products without being in violation of the antitrust laws. They also provided the means whereby milk marketing orders could be promulgated and put into effect. Such an order sponsored jointly by USDA and the New York State Department of Agriculture and Markets was promulgated and put into effect in the Greater New York Metropolitan Market early in 1938.

During the winter of 1938 a series of meetings were held, in which dairy farmers of Western New York met together. At these meetings three cooperatives that were functioning in the area at that time played an important part. They were the Dairymen's League, the Niagara County Milk Producers and the New York State Guernsey Breeders Cooperative. These cooperatives had established themselves in the Buffalo and Niagara Falls areas and were actively marketing the milk of their members. As a result of these activities these cooperatives had acquired and developed leadership. They had also acquired processing plants; the Dairymen's League in Buffalo, the Niagara County Milk Producers in Niagara Falls and the New York State Guernsey Breeders in Syracuse.

These cooperatives also were able to provide valuable legal assistance in the persons of Frank Lent and Henry Manley. The Extension Service of the College of Agriculture, and county agents in the Western New York counties

also played an active part in informing farmers as to what might be done to improve their desperate economic condition.

As the leaders of these cooperatives and other influential dairymen began to see the need and the possibility of united action, one of the first steps resulted in a meeting of these leaders in Geneva, New York, in the early spring of 1938. It was thought best to hold this meeting outside the Niagara Frontier area to minimize any possible influence from dealers or other disruptive forces. One discordant note came out of this meeting in that the Unity Dairymen's Assn., which represented a large number of so-called independent producers, failed to attend. It is possible that if Unity had thrown its support behind the movement to improve the economic conditions of dairymen in Western New York, much more could have been accomplished in a shorter time.

Following the Geneva meeting, steps were taken which resulted in the formation of the Buffalo Milk Producers Cooperative and the Genesee County Milk Producers Cooperative.

On June 29, 1938, representatives of Dairymen's League, Niagara Milk Producers, Buffalo Milk Producers, Genesee Milk Producers, N.Y.S. Guernsey Breeders, Erie Co. Milk Producers, Collins Milk Producers, and Erie Wyoming Cooperative, met in the offices of the Erie County Extension Association in the Root Building in Buffalo.

The minutes of this meeting do not show a roll call of those present, but an incomplete list would include the following:

- Dairymen's League - Henry Rathburn, Thomas McCreary and Frank Lent, attorney; John Draught, division manager.
- Niagara County Milk Producers - Stanley Glennie and Wilber Wagner.
- Erie County Milk Producers - Benjamin Chittenden and Robert Howie.
- Buffalo Milk Producers - E.J. Pfifferling, Edward Conrad and Carl Miller.
- Genesee Milk Producers - A.C. Pilger, Ellsworth Waite.
- New York State Guernsey Breeders - Ben Rickert, Dr. Howard Martin and Henry Manley, attorney.
- Collins Milk Producers - Harvey Wittman.
- Erie-Wyoming Coop. - Eli George

Others who attended were Henry Paige, Erie County Extension Agent; Everett Clark, Wyoming County Extension Agent; Errol Bird, marketing specialist representing the New York State Department of Agriculture and Markets. The meeting was held in the rooms of Erie County Extension offices in the Root Building on Chippewa Street in Buffalo. Dr. Howard Martin was chosen to act as temporary chairman of this meeting. Edward Gainor also represented the Department of Agriculture and Markets.

One of the first actions of this meeting was to discuss and define what should constitute the Marketing Area as defined in proposed bylaws of the Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc.

A committee composed of John Draught, Benjamin Chittenden, Henry Paige and Stanley Glennie was appointed to outline the Marketing Area.

This committee's report was that the Area should consist of the cities of Buffalo, Lackawanna, Tonawanda, West Seneca, Lancaster, Amherst and Grand Island in Erie County; in Niagara County, the cities of Lockport, Niagara Falls, North Tonawanda and the towns of Porter, Lewiston, Niagara, Wheatfield, Wilson, Newfane, Lockport, Cambria and Wilson.

At this same meeting officers were elected. Benjamin Chittenden of Lancaster was chosen to act as president and Thomas McCreary was chosen vice president, Edward Conrad of Strykersville was elected secretary and Wilbur Wagner of Niagara County, treasurer. As Edward Conrad declined to act as secretary, Carl Miller was appointed temporary secretary and served until the first annual meeting.

Inasmuch as the original purpose of the Rogers-Allen Law was to provide the means for cooperatives in a market to unite and bargain with dealers legally, it was voted to notify the Commissioner of Agriculture and Markets that the producers had formed a duly organized Bargaining Agency and that they, the producers, were ready to meet and hopefully negotiate satisfactory prices for their milk.

Two other meetings of the Bargaining Agency followed, one on July 11, 1938, and another on July 13. At the first of these two meetings, the desirability of a price order, as outlined by the Rogers-Allen Law was discussed. This discussion was led by Attorneys Frank Lent of the Dairymen's League and Henry Manley of the New York State Guernsey Breeders Coop. Apparently the consensus of opinion was that an order would be necessary since the dealers had not accepted the producers' Bargaining Agency invitation to negotiate. Accordingly, a committee consisting of Stanley Glennie, E.J. Pfifferling and A.C. Pilger was appointed to draft a petition for a milk marketing order.

It was decided to extend another invitation to the Unity Cooperative and also to the Trevett Cooperative and the Acme Cooperative to join the Agency. It was thought advisable that someone from the Agency call on Charles Newton of the Unity Coop. personally to urge Unity's participation in the Agency's action. A.C. Pilger was selected to make this call.

At the July 13, 1938 meeting, A.C. Pilger reported that he had called on Charles Newton but that Newton felt he had to consult his attorney before he could participate in the Agency's activities. Henry Manley also reported he had called on Mr. Newton and that the Unity organization as presently constituted would not qualify for Agency membership.

It was again reported that no reply had been received from the dealers in response to the Agency's invitation to negotiate prices.

As discussions progressed in regard to the proposed Milk Marketing Order there was some difference of opinion as to whether equalization should be a part of the order or not. The Dairymen's League had been operating under a "pooling plan" whereby they equalized the returns from the sales of their members' milk. It was their opinion that no satisfactory plan could be worked out without such a provision as the basis of determining payments to producers. The Niagara Coop. which had acquired a plant and bottling business in Niagara Falls, also had found it could not effectively handle both fluid and surplus milk and maintain a satisfactory price without equalizing prices to their producers. Therefore, these two organizations were emphatic that without equalization a milk marketing order could not be effective.

The newly-formed groups, such as the Buffalo and Genesee Cooperatives had a feeling that since their producers had been selling on a quota basis and had more or less regulated their production, that it would not be fair to ask their members to participate in a market-wide pool or equalization. For a time it appeared that this issue might divide the various groups.

As discussions proceeded, many ideas were discussed but finally Edward Gainor, a very outspoken individual, who was representing the Department of Agriculture and Markets, expressed the opinion that an order would not be possible without an equalization provision and that the producer representatives should act like reasonable men, overlook their prejudices and endorse equalization. It was then accordingly voted to include this provision as part of the proposed order.

Having resolved these differences of opinion, it was voted to file a petition for a State Milk Marketing Order to cover Western New York and that the Marketing Area would be the cities and towns as defined in the bylaws of the Bargaining Agency. It was decided that this Area would be known as the Niagara Frontier Milk Marketing Area.

It was also voted that the attorneys, Frank Lent of the Dairymen's League and Henry Manley of the New York State Guernsey Breeders Coop., prepare the necessary petition and present it to Commissioner Holton V. Noyes at the earliest possible moment. Plans for the presentation of evidence to be presented before the commissioner, if and when such a hearing be held, were discussed and various individuals were assigned to outline the various aspects of the order.

Naturally, the price to be petitioned for was of necessity one of the more important aspects of the petition. On this matter, as on other provisions of the petition, there was a rather wide diversity of opinions. Again, after much discussion, someone suggested that each person present write his idea of a proper Class I price on a piece of paper and then take all these suggested prices and average them to see what the result would be. This was done and the average was \$2.70 per cwt. This price seemed to be more or less satisfactory to all those present and it was therefore the price asked for in the petition.

The petition was filed and following several conferences with officials of the Department of Agriculture and Markets, Commissioner Holton V. Noyes set the date of August 8, 1938, for a hearing to be held in Hotel Buffalo in Buffalo, New York.

The hearing was attended by many individuals representing all segments of the industry. The presiding officers representing the Department of Agriculture and Markets were the Hon. Holton V. Noyes, Commissioner, and the hearing master was Milo R. Kniffen, Counsel for the Department. The Department was also represented by Kenneth Fee, Director of Milk Control; L.L. Clough, Chief Milk Accounts Examiner; E.S. Bird, Senior Assistant in Marketing, and Joseph Dunn, Field Auditor, Division of Milk Control.

The Bargaining Agency was represented by its officers and also by Attorneys Henry S. Manley, Frank B. Lent and Alan D. Miller of the Dairymen's League.

In addition, producers in large numbers were present. L.C. Cunningham of the College of Agriculture presented figures regarding the cost of producing milk.

The distributors were represented by their attorney, Laurence Williams, and by Walter Milligan, Executive Secretary of the Buffalo Milk Distributors Ass'n. The Unity Cooperative Dairymen's Ass'n., Inc. was represented by Charles W. Newton, its manager and secretary, and by Attorney Claude Newman of Arcade.

The Bargaining Agency presented evidence in support of the Order, through the testimony of several of its officers and members. The evidence offered by these persons showed why an Order was needed and why the various provisions of the proposed Order were necessary. This evidence covered such features as definitions, prices, equalization, cooperative payments, etc. Also, testimony outlined the duties and responsibilities of the various classes of cooperatives such as bargaining cooperatives, collecting cooperatives, and operating cooperatives and the amounts of cooperative payments that each type of cooperative should receive.

The declarations of intent which were part of the petition and which have been the principles upon which the Order has operated for nearly 40 years are most significant. These basic principles show the sound thinking of the cooperative leaders of that time and the wisdom of those who had a part in making this Order possible.

"DECLARATION OF INTENT"

"This order was originally applied for by producers through their cooperative association, was subsequently approved by the requisite percentage of producers in the manner prescribed by law and is made effective by the Commissioner under the following basic principles, in agreement with which this order has been promulgated.

1. An equal purchase price to be paid by all dealers for milk for the same use.
2. An equal share to each producer of the benefits of the fluid markets.
3. An equal share by each producer in the burden of the surplus and expense of controlling it.
4. Reasonable contributions to those having surplus facilities for the use of them seasonally for market protection.
5. Effectuation of the foregoing principles in such a manner as will perpetuate and encourage farmers' cooperative organizations.
6. The use to the greatest possible extent of plant and other facilities financed by producers through their cooperative associations to the end that the oppressive economic situation of farmers may be improved.
7. Recognition of the Niagara Frontier Cooperative Milk Producers Bargaining Agency, to assist in effectuation of the foregoing principles to the end that farmers, through their cooperative associations, may receive assistance, long needed, to bargain more effectively with proprietary distributors.

Upon such basic principles, recognized by legislative bodies of state and nation, this Order is promulgated."

There was considerable opposition to the Order both from the dealers and also from certain producers. Walter Milligan, who testified on behalf of the dealers organization, felt that the Class I price of milk of \$2.70 per cwt. was much too high, that this price would discourage the consumers from buying milk. When asked by the Bargaining Agency's attorney what price he felt was proper, he refused to name such a price.

Charles Newton on behalf of Unity Cooperative Dairymen's Assn. also testified against the proposed order, especially against the equalization provision. There were also other individual producers who testified against the proposed order. In their testimony they stated that they felt they were able to market their own milk. They also objected to the principle of equalization. One such individual stated that because his farm was located on a main highway, his taxes were higher and therefore he felt that it was not fair for him to share the higher return from the fluid market with producers who might live on a back road or on a hill farm.

Attorney Claude Newman also submitted a petition signed by several individual producers in the Arcade-Sandusky area in which they stated their objections and opposition. It is significant that these producers were part of a group of producers which later formed what was called the Producers Protective Assn. and who brought action against the Commissioner, which action resulted in the Order being declared unconstitutional and which resulted in the Order being suspended for four months.

At the close of the hearing Commissioner Holton V. Noyes stated his position. He stated that the hearing for the Order had been a result of a petition from the producers through the Producers Bargaining Agency and had not resulted from any action from the Department of Agriculture and Markets. He stated that it was his duty to hear evidence from all parties who were concerned and to weigh all the facts presented and then to present a proposed order to the producers in the area for their approval. He stated that such an order would have to be approved by 75% of the producers in a vote to be taken under the supervision of the Department. Such a vote was taken in September and was approved by the producers.

Upon such approval, Commissioner Noyes issued Official Order No. 127 which became effective October 1, 1938. It was significant that the Order was issued substantially as asked by the Bargaining Agency, except that Commissioner Noyes made the Class I price \$2.85 instead of \$2.70 as asked by the Agency. Evidently the Commissioner felt very strongly on the matter because when Walter Milligan was testifying that he regarded the Class I price of \$2.70 being too high, the Commissioner interrupted Mr. Milligan's testimony to personally question him by asking if he, Mr. Milligan, did not feel that the cost of producing milk should not be the basic and first consideration in determining a proper price under an order.

To implement the Order and to oversee its enforcement, the Commissioner designated Douglas M. Lasher to be the Administrator for the Niagara Frontier Milk Marketing Area as defined in the Order. It was necessary for this office to secure auditors and clerical help, to prepare the necessary forms for dealers to report producer purchases, fluid sales and sales of surplus milk, etc. When the reports of the first month's operation, that is October 1938, were compiled it was announced that the uniform price was \$2.00. Producers were generally pleased with this price inasmuch as it was a substantial increase over prevailing prices. In some cases it was an increase of nearly a dollar per cwt.

Not everything was smooth sailing however. Some of the newly-formed cooperatives chose to become collecting cooperatives and this involved setting up offices and assuming the responsibility of making reports and figuring and paying producer checks. Matters were made worse because some dealers were slow with both reports and payments, and this delayed producer payments and caused some producer dissatisfaction.

Some of the groups that had opposed the Order seized upon these difficulties to organize opposition to the Order and to the cooperatives. The minutes of the Agency makes mention of certain dealers and truckers of trying to organize opposition to the Order. As a result a number of producers, principally from the Arcade area, formed what was known as the Producers Protective Ass'n. The group of dairymen who had appeared as opposed to the order at the hearing of August 8, 1938, were among those that were active in forming the Producers Protective Assn. This group of producers was opposed to the Order and went to court to protest its operation. As a result of their action, Judge Bergen handed down a decision declaring the Order unconstitutional. With this decision the market was once again thrown into chaos.

Again producers were faced with a grave problem. After much careful consideration and several conferences between the Bargaining Agency, the Department of Agriculture and Markets and other leaders, it was decided to endeavor to carry on under a voluntary agreement. This agreement provided that:

1. The cooperatives that had supported the Milk Marketing Order and who were members of the Bargaining Agency would pool the milk of their producer members and would operate voluntarily as far as possible using the provisions of the Order as guidelines.
2. They would assume financial responsibility for paying the operation expenses of Niagara Frontier Milk Marketing Area office. This office had been the enforcement agency of the Department of Agriculture and Markets for making audits, necessary reports, determining monthly uniform prices to be paid to producers, etc. While this office had lost its legal authority to enforce the provisions of the Order, it was thought it could do much to maintain orderly marketing in the Area.

While every effort was made to maintain the Class prices that had been in effect during the four month period the Order had been in operation, it was found that it was impossible to do so. The minutes of the Bargaining Agency show that it was voted to endeavor to negotiate a Class I price of \$2.50 for March. This was a lowering of the Class I price from \$2.85 per cwt., which was the price when the Order was in effect. Apparently this effort was not successful because the minutes of April 14, 1939, show that the Class I price had been lowered to \$1.90 in Buffalo and to \$2.30 in Niagara Falls. The fact that it was possible to maintain a higher price in Niagara Falls than in Buffalo was largely due to two factors. In the Falls producers were nearly 100% enrolled in two cooperatives, the Dairymen's League and the Niagara County Milk Producers Cooperative. These cooperatives had been well organized in these markets before the Order had come into being and they had established good working relations with their dealers. Inasmuch as they had a substantial part of the milk for that market under their control, there was little competition and prices were more effectively maintained. In contrast, in Buffalo, the Genesee Milk Producers Cooperative, the Buffalo Milk Producers Cooperative, and the Collins Milk Producers Cooperative were newly formed and there was much competition from the opposing groups, such as the Unity Dairymen's Cooperative and the Trevett Cooperative, which refused to enter into the voluntary agreement. There were also many dairymen who were not members of any organization who refused to go along with the Agency in its efforts to stabilize the market and to maintain prices.

The four months the Order had been in effect resulted in Uniform Prices as follows:

October 1938	---\$2.00
November 1938	---\$2.10
December 1938	---\$2.02
January 1939	---\$1.95

With the Order suspended, in spite of efforts of the Bargaining Agency to maintain prices, the uniform price paid to producers dropped drastically. The prices for the four-month period that the Order was not in effect were:

March 1939	---\$1.58
April 1939	---\$1.14
May 1939	---\$1.12
June 1939	---\$1.10

During this period, the legal staff of the Bargaining Agency cooperating with the lawyers of the Department of Agriculture and Markets, had appealed Judge Bergen's decision and their appeal was carried to the Supreme Court. Judge Bergen's decision had also pointed out certain defects in the legislation which had been passed, permitting Bargaining Agencies, Milk Orders and other corrective powers to aid milk producers. The cooperatives accordingly began to use their influence to obtain the necessary corrections in the law. A most dramatic example of this effort occurred in March 1939 when between 500 and 600 milk producers from Western New York chartered a special train and went to Albany to emphasize to the State Legislature the need for corrective legislation. On reaching Albany, they marched from the railroad station up to the State Capitol. Because of their large number, it was necessary to hold the meeting in the Auditorium of the State Education Building.

Here they presented their demands before the Agriculture Committees of the Legislature. They also presented evidence of the low prices dairymen were receiving and of the demoralized condition of the market. In spite of all the evidence presented as to the plight of milk producers, there were individuals who opposed any action that would have reinstated the Order. These were the same individuals who had organized and supported the so-called Protective Association. Apparently, the dairymen representing the Bargaining Agency and the cooperatives were

able to convince the Legislators of the need for this corrective legislation and the necessary changes were made and signed by Governor Lehman. In May, 1939, the Supreme Court set aside Judge Bergen's decision and the Order became effective again on June 1, 1939. To show how effective the Order was, prices for the balance of 1939 were:

July 1939	----\$1.47
August 1939	----\$1.83
September 1939	----\$1.85
October 1939	----\$2.04
November 1939	----\$2.10
December 1939	----\$2.03

With the Order in effect again the function of the Bargaining Agency once more became that of cooperating with the Department of Agriculture and Markets in enforcing the provisions of the Order. Over the years the Agency has proposed minor changes in the Order to make it more effective. It has also proposed changes in prices to meet farmers' costs and to make a more stable market for the Area. Refinements in the Order have been made as to cooperative payments, market service payments, defining the duties and responsibilities of the member cooperatives. In the opinion of many this has been a most successful demonstration of a cooperative effort between producers working through their cooperatives with the State of New York and its Department of Agriculture and Markets. This cooperative effort has brought stability to milk marketing in Western New York and has contributed much to the prosperity of the State. Perhaps one of the most significant aspects of the entire effort is that it has been financed in its entirety by contributions from the producers of milk in these Areas.

An interesting sidelight to the history of the milk marketing cooperatives in the period from 1939 through 1950 was the so-called "Guernsey Case." This was the legal action that resulted from the refusal of the New York State Guernsey Breeders Coop., Inc., to participate in the equalization of the milk of their membership under the provisions of Order 127 and Order 129. While the Guernsey Breeders had been advocates and supporters of the Agencies and were among the cooperatives that petitioned for the Order, when the Order became operative, they, the Guernsey Breeders, contended that because their milk possessed certain qualities, such as added food value, color and taste, it should not be equalized with average market milk. Thus they went to court to secure an injunction to prevent the equalization of Guernsey milk.

The Order as originally written petitioned for a provision that Guernsey milk should receive a premium of \$.30 per cwt. for milk sold as Guernsey milk. This premium was in addition to the regular \$.04 per point of butterfat test and was to be paid by the marketer purchasing Guernsey milk. It was the contention of the Guernsey Breeders that this premium would price their product out of the market and instead their milk should not be equalized and that they should receive substantially the Class I price.

The Bargaining Agency and the Department of Agriculture and Markets took a position that the Equalization Provision of the Order applied to all milk and opposed the position of the Guernsey Breeders in their legal action. Thus began a court action that lasted from October 1, 1938, until 1950. The case was a long legal action that consisted of decisions, appeals and postponements. It was finally decided in January, 1950, in favor of the Bargaining Agencies. In the period from the time the action was begun to the time of its final decision, the monies that Guernsey Breeders should have paid into the Equalization Fund had been ordered held in escrow by the court. Over the years a sum of \$148,298 had accumulated.

In reaching its final decision, the court considered many facts. Among the facts considered was the contention of other breed associations that the milk produced by cows of such breeds also contained added qualities that would allow such milk exemption from equalization.

In its final decision, the court ordered that money in the so-called "Guernsey Fund" should be added to the general equalization fund and paid back to all producers. This was done in November, 1954, and this payment added \$.301 per cwt. to the uniform price for that month.

Two very important innovations have been introduced by the Agency over its period of operation. One has been the so-called "Louisville Plan" which has had for its purpose the elimination of wide variations in seasonal production of milk. This plan consists of making deductions from producers' checks during the months of high production in the spring and returning these deductions as added payments to producers in the months of lower production in the fall as an extra inducement to encourage production when the market is more apt to be in short supply. This plan was put into effect in 1952 and has been effective in reducing the wide fluctuations in seasonal production. Lewis

Witter of Buffalo Milk Producers Cooperative was a leader in securing this change in the Order, and much credit is due to his foresight and leadership in developing this stabilizing aspect of milk marketing.

A second innovation of wide-reaching benefit has been the institution of a milk publicity and advertising campaign. The effort is called Milk for Health on the Niagara Frontier, Inc. While separate and independent from the Bargaining Agency, it had its inception and was sponsored by the Agency and has been incorporated into the Milk Marketing Order. As a result of a petition by the Agency, the Order was amended and deductions of \$.04 and \$.06 per cwt. from the uniform price from all producers was authorized. These funds are administered by the Board of Directors of Milk for Health on the Niagara Frontier, Inc. These directors have in many cases been the same as those of the Bargaining Agency and the two organizations have worked closely together. It is the consensus of practically the entire industry that this effort has been of great value to all segments of the industry, and by stimulating consumption and sales, has increased dairymen's returns and added to the stability of the market.

We have gone into considerable detail regarding the events that led to the formation of the Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc. We have done so because we wish to pay tribute to those who did so much to improve the living standards of milk producers and their families in Western New York. Many contributed much to make this possible. Many meetings were held, many hours of sleep were lost, many miles were traveled, many compromises were made, but out of it all much good has come. It is a heritage we must not lose.

Nine men have served as president of the Agency since it was organized in 1938. They were:

Benjamin Chittenden	-	1938-1940
Hugh A. Scott	-	1940-1943
Roy A. Bradley	-	1943-1945
Thomas McKeary	-	1945-1947
Harvey Wittman	-	1947-1956
Clarence Johncox	-	1956-1961
Peter J. Kehl	-	1961-1966
Albert Stratton	-	1966-1969
Wesley Phillips	-	1969 to present time.

Three individuals from the Department of Agriculture and Markets deserve special recognition. They are Commissioner Holton V. Noyes, who was Commissioner of Agriculture and Markets at the time the Order was put into effect. His broad knowledge and deep understanding of the problems of farmers and of the dairy industry contributed much to initial success of what at that time was an entirely new venture. The sound basis upon which the Order was based did much to make it successful over the years. Kenneth Fee was Director of the Division of Milk Control at the time the Order was promulgated and put in effect in 1938, and served in that capacity until he retired. His honesty and integrity, together with his capable administrative ability won him the respect of the entire industry and contributed much to the smooth operation of the Order. Errol J. Bird, a cooperative Marketing Specialist in the Department, did much in helping the small cooperative, such as Buffalo, Genesee and Collins Cooperatives. His broad knowledge and understanding were most effective during this difficult period, and contributed much to the success of cooperative marketing in Western New York.

After the Niagara Frontier Milk Producers Bargaining Agency was formed, E.J. Brophy was hired as Executive Secretary, serving in this capacity for only a short time. Fred Lewis assumed that position and served in that capacity until he retired on March 1, 1970.

3. Buffalo Milk Producers Cooperative Association, Inc.

Out of the chaotic and unsettled conditions that existed in the 1930's. Buffalo Milk Producers Cooperative Association, Inc., was one of the cooperatives that was formed. A small group of milk producers in the Java-Sheldon area, led by Edward Conrad, started meeting together. The possibilities and advantages of a cooperative organization were discussed. Early in June, 1938, this group decided to incorporate into what became known as Buffalo Milk Producers Cooperative Association, Inc. Inasmuch as it cost \$40.00 to incorporate such an association, eight individuals agreed to contribute \$5.00 each for the incorporation fee. The individuals who became incorporators of the new organization were:

Francis W. Almeter, Strykersville
Clarence A. Ash, Strykersville
Edward J. Conrad, Strykersville
Peter J. Kehl, Strykersville
Carl W. Miller, Arcade
Ernest J. Pfifferling, East Aurora
Floyd J. Reisdorf, Arcade
John L. Sheer, Arcade

This group elected the following officers:

Ernest J. Pfifferling	President
Edward J. Conrad	Vice President
Carl W. Miller	Secretary
John L. Sheer	Treasurer

They also designated Pfifferling, Conrad and Miller to represent the association, if and when a bargaining agency might be formed. It was also voted to become a member of such an agency and to work for better prices for milk.

As the summer of 1938 progressed, Buffalo Milk Producers played a part in organizing the Niagara Frontier Cooperative Milk Producers Bargaining Agency and in drafting a petition for a state milk marketing order. They also presented evidence at the hearing of August 8, 1938. When Commissioner Noyes announced that producers would have a chance to vote on whether the Order should be placed in effect, the members of the Cooperative voted overwhelmingly for the Order, and it became effective October 1, 1938.

Buffalo Milk Producers originally chose to become a collecting cooperative as outlined in the Order. This necessitated the setting up of an office and making arrangements for the sale of the members' milk. In making these arrangements, President Pfifferling relied extensively on the services of an attorney located in the Walbridge Building in downtown Buffalo. In equipping the office, the Cooperative rented space from this attorney, and negotiated to buy office furniture from him also. Pfifferling and some of the others felt it was necessary to have rugs on the office floor in order to make an impression upon any who might call at the office.

During this same time, largely through the efforts of Edward Conrad, it became known that the Sprenger Dairy, on Genesee Street, Buffalo, could be obtained by the Cooperative. The North Java Branch of the Wyoming County Bank & Trust Company had two or three farms that they had repossessed and operated during the depression of the 1930's. Sprenger Dairy was delinquent in its payment for milk from these farms to the Bank. Negotiations showed a willingness on the Bank's part to loan the Cooperative \$14,000, whereby the Cooperative would acquire the business and operating equipment of Sprenger Dairy, and assume the lease of the real estate. Sprenger Dairy would, in turn, pay off its indebtedness to the North Java Bank. The Bank required the directors of the Cooperative to personally endorse the note to guarantee the repayment of the loan. Because of this requirement, and to secure better representation of the various areas, it was decided that the number of directors should be increased from eight to fifteen. This was done, and of the fifteen directors, all but one were willing to sign the note.

When the Cooperative assumed operation of Sprenger Dairy, it soon became evident that the facilities were completely inadequate. This, together with the fact that a majority of the directors were not in agreement with Mr. Pfifferling, led to a change in officers in January, 1939, at the time of the first annual meeting. At that time, Hugh A. Scott was elected president; Cletus Meyer, vice president; Carl W. Miller was re-elected secretary, and John Sheer re-elected treasurer. Following this election, Pfifferling secured a court order declaring the election illegal and restrained the new officers from any activities except collecting money due for milk sold and repaying this money to the producers. This court order was of short duration, and the new officers were soon free from the restrictions imposed upon them.

However, the Cooperative found itself in a difficult situation. It owed for the office furniture and equipment, and its officers had not been paid for some four months' work. In efforts to cut down expenses, the office was moved from the Walbridge Building to Sprenger Dairy. It may be of interest to note that when the Cooperative made payments to its officers, Carl W. Miller, who had acted as office manager, accepted the two rugs that had been acquired when the office was first furnished as part-payment for his services.

One of the first pieces of new equipment purchased for Sprenger Dairy was a fourteen thousand pounds per hour Westfalia separator. This enabled the plant to handle a much larger quantity of surplus milk, thus rendering a greater service to the market as a whole. It may be of interest to note that this separator was a part of the last shipment of goods to come out from Nazi Germany at the beginning of World War II.

As operations at Sprenger Dairy progressed, it was evident that the operation was not efficient. There was not a market for the skim milk resulting from the separation of surplus milk at the plant, and the skim milk had to run down the sewer. Shortly after the start of the operation, contact was made with the Bison Cheese Company. This company consisted of Abraham Blitekoff and his sons, Leo and Joseph. This, too, was a newly formed company which was purchasing bulk cottage cheese and repacking the product for sale to stores and restaurants. They were desirous of establishing their own cheese-making operation. Arrangements were worked out between Buffalo Milk Producers and Bison Cheese Company whereby Bison rented the garage on the Sprenger Dairy site, installed a cheese vat and refrigerated space, and started the manufacture of cottage cheese. The price obtained for the skim milk sold to Bison Cheese at that time was \$.05 per cwt.

This was the beginning of a relationship that was mutually beneficial to both parties and which has continued until the present time. Both the Cooperative and Bison Cheese continued to grow, and this growth was one of the main incentives for the acquisition of larger facilities in later years.

At the time of the annual meeting in 1943, the directors of the Cooperative felt it best to make a change in the leadership of the Cooperative. Hugh A. Scott had been acting as president and business manager of the Cooperative. Considerable differences of opinion regarding operational policies had developed between Mr. Scott and the directors and, as a result, Carl W. Miller was elected president; Cletus Meyer, vice president, and Lewis F. Witter as secretary-treasurer. Sometime later it was decided to have Irene Dietz, office manager, act as treasurer.

With this change came certain difficulties for the Cooperative. Mr. Scott became associated with the Henel Dairy Company. This dairy had manufacturing facilities and was desirous of securing a supply of milk through direct contract with producers in order to have a supply under its own control. Henel Dairy had been purchasing milk from the Dairymen's League. As this was a time when the supply of milk in the marketing area was often short, the League had often found it necessary to curtail the furnishing of manufacturing milk to certain dealers in order to adequately supply the Class I needs of the market. As a result, Mr. Scott proceeded to secure a supply of milk for Henel using his knowledge of the membership of the Buffalo Milk Producers, which resulted in the cancellation of a substantial number of members' contracts. Not only did he solicit the members of Buffalo Milk Producers, but he also solicited the members of other cooperatives as well. Milk under the control of a proprietary handler, being used in a lower classification, resulted in a lower uniform price to all producers.

In 1944, the Cooperative purchased the land and buildings that comprised the Sprenger Dairy from the Jefferson Savings and Loan Association. Extensive alterations to the facilities were made in which capacity and efficiency were increased. In spite of these changes, facilities were still inadequate. Both the Cooperative and Bison Cheese were growing and needed extra space. In 1946, when it was learned that the plant formerly occupied by Liberty Milk Company on Stanislaus Street, Buffalo, was available, it was purchased. At the same time, the Sprenger plant on Genesee Street was sold to Instantwhip Buffalo, Inc. Following the purchase of the Stanislaus plant, considerable remodeling was undertaken which resulted in more than twice the space and capacity for the Cooperative and Bison Cheese Company.

In 1949, the Buffalo Milk Producers made a change in its general operating policy. Carl W. Miller had been serving both as president and general manager. When he decided to retire, the Board of Directors decided to separate these two positions to better serve the association. Lewis Jones of Freedom, New York, was elected president. After an extended search, the association hired Lyman Baker as general manager. Mr. Baker was a graduate of Ohio State University and had been a successful county agricultural agent in Ohio. Under his leadership, the Cooperative decided to enlarge its bottling operations. The Hoeffler Dairy was purchased in 1949, and the Cooperative started its policy of bottling for sub-dealers. This policy evidently filled a need. In order to handle this increased volume, additional facilities were needed. In 1952, the Hess and Bement Dairy on Ferry Street was purchased. This expansion proved to be successful, and in 1957 the Cooperative purchased the Hillcrest Dairy and started to distribute bottled milk on its own routes.

Even these facilities soon proved to be inadequate. Accordingly, under Lyman Baker's leadership, studies were started to develop plans for facilities to meet the growing needs of the Cooperative. It was decided that the

Cooperative should try to find a desirable site and develop plans to build a modern plant which would be large enough to meet the needs of the Cooperative for the foreseeable future.

The first step in implementing these plans was the purchase of five and a half acres of land on Dale Road in Cheektowaga. The next step was to hire a dairy engineer and an architect to develop plans for the proposed facility. Robert Johnson, a dairy engineer from Chicago, and Trevor Rogers, a Buffalo architect, were hired. Visits were made to many plants in Eastern United States in order that the best ideas in dairy plant construction and milk handling might be incorporated in the new plant. Much credit in developing these plans must be given to Lyman Baker, both for meeting existing needs and for his vision of future possibilities for the Cooperative.

As plans progressed, it became evident that the financing of this project would be a major problem. Local banks were not willing to lend funds to the Cooperative for such an undertaking. The Springfield Bank for Cooperatives indicated that if the membership of the Cooperative would show substantial commitment and support for such a project, they would consider lending the Cooperative the balance of the necessary funds. After much study, the Board of Directors authorized the issuance of loan certificates which the membership could purchase. It was felt by the Board that if a sufficient amount of these certificates could be sold to the members it would indicate to the Bank their commitment and support for this project.

The Board selected Carl W. Miller, because of his wide acquaintance with the membership, to take charge of this effort to implement this phase of the project. The response of the membership was most satisfactory and \$195,700 was raised. With this showing of support by the membership, the Bank for Cooperatives loaned to the Association the necessary funds.

In the spring of 1959, the contract to construct the Dale Road plant was awarded to Wright Associates. This plant was modern in every respect. Many new innovations were incorporated into its design and construction. Among these were the first multiple installation of cold milk separators of any plant in the world. It was the first plant in New York State to have cleaned-in-place welded stainless steel milk lines and automatic controls, in-floor conveyors, automatic case stackers, Hollywood-type coolers and low pressure steam. A later innovation was the installation of silo tanks. Construction was completed in March, 1960, and the milk processing operations were transferred from Stanislaus and Ferry Streets to the Dale Road facility. The Stanislaus Street property was sold to Bison Cheese Company and operated by them until they moved to their present location on Scott Street.

The planning and foresight that went into the development of this plant gave the other cooperatives the confidence and desire to unite with Buffalo Milk Producers. This resulted in the creation of Frontier Federated Cooperatives, Inc., and later Upstate Milk Cooperatives, Inc. Today this plant is considered to be one of the most efficient and modern fluid milk processing plants in the United States.

The planning, the financial support of the membership, and the building of this plant has been Buffalo Milk Producers' contribution to Upstate Milk Cooperatives, Inc. This leadership has helped make Upstate one of the most successful milk marketing cooperatives in the country.

During its period of operation, seven men have served as president of Buffalo Milk Producers Cooperatives Association, Inc.: Ernest J. Pfifferling, Hugh A. Scott, Carl W. Miller, Lewis Jones, Isadore Meyer, Peter J. Kehl, and Henry Kelver.

4. Genesee Milk Producers Cooperative, Inc.

Genesee Milk Producers Cooperative, Inc., was incorporated September 4, 1935. The individuals who signed the Certificate of Incorporation were:

Adolphus C. Pilger, Batavia
John I. Searls, Batavia
Edward Zehler, Batavia
H.R. Spink, Attica
Glenn F. Ellis, Oakfield
Eugene Wilson, Batavia
Harold Z. Test, Oakfield

In the Cooperative's early days, the membership was comprised of producers whose milk was sold to dealers in the City of Batavia. Like some of the other cooperatives that have become a part of Upstate Milk Cooperatives, Inc., many of Genesee's early records are no longer in existence, making it difficult to reconstruct its early history. Much of what we have been able to put together has been given to us by George Kellogg, East Bethany, New York.

It has often been said that organizations are but reflections or extensions of certain individuals. This was certainly true of Genesee Milk Producers. Adolphus G. Pilger played an important part in the organization of this Cooperative. Pilger was one of those rare individuals who was gifted with the ability to speak to an audience both dynamically and effectively. Although a gifted speaker, it has been said by those who knew him that it made little difference to him which side of a question was debated, he was always ready to talk.

This led some to question his sincerity and, perhaps, limited his leadership ability. He was, however, an enthusiastic spokesman in the cause for improving the economic position of milk producers in those trying times during the 1930's. As conditions became more chaotic, it was Pilger who led the effort to expand the membership of the Cooperative. The membership was expanded to include producers who were "independent," and were shipping their milk to the Buffalo market. The officers at that time were:

Adolphus C. Pilger	President
Edward Stroh	Vice President
Charles Brooks	Secretary

George Reinhart was employed as field man and Charles Brooks as office manager. The Board of Directors voted to pay them \$15 per week, and the directors were paid \$.50 per meeting. The Board also voted that the Cooperative become a member of the newly-formed Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc. Pilger and Reinhart represented the Cooperative at the meetings of the Bargaining Agency. Pilger's speaking ability and his enthusiasm played an important role in the early deliberations of Genesee Milk and the Agency. Many will remember Genesee Milk for the excellent banquets that were held in its early years.

Genesee Milk decided to qualify as a collecting cooperative under the provisions of the Bargaining Agency and Niagara Frontier Milk Marketing Order. Among the dealers the Cooperative supplied in the Buffalo market were: Peter Hagner, Cleveland Drive Dairy, Nagles Dairy and Holmes Dairy. At this time, Pilger conceived the idea of further expansion and wanted the Cooperative to purchase the George Marian Dairy in Buffalo. This dairy was in financial difficulty and had a reputation for aggressive pricing policies. Pilger proposed that the Cooperative purchase this dairy and deduct twenty cents per cwt. from their members' milk checks to pay for the acquisition.

Because a majority of the Board did not approve of this proposal and other ideas expressed by Mr. Pilger, his led to the reorganization of the leadership of the Cooperative. Officers elected were:

Ellsworth Waite	President
George Kellogg	Vice President
Charles Brooks	Secretary-Treasurer

Waite and Kellogg were chosen to represent the Cooperative on the Bargaining Agency.

At this time the Cooperative found itself in the position of having sold milk to dealers who were in financial difficulties and delinquent in their payments to the Cooperative. Among those dealers was Nagle Dairy, which owed the Cooperative \$12,000. To illustrate the desperate circumstances cooperatives found themselves in those days, Nagle had asked the producers, who were shipping to him, to pay him \$50 per can of average daily milk shipment for the privilege of having a market. Financial matters were finally worked out and the Cooperative accepted a chattel mortgage from Nagle to secure his indebtedness to the Cooperative. This indebtedness was eventually paid.

In the summer of 1939, Henry Blewer was employed as an auditor by the Niagara Frontier Milk Marketing Area and sent to Batavia to audit the records of Genesee Milk Producers. The purpose of this audit was to determine which of the dealers owed the Cooperative for milk sold, which producers had not received their milk checks, and to determine the general financial status of the Cooperative. The situation was serious enough that there was a possibility of the Cooperative being denied cooperative payments as provided in the Order and also the loss of other cooperative privileges. As a result of this audit, and through the cooperation of the Department of Agriculture and Markets, these financial difficulties were straightened out and producers received their payments.

Genesee Milk at that time was experiencing many of the same difficulties that prevailed throughout the market. Among these were the problems of short weights and low butterfat tests. Milk was shipped in cans and full cans were considered 82 pounds rather than 86 pounds, which is the correct weight for ten gallons of milk. Not having a plant or laboratory facilities, the Cooperative could do little except protest in those matters.

Under the leadership of Ellsworth Waite, the Cooperative adopted a more conservative and business-like policy. Genesee Milk became a staunch supporter of the Order and of the Bargaining Agency. His constructive leadership over the years did much to make Genesee Milk and the Agency's policies and activities successful.

In 1942 Genesee Milk Producers became a member of Genesee Valley Cooperatives, Inc., by shipping a part of their membership's milk to the Rochester market. In so doing, they qualified to become a member of the Rochester Cooperative Milk Producer's Bargaining Agency.

About 1945, Genesee Milk and Buffalo Milk Producers entered into a series of meetings to investigate the possibility of these two cooperatives federating. Details of such a merger were discussed and considerable time and effort was spent in this endeavor. However, the time was not ripe for such a federation. It is interesting to note that the principles of agreement discussed at this time were essentially unchanged when the two organizations did federate in 1961.

When Buffalo Milk Producers constructed its new plant on Dale Road, interest in consolidating the two cooperatives was revived. In 1961, agreement was worked out and these cooperatives formed Frontier Federated Cooperatives, Inc. The Board of Directors of Frontier Federated consisted of four from Buffalo Milk and three from Genesee Milk.

Representing Buffalo Milk Producers:

Peter J. Kehl, Strykersville
Carl Miller, Arcade
Ralph Culver, East Concord
Richard P. George, Strykersville

Representing Genesee Milk Producers:

Ellsworth Waite, Alexander
George Kellogg, East Bethany
Richard Call, Batavia

The first officers of Frontier Federated were:

Peter J. Kehl	President
Richard Call	Vice President
Carl Miller	Secretary
Ellsworth Waite	Treasurer
Lyman Baker	Manager

Charles B. Brooks had devoted his entire time as Executive Secretary of Genesee Milk Producers and it had become a way of life for him. It was the sincere intent of both cooperatives, when working out this merger, that his employment be continued. This, however, did not materialize and he retired.

Thus it can be seen that Genesee Milk Producers Cooperative played an important part in developing improved milk marketing in Western New York. It actively supported and contributed much to the Niagara Frontier and Rochester Bargaining Agencies, and to the formation and success of Upstate Milk Cooperatives, Inc.

5. Arcade Farms Cooperative, Inc.

To write a meaningful and factual history of Arcade Farms Cooperative, Inc., was a somewhat difficult task. Many records regarding the Cooperative's early history are not available, including some of the minutes from the formation of the Cooperative until 1965, when it became a member of Upstate Milk Cooperative's, Inc. Thus, it was difficult to reconstruct the history of the early days of the Cooperative with a great degree of accuracy. The men who played an active and important role in the formation of the Arcade group are now gone or not available. We have tried to find and put together bits and pieces and hope that such information we have will accurately reflect some of the conditions under which the Cooperative was formed, who helped form it, and some of the factors that influenced its development.

In going through some of the Cooperative's available records and annual reports, there are a number of facts of interest. Among those early records is an agreement whereby Charles Trow and Karl Trevett purchased two hundred shares of Osborn Dairy from Paul Scholl and Simeon Richard of Cattaraugus. This was apparently the beginning of Trevett Dairy. The report issued to the membership of Arcade Farms Cooperative at the time of their 25th annual meeting in 1964 lists William Sadler as having been employed by Trevett Dairy in the capacity of manager in 1927. Previous to that time, he had been a minister in the Methodist Church.

Apparently, as the dairy industry moved into the difficult economic times during the 1930's, Trevett Dairy experienced the same difficulties. Sometime around 1935, someone in Trevett Dairy conceived the idea of reorganizing the dairy into a cooperative. As no Certificate of Incorporation of this cooperative is available, it is not known who its incorporators were. It is, however, understood that it was set up as a consumer-producer cooperative under Article 7 of the Cooperative Corporations Law. It is believed that consumers purchased shares of stock for \$10 and producer-members purchased shares in the amount of \$100 per can (10 gals.) of milk produced per day on an average daily basis per year. Inasmuch as several producers were desperately seeking outlets for the milk they produced, it was not hard to find purchasers for this stock. The amount of participation and the benefits to consumers are not known.

As economic hardships grew greater and the stability of the Niagara Frontier market kept deteriorating, many farmers started working together in the formation of the Niagara Frontier Cooperative Milk Producers Bargaining Agency. Trevett Cooperative was invited to participate with this group; however, they did not accept the invitation. The fact that they did not become a part of the Bargaining Agency group may have been due to two reasons. First, they felt strongly about maintaining their so-called "independent" status as producers. Second, perhaps it was because they could not qualify for membership since they were organized as a consumer-producer cooperative. To become an Agency member, it was required that the cooperatives forming the Agency had to have their activities wholly under the control of their producer members.

As it became more evident that an Order, with its equalization provision, would soon be in effect, forces against it began to form. This opposition, led by certain truckers, some independent dealers, and individuals, became more evident. The minutes of the Bargaining Agency make note of this growing opposition. It soon took form in the organization known as the Producers Protective Association. This organization was not only composed of independent producers, but it actively solicited and urged the withdrawal of the members of the newly-formed cooperatives that were supporting the Order. Their principal appeal for producer support was that it would oppose the equalization provision of the Order. The Producers Protective Association was headed by Henry S. Nichols as its president.

The Producers Protective Association took the matter of the equalization under the Order into court and, as a result, won their action and the Order was declared inoperative. However, the Bargaining Agency appealed the Supreme Court's decision and the Order once more became operative.

Perhaps realizing that the Order was more securely established, this independent group of producers saw advantages in becoming a duly organized cooperative and affiliating with the Bargaining Agency. The organization that grew out of this loosely organized group was the Arcade Independent Milk Producers Cooperative Association, Inc. On July 18, 1939, five individuals signed the Certificate of Incorporation forming the Arcade Independent: Henry Nichols, Damon M. Wells, Leigh M. Bray, Ray C. Olin, and A.N. Myers. The first members of the Board of Directors were:

Henry Nichols, Curriers
Damon Wells, Arcade
Leigh Bray, Arcade
Ray Olin, Chaffee
A.N. Myers, Boston
John Hackett, North Java
Edward Schoenthal, Darien Center
Frank E. Eddy, Arcade
Kenneth Jones, Delevan

In the organization of the Cooperative, its officers and directors were assisted by William Morgan, a marketing specialist from the New York State Department of Agriculture and Markets. Mr. Morgan's association with the Arcade group existed over a number of years. Mr. Morgan, at the same time, also assisted in the formation of some other small cooperatives such as the Attica Independent Milk Producers Cooperative, the Aurora Independent Milk Producers, and the Hollisville Milk Producers Cooperative, Inc. These three cooperatives were small and each was more or less centered around an individual dealer. The Aurora and Attica cooperatives did not function for a very long period of time and were absorbed into other cooperatives. The Hollisville Cooperative, which supplied Fairmont Creamery Company, is still in existence as a member cooperative of Upstate.

When Arcade Independent Milk Producers Cooperative Association, Inc. was organized, it acquired the assets and liabilities of Trevett Cooperative. It is believed that the stockholders of Trevett Cooperative received certificates from the Arcade group in exchange for their stock.

A sales agreement dated January 19, 1940, shows that the Trevett Cooperative conveyed to Arcade Independent Milk Producers Cooperative the land located at 3807 South Park Avenue, including five buildings, the dairy equipment, six trucks, goodwill, and accounts receivable. The purchaser assumed a mortgage to the Marine Trust Company, and the following notes: \$1,500 to Charles Trow, \$1,500 to Karl Trevett, and \$423 to William Sadler. The sellers were also to receive \$9,000 in cash.

One of the first actions of Arcade was to become a member of the Bargaining Agency, and they have continued to be an active member of that organization.

With the organization of the group into a cooperative, the need for a larger plant was inevitable, and studies were made to meet this need. In 1947, construction was started on such a plant on South Park Avenue. This plant was designed to give the Arcade group more adequate bottling facilities. A feature of the plant was a large dairy bar through which Arcade hoped to find an outlet for a considerable amount of its dairy products, including ice cream. The feature of this dairy bar was copied from the plant of the New York State Guernsey Breeders Cooperative in Syracuse, which incorporated this feature and which was called "Guernsey Island." It is quite evident that the name "Dairy Island," which the Arcade Cooperative used as a name for its plant, was inspired by the name "Guernsey Island."

As construction on this new plant proceeded, it soon became evident that additional money would be required for its completion. At a director's meeting, the manager, William Sadler, informed the directors that unless \$65,000 could be raised immediately, construction would have to be halted and the plant not completed. The individual members of the Board pledged their credit and raised this amount and the plant was completed.

In 1947, Arcade Independent Milk Producers Association, Inc. changed its name to Arcade Farms Cooperative, Inc. Apparently they felt there was an inconsistency in calling a cooperative organization "independent". It was also an indication that the ideal of being "independent" had lost much of its appeal and that the advantages of being independent had been replaced by the security and increased bargaining power of united cooperative action.

As the plant became operational, increasing volumes of milk soon exceeded its capacity. Additional facilities would be needed for handling of larger volumes of surplus milk than had been anticipated, and it was soon necessary to make some major revisions in the operation of the plant. The dairy bar and restaurant feature was removed, and milk handling equipment was put into the space it had occupied. A modern ice cream handling setup was installed, and this became a major part of the business. Also, contact was made with what was known as the Emkay Trading Corporation, and part of the space in the plant leased to them for development of the business of manufacturing cream cheese. This outlet proved profitable to the cooperative. At a later date, facilities for the manufacture of cottage cheese were installed.

One of the major outlets for fluid milk that the Cooperative supplied was the Eden Farms Dairy, which supplied the Loblaw grocery chains.

In 1963, William Sadler retired as manager of Arcade Farms Cooperative, and was succeeded by William Kruger. With this change in management, negotiations between Frontier Federated Cooperative, Inc., and Arcade Farms Cooperative, Inc., were begun. Previous to this time, Mr. Sadler had been opposed to any possible merger of the two groups. The fact that Frontier Federated had become a member of O-AT-KA Milk Products Cooperative was an added incentive for Arcade Farms to federate with Frontier. Thus, following a series of meetings between the two groups, a plan of consolidation was worked out and Arcade Farms and Hollisville Milk Producers became members of a new cooperative called Upstate Milk Cooperatives, Inc. This consolidation of resources and membership has been highly successful.

Arcade Farms has had five presidents since it was formed: Henry S. Nichols, Alfred Brusehaber, Alvin Schoenthal, David Wells, and Ralph Wittmeyer. Richard George of North Java has served as secretary for thirty-six years.

6. Collins Milk Producers Cooperative, Inc.

Collins Milk Producers Cooperative, Inc., was organized in the summer of 1938. Its formation was inspired and grew out of the same desperate economic conditions that also resulted in the formation of the Buffalo Milk Producers and Genesee Milk Producers Cooperatives during that same summer. These three cooperatives were influenced in their efforts to organize and improve their economic condition by a series of meetings held early in 1938. These meetings, and the leaders who participated in them, are described in the previous chapter.

The dairy farmers, who made up the membership of the Collins Cooperative, shipped their milk to the Collins Center plant which was owned and operated of Noah Wettmiller. (He also owned a plant at Cohocton, New York.) This Collins Center plant could best be described as a general purpose plant; that is, it had facilities to process cream, skim milk powder and condensed skim milk. The plant was approved by the Buffalo Board of Health to ship Class I fluid milk into the Buffalo Market. According to testimony offered at the Order hearing held August 8, 1938, about twenty-five percent of the milk received at that plant was transferred to the Buffalo Market and used in Class I. This Board of Health approval and the plant's history of association with the Buffalo Market justified including this plant under the new Order.

The early records of this cooperative have been lost, but it is known that the following men were active in the formation of the Cooperative and possibly were its first directors: Harvey Wittman, Raymond Gentner, Dr. James Fuller, Ray Cole, Merton Goodemote, Arthur Kimmel and Robert Witt. Harvey Wittman was the first president and served in that capacity for many years. Raymond Gentner was the first secretary.

One important fact that contributed to the Cooperative's success was the attitude of Noah Wettmiller. Mr. Wettmiller's relations with the producers shipping to his plant at Collins Center had been very cordial. During the meetings that led to the formation of the Cooperative, he worked with the producers in developing the steps that ultimately led to the purchase of his Collins Center plant by the newly-formed Cooperative. Mr. Wettmiller also attended several meetings of the Bargaining Agency and his knowledge and experience as a plant operator were helpful in developing those sections of the Order relating to country plants.

In the negotiations that led to the formation of the Bargaining Agency and the Order, Henry Rathbun, vice president of the Dairymen's League, was the chief spokesman for the League, and played an important part in these negotiations. As the officers of the Collins Cooperative developed plans to purchase the Collins Center plant, one of their concerns was the attitude of the League. Mr. Wittman, president of Collins, was assured by Mr. Rathbun that the operation of the plant by Collins Cooperative could render a substantial service to the market as a whole. This assurance gave Collins Coop. the courage to go ahead and purchase the plant.

Collins Cooperative was one of the cooperatives that participated in the formation of the Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc. Harvey Wittman and Dr. James Fuller were the first representatives of the Collins Cooperative to the Agency. Over the years, Harvey Wittman played a very important role in the Agency activities. He served as a member of the Executive Committee from the beginning of the Agency in 1938 until his retirement in 1966. He also served as president of the Agency from 1947 until 1956.

There were other considerations that influenced the Collins Cooperative in their purchase of the Collins Center plant. There were provisions in the Order that helped the Cooperative offset its operating expenses. The Order provided market service payments to cooperatives with country plants for certain services they might render to the market as a whole. Included in these market service payments was a provision that reimbursed the plant for handling costs on milk received by the plant and shipped to fluid milk handlers in the marketing area. This plant handling charge was originally established at twenty cents per cwt. An additional market service payment was established to compensate the cooperative for receiving surplus milk from other handlers in the market at the rate of eighteen cents per cwt. A third market service payment provided a transportation payment for trucking milk from the plant to handlers in the city. This payment was not to exceed four cents per cwt. for the first five miles, plus one-fourth cent per cwt. per mile thereafter. These provisions incorporated in the marketing order further reinforced the decision to purchase the Collins Center plant.

The operation of the Collins plant by the Cooperative was profitable and successful from the beginning. When the plant was purchased in 1938, money was borrowed from the Farmers Bank of Springville. This loan was repaid in full by 1945. In 1952 a spray process dryer replaced the roller process dryer, and in 1955 a larger spray dryer was installed.

In 1961, the Cooperative decided to completely rebuild its plant into a thoroughly modern facility replacing the original plant. In 1965, another larger spray dryer was installed. During the period 1944 to 1964, Everett Hoyt was manager of Collins Cooperative.

When the Cooperative purchased the facility, there were 123 producers delivering milk to the plant. Most of these lived in the vicinity of Collins Center and many delivered their own milk.

The operation of the Collins Cooperative plant continued until the late 1960's. During this time volumes at Collins were decreasing so that the ability to remain profitable became difficult. At the same time, the major cooperatives in Buffalo and Rochester were discussing the possibility of a combined marketing organization to encompass the Western New York area. Producer prices in the Niagara Frontier, because of the increasing supplies of milk, were dropping below the level of those received by Order II producers in the Southern Tier. As a result of this, individual producers were transferring to Order II. Discussion took place as to the possible course of action that might be appropriate in light of all the activities that were taking place at this time. These discussions resulted in the facilities of Collins Cooperative being assumed by O-AT-KA Milk Products Cooperative. Collins Cooperative became an affiliated member of the Dairymen's League Cooperative. Practically all of the Collins membership production, plus a substantial number of Upstate producers and Dairylea producers, were then pooled in Order II. This resulted in better alignment of the Niagara Frontier and Order II blend prices. The affiliation of Collins with the Dairymen's League continued until December 31, 1972, at which time Collins Milk Producers canceled that affiliation and became the tenth member of Upstate Milk Cooperative, Inc.

7. Hollisville Milk Producers Cooperative, Inc.

As stated elsewhere in this history, Hollisville Milk Producers Cooperative was one of the cooperatives that were organized following reinstatement of Order 127 in the summer of 1939. The members of these four cooperatives, Arcade Milk Producers Cooperative, Inc., The Aurora Milk Producers Cooperative, Inc., the Attica Milk Producers Cooperative, Inc., and The Hollisville Milk Producers, Inc. had not participated with the cooperatives that had worked together to form the Bargaining Agency and the promulgation of Order No. 127. The events that led up to various steps that made the Order possible are set forth in a detail elsewhere.

When it became evident that the Order would become a permanent means of regulating milk marketing on the Niagara Frontier, it was plain that there would be advantages in organizing these independent producers.

Hollisville Milk Producers Cooperative, Inc., was organized with the assistance of William Morgan, a marketing specialist of the Department of Agriculture and Markets of the State of New York.

Inasmuch as members of the Hollisville Cooperative were producers shipping to the Fairmont Creamery Company, it was decided that this cooperative should be organized as a bargaining cooperative. Thus it was not deemed necessary to have an officer or a plant to handle milk.

Many of the early records of this Cooperative have been lost, so much of its early history is not available. Inasmuch as the producers selling to Fairmont Creamery Company were spread over a very large area, the name Hollisville was made up by taking parts of the words Holland, Bliss and Gainesville. Such records as are available show that the Cooperative was incorporated August 3, 1939. The following were the individuals who signed the Certificate of Incorporation:

Henry Wolfe, Gainesville
 Charles F. Schmelzle, Cowlesville
 John Hannon, Glenwood
 Leo Wendling, Boston
 Charles Wilson, Forestville

It is not known who the first president was, but it is believed that Henry Wolfe was the first secretary.

As the matter of bargaining for milk prices was a function of the Bargaining Agency, it became apparent that the Hollisville Cooperative could be most effective by taking part in the activities of the Agency. It became a member of that organization.

The following have represented the Hollisville Cooperative either as directors or delegates to the Niagara Frontier Cooperative Milk Producers Bargaining Agency, Inc.:

	DIRECTOR	DELEGATE
1939-40	Charles Wilson	Henry Wolfe
1941-49	Charles Wilson	Charles Schmelzle
1949-54	Charles Summerton	Charles Schmelzle
1955-56	Walter Kreutter	Lyle Hotchkiss
1957-68	Walter Kreutter	Casimer Kujawa
1968-72	Alfred George	Casimer Kujawa
1972-75	Frank Youngers	Edmund Kujawa
1975-77	Edmund Kujawa	Peter Perl

When Fairmont Creamery Company closed their plant, the members of Hollisville Cooperative were serviced by Frontier Federated and Arcade Farms Cooperatives. When Upstate Milk Cooperatives was formed, Hollisville became a member of that Cooperative.

While Hollisville Cooperative was selling milk to Fairmont Creamery Company, Melvin Ross acted as fieldman for that organization. When Hollisville became a member of Upstate Milk Cooperatives, Inc., Mr. Ross became a member of the field staff of Upstate.

8. Rochester Cooperatives Milk Producers Bargaining Agency, Inc.

The evolution and development of the orderly and stable marketing conditions that prevail today grew out of the same chaotic conditions in Rochester as existed in the Niagara Frontier Market previous to existence of the State Milk Marketing Orders. Although Rochester was regarded by many as being a "better" market for milk, it was far from being free of the many unsatisfactory conditions that were prevalent prior to 1940. These unsatisfactory conditions included disastrously low prices, short weights and tests, rebates and kickback payments for milk, and general instability.

While milk producers generally were dissatisfied with conditions as they existed in the late 1930's, little of a really constructive nature had been accomplished prior to 1939. The Milk Control Law, passed by the State Legislature in 1934, was a sincere effort to correct the desperate conditions that existed in the dairy industry. In many ways this law only pointed out the weaknesses that existed. It was in recognition of these weaknesses that the so-called Rogers Allen Law was passed by the N.Y.S. Legislature and signed by Governor Lehman. The formation of cooperative milk producers bargaining agencies and the establishment of State Milk Marketing Orders were real constructive steps in solving many serious problems of milk producers in Western New York.

According to the records available, the first formal meeting of the leaders from the various cooperatives in the Rochester Milk Marketing Area was held July 1, 1939, at the Seneca Hotel in Rochester. At this time the Rochester Cooperative Milk Producers Bargaining Agency, Inc. was formed with the following officers:

Harvey Way, President	Community Cooperative Marketing Assn., Inc.
Ernest Strobeck, Vice President	Dairymen's League Coop. Assn., Inc.
Oscar Smith, Secretary	Western New York Milk Producers Coop. Assn., Inc.
Levi Higley, Treasurer	Rochester Independent Milk Producers Coop. Inc.

Other organizations represented at this meeting and those participating were:

New York State Guernsey Breeders Coop., Inc. - Henry Manley, Attorney
Our County Cooperative - Amercher, Lynaugh and Gurman
Dairymen's League - "Doc" Webster; Frank Lent, Attorney; Arnold Daves, Arthur Campbell and Jack Gary
Konhocton Cooperative - Robson and Ed Cook, Attorney
Rochester Guernsey Producers Cooperative - Theodore Richards and Harold Wilson
Western New York Milk Producers Cooperative Association, Inc. - Sidney Lookup and Elmer Gardner, Manager
Dairy Farmers Cooperative - C. Batzel
Arcadia Cooperative Marketing Assn., Inc. - James D. Anderson and Howard Gott, Manager of Wadsworth Farms.

The reported membership of the above cooperatives was estimated to be 1380 out of a total 1800 producers approved for the Rochester Market.

Also present at this meeting were:

Errol S. Bird and William Morgan, marketing specialists from the Department of Agriculture and Markets, Albany, N.Y.
Jay Treat, Conesus Milk Producers Cooperative, representing the Metropolitan Bargaining Agency
Adolph C. Pilger, Genesee Milk Producers Cooperative, Inc.
Stanley Glennie, Niagara County Milk Producers Cooperative

Also with Mr. Glennie was a Mr. Barnham, owner of Barnham's Dairy of Niagara Falls. Barnham's Dairy was a dairy supplied by Niagara County Milk Producers Cooperative and a supporter of the State Marketing Order.

While these leaders were meeting to try to find a solution to the conditions that existed in the Rochester Market at that time, it is well to consider that producers in the Niagara Frontier Milk Marketing Area had already petitioned for and received a State Milk Marketing Order the previous year. The Niagara Frontier Order had been in effect for four months when challenged in courts. The necessary legislation was obtained to correct the deficiency in the Law, and the Order reinstated. The experience obtained in the Niagara Frontier Area and the precedents set in testing the Order in the courts were of great value in formulating an Order for Rochester.

At this meeting, Hampton Halsey, an attorney representing the Agency and also a member of the Rochester Independent Milk Producers Cooperative, moved that "we" petition for a State Milk Marketing Order for the Rochester Milk Marketing Area. This motion was lost for lack of support. This indecision can be better understood if we examine who these people were and the origin and purpose of the organizations they represented. The history of each of these cooperatives is covered in another section of this booklet.

A second meeting of the Rochester Cooperative Milk Producers Bargaining Agency was held on August 31, 1939. Most of the persons attending the July 1st meeting were present at this meeting. Some additional leaders were also present to help in the decision making. Some of these were:

Community Cooperative Marketing Assn., Inc. - Tom Coyne, Avon, N.Y.
New York State Guernsey Breeders Cooperative - Benjamin Rickert, Syracuse, N.Y.
Dairymen's League - Henry Rathbun, New Hartford, N.Y.
Dairy Farmers - Joe Meisenzahl (dealer with a farm)

Lima Cooperative - Harry O'Neil (a trucker)
 Square Deal Cooperative - Howard VanDerLyke (a trucker)
 Genesee Milk Producers Cooperative, Inc. - A.C. Pilger
 Pittsford Milk Producers Cooperative - Herbert Knop
 N.Y.S. Extension Service - Phillip Higley
 New York State Department of Agriculture and Markets - William Morgan

The cooperative members of the Rochester Cooperative Milk Producers Bargaining Agency were:

Dairymen's League Cooperative Assn., Inc.
 Western New York Milk Producers Cooperative Assn., Inc.
 Community Cooperative Marketing Assn., Inc.
 New York State Guernsey Breeders Coop.
 Rochester Independent Milk Producers Cooperative, Inc.
 Genesee Milk Producers Cooperative, Inc.
 Rochester Guernsey Breeders Cooperative, Inc.
 Arcadia Cooperative Marketing Assn., Inc.

A committee consisting of Henry Manley, Frank Lent, Tom Coyne, Elmer Gardner, A.C. Pilger, Hampton Halsey and Ted Richards was chosen to draft a petition for a Milk Marketing Order.

It was reported that the prevailing September, 1939, prices for milk were \$2.22 for Class I and \$1.60 for Class II. These prices were the result of negotiations with the dealer organizations.

The next Agency meeting was held September 6, 1939, with all cooperative members represented. Also present were E.S. Bird, William Morgan, Phil Higley and Professor Blandford of Cornell. It was moved by A.C. Pilger that Batavia be included in the Marketing Order, but following some discussion, the motion was withdrawn. It was also proposed that equalization be by contract only and that there be quotas for Class I producer sales, but no action was taken in this regard.

The possibility of an Order led marketers to agree to higher prices as of September 15. These were \$2.65 for Class I and \$1.90 for Class II. It was hoped that these more liberal prices would lessen the support for a marketing order. However, it was agreed by the members of the Agency to petition the Commissioner for an Order with a Class I price of \$3.15 per cwt.

At this same meeting, Harvey Way resigned as president of the Rochester Agency. He was replaced by Ted Richards of Perry, N.Y. The Agency financial records showed a balance of \$69.00 in the bank.

Cooperatives not belonging to the Bargaining Agency at this time were:

	<u>Members</u>
Square Deal	10
Our County Cooperative	47
Dairy Farmers Cooperative	15
Lima Cooperative	12

A Dealer Committee was formed to negotiate with the Agency. This committee was composed of Charles Holman, Manager, Brighton Place Dairy; Emil Brown and Peter Decker, and others identified as Hager, McConnell, Hack, Casey and Kaiser. It was proposed by their attorney, Smith O'Brien, that the dealers voluntarily negotiate with the Bargaining Agency, rather than have a State milk marketing order.

At a meeting held on September 26, a vote on the proposed Order was taken. Six cooperatives voted in favor of the Order and two, Arcadia and New York State Guernsey Breeders, opposed it.

At a follow-up meeting on October 16, seven of the cooperatives voted for a State Milk Marketing Order. New York Guernsey Breeders again voted against such an Order. Arcadia Cooperative Marketing Ass'n. Inc., at this meeting, supported the Order.

At the November 3rd meeting, new participants were Harry Sabin for Rochester Independent Milk Producers Cooperative, Inc., and C.L. Griffin for Rochester Guernsey Producers Cooperative, Inc. Commissioner Noyes asked for a committee to work with him on a final draft of the Order. Those appointed to the committee were: Higley, Strobeck, Smith, Lent and Halsey.

The status of producer dealers under an Order was also discussed with representatives of the dealers.

On November 17 another meeting was held. New participants at this time were:

Pittsford Cooperative - Raymond Steve and Russell Schuyler
The Pittsford Milk Producers Cooperative, Inc., whose membership consisted of producers shipping milk to the McConnell Dairy in Pittsford, N.Y.

Leaders in the Pittsford Cooperative were:

Herbert Knop of Lima	President
Raymond Steve of Pittsford	Treasurer
Parce Hannan of Fairport	Secretary

Other Board members were: Russell Schuyler of Pittsford and Bonner Denton of Avon.

At a time when there had been intense competition for the fluid markets in Rochester, the McConnell Dairy had solicited capital from milk producers supplying them, as a condition for participation in their market. Producers bought stock in the dairy in amounts approximating \$100 per can of milk shipped on an average daily basis.

Their market was thus assured and McConnell's prepared to accept surplus milk by the installation of a separator and selling cream for butter to Honeoye Falls Creamery.

However, after the Order was in force the McConnell's Dairy did buy back the stock at the full price and paid their producers in full for the milk, although these payments were delayed at times.

At a later date, Pittsford Cooperative became strong supporters of the Order, the Agency and Genesee Valley Cooperatives. On June 18, 1968, Pittsford merged with Rochester Independent Milk Producers Cooperative, Inc.

At this same November 17 meeting, a vote on the revised Order showed the following results: 5 yes, 1 no, 1 not voting. It was agreed to hold three meetings to inform producers of the advantages of the proposed Order and to obtain their support.

On December 19, 1939, a meeting was called to report on the producer acceptance of the proposed Marketing Order. Results indicated 83.3% of the producers had voted in the affirmative.

New participants at this time were:

Robert LaMont	Attorney for Dairymen's League
Floyd Pauter	District Manager of Dairymen's League
Fred Sexauer	President of Dairymen's League
C.M. Bay	a Guernsey producer from Canandaigua area
A.S. Blanchard	owner of a trucking firm and a large Guernsey herd near Ontario, N.Y., an officer of Rochester Guernsey Producers Coop.

At this meeting, an Executive Committee of Richards, Higley, Smith and Pauter was appointed.

Charles Dumont was named temporary Executive Secretary of the Agency. A permanent Executive Secretary was to be named by the Executive Committee and Harvey Way. Henry Blewer, an auditor in the Niagara Frontier Milk Marketing Area office, contacted Mr. Way to see if the position might be available to him. He was selected and served for a short time, leaving to become manager of Genesee Valley Cooperatives when that organization was formed in October of 1941.

The first annual meeting of the Rochester Agency was held on January 12, 1940. At this meeting, Pittsford Cooperative became a member of the Agency.

As the Order became operative, there were two obstacles interfering with the Order's smooth operation:

1. A group headed by Ray Morgan of Spencerport brought an Article 78 proceeding against the Commissioner because the Order attempted to regulate the sale of producer-dealer milk and collect the difference between Class I and the monthly uniform price. This matter was settled on March 12, 1942, when the present partial exemption was granted.

2. The New York State Guernsey Breeders also brought action claiming exemption from equalization, since their milk was "superior" and should be able to command the Class I price.

The Commissioner was supported in this court action by Rochester and Buffalo Bargaining Agencies, the State and National Holstein-Friesian Association, and the New York State Jersey Cattle Club of which Carl Miller was an active member. The producers of Jersey milk contended that milk from Jersey cattle was also entitled to equal consideration to that of Guernsey.

This case continued through the courts until November 1954, at which time the pool funds held in escrow from that period were added to the Uniform Price computation. The escrow funds of \$30,881 were distributed to producers in that month.

With the settlement of these legal matters, the operation of the Marketing Order was much more stable.

Many problems were thrust upon the markets later, but joint action and responsibility by the producer groups and the Division of Milk Control under several different administrators kept the Order effective.

9. Development of Milk Marketing Cooperatives in Rochester

Cooperative organizations active in the Rochester area in 1939 included the following:

The New York State Guernsey Breeders Cooperative, Inc., Syracuse, New York, was a statewide organization of owners of Guernsey cattle developed to promote the sale of Guernsey milk at premium prices. They operated plants under the Golden Guernsey label in Syracuse and Poughkeepsie, from which retail routes were served. They were for an Order but insisted that their milk be sold in Class I and the "pool" price adjusted to reflect this preferred position.

The Rochester Guernsey Producers Cooperative was organized locally to support an order without demanding special preference, leaving premiums to their own negotiations with their dealers. Their milk was largely sold to Idyllbrook Farms owned by Wesley Moffett, who had farms of his own with Guernsey cattle. He also had a retail store near Rochester. Their market was reasonably assured but prices were limited by the unsettled condition of the dairy industry in Rochester and surrounding areas.

Our County Cooperative was composed of producers of higher than average testing milk, shipping to Bartholomy Dairy, a British owned firm which had shifted from beer production to a dairy operation at the onset of prohibition.

This plant was later purchased by the Dairymen's League during World War II. Soon after the Order was in effect, the membership of Our County Cooperative decided to dissolve and join other groups. Many went with the League, which supplied the major amounts of milk to the Bartholomy Dairy. Competition for these producers was disruptive to the good feeling of other groups in the Agency and renewed much of the deep-seated mistrust which existed prior to the Order.

Konhocton Cooperative was composed of producers shipping to the Cohocton plant owner by Noah Wetmiller. He retained his control of this plant but voluntarily withdrew any rights to ship to Rochester in return for being excluded from the regulations of the Order.

Dairy Farmers Cooperative was one of the small cooperatives set up by Smith O'Brien, the attorney for the Dealers Organization. This milk was delivered by Ray Batzel who operated a farm in Mendon, to C. Meisenzahl Dairy, who supplied the Star Markets in the city of Rochester.

This organization was later dissolved and the members joined Arcadia Cooperative in 1940 under an agreement whereby Mr. James Anderson and Mr. Howard Gott remained in control of the enlarged Arcadia organization. Proportionate representation on the Board of Directors was assured to the Dairy Farmers Cooperative members. This union gave the Arcadia group a broader market responsibility which was helpful during the following periods in limiting their allegiance to Emil Brown of Plymouth Dairy and paving the way for their membership in Genesee Valley Cooperatives in 1941.

Arcadia Cooperative Marketing Ass'n. was formed in 1935 among producers from the Avon-York area shipping to Plymouth Dairy. This market was available only to members of Arcadia Cooperative. This organization was founded by Smith O'Brien, who started many of the small cooperatives in the area. Shipments were at first limited by quota, which was an amount reached by agreement with each farmer. Failure to deliver the agreed amount was sufficient cause to terminate the member's contract. A \$.15 per cwt. charge was paid to Emil Brown for managing the cooperative. This enabled Plymouth Dairy to compete for additional customers, thus enlarging the quotas and the membership of the cooperative. All parties involved were satisfied with the arrangement and were, therefore, reluctant to support the Order, which would pool their returns with other producers.

This position was not changed until after the Order was operating in 1940. One of the early objectives of the Bargaining Agency was to break the control dealers had on dairy farmers. Henry Blewer, as Executive Secretary of the Rochester Bargaining Agency, was assigned this job. Contact was made with Nelson Smith, then with the Livingston County Extension Service. They went over the list of Arcadia producers and suggested those who might be most dependable in supporting a change which would break Emil Brown's control of the producers' organization. James Hart, James Stewart and George Donnan, who had a farm and operated a truck delivery to Plymouth Dairy, were among those named. These people were contacted and a plan of action worked out.

Henry Blewer visited Emil Brown and suggested that the organization he (Brown) controlled (Acadia Cooperative) should be represented in the Agency so they could have an influence and a vote in the operation of the market under the Agency and the State Order. Brown agreed and had James Anderson and Howard Gott call a dinner meeting at the Livingston Hotel in Avon to discuss this matter.

Blewer and Erroll S. Bird, of the Department of Agriculture and Markets, were invited to explain proposed changes. A vote was taken to do those things necessary to become eligible to join the Agency. This action was approved by the membership of Arcadia Cooperative and eventually led to membership in Genesee Valley Cooperatives.

Community Cooperatives Marketing Ass'n. was also formed by Smith O'Brien. James Dawley of Community Dairy was looking for the same preferred protection in buying milk under price control as Emil Brown enjoyed. However, the Community organization, with Harvey Way and Floyd Hodges in charge, was less pliable and there was no evidence of dealer domination of this cooperative. Harvey Way was, for a time, president of the Farm Bureau (which also worked with the Extension Service.) He provided strong leadership while the Bargaining Agency and the Marketing Order were being developed. Two groups of producers, one led by Carl Wooster of Union Hill and the other led by Frank Bemish of Greece, joined with Community Cooperative, further reducing any allegiance they may have had to Jim Dawley.

The Bemish group (possibly called Lakeside Cooperative) which shipped to MacKenzie Dairy, was influential in the purchase of MacKenzie Dairy by Genesee Valley Cooperatives in the early 1950's.

Mr. Way was the first president of the Bargaining Agency and was a director for a long time. His leadership and perseverance prevented the Dairymen's League from achieving one goal that was important to them. This was an adjustment of pricing in the area so that they would not be substantially above the returns in the New York market for their producers in the areas to the south and east of the Rochester Production Area.

Rochester Independent Milk Producers Cooperative was formed in an attempt to bring support of the Order of those producers who were not then organized. Levi Higley was instrumental in the development of Rochester Independent.

Square Deal Cooperative was formed from producers shipping to DeRyke Dairy on a truck operated by Howard VanDerLyke of Walworth. This group had not cooperated with market regulation. They tried to obtain cooperative payment approval, but were not successful. A few members of this cooperative are currently selling their milk to Pollio Dairy.

Newly-formed cooperative organizations, composed of dairymen who had resisted the cooperative movement for many years, had to have very good basis for success and continued growth. One key to this success was found in the participation of people who were most involved. An example was Mr. and Mrs. Clarence G. Smith of West Henrietta, who were confident in and loyal to their cooperative and determined that benefits of support for the Marketing Order and their newly-found security would not be lost. Clarence Smith was treasurer of the Rochester Independent Milk Producers Coop. from its beginning.

Mrs. Clarence Smith (Edna to everyone who knew her) was a born organizer. She, with the help of other women in the community, put on dinners for all membership meetings that were renowned throughout the market.

Some producer members of the individual cooperative organizations delivered milk to many dealers in the area. The cooperatives found the reports made to the Market Administer very complicated and not a part-time job. The need for office facilities and full-time employees was one of the compelling forces that led to joint efforts to establish a marketing organization.

Thus, future stability would depend on the complete cooperation by producers and their leadership over a wide area. This sparked the idea of Genesee Valley Cooperatives.

10. Western New York Milk Producers Cooperative Association, Inc.

Western New York Milk Producers Cooperative Association, Inc. developed out of the controversy arising during the milk strike in the early 1930's. Prior to this time, a high percentage of the Dairymen in the area had joined the Dairymen's League, hoping to find an answer to the difficulties they were experiencing in negotiating a satisfactory price for their milk. As individuals or as small groups, they lacked the authority to enforce their agreements.

When the price structure in the New York City market broke down in the early 1930's, the resulting low returns were brought to this area by the League's overall market-wide pooling policy. Local dealers continued to pay a fair price for the milk. As the pool price to League producers dropped, some dairymen in the Rochester Market made agreements to ship to local dealers who would accept their milk at prices approximating those which they had been paying to the League. This caused some of the members to terminate their League contracts.

The Dairymen's League tried to fulfill their contracts with their dealers by delivering milk to Rochester from New York plants at competitive prices. They felt this would keep individual producers from obtaining these markets. Their producers refused in large numbers to deliver through the League, which resulted in some milk being dumped. Animosity developed during this period and affected this market for some time thereafter.

The Certificate of Incorporation of Western New York Milk Producers Cooperative Association, Inc., was filed March 14, 1933. The directors were:

Albert Woodhead, Rochester, New York
John A Noonan, Avon, New York
Ernest T. Staines, North Chili, New York
Oliver W. Whitton, Chili, New York
Oscar E. Corby, Honeoye Falls, New York
James D. Anderson, Avon, New York
Lewis Cole, Honeoye Falls, New York
James W. Chapman, Palmyra, New York
Floyd C. Nepham, Ontario, New York
Peter Bobine, Williamson, New York
George McNeil, Mendon, New York
Oscar G. Smith, Livonia, New York

The cooperative was formed so that those producers who no longer had a market through the League, or with dealers, could ship their milk to the Cooperative's plant. Milk, which the Cooperative did not sell to dealers, was separated and the skim and cream was sold to manufacturers. The blend price of fluid and surplus was not high and returns generally were not good; but the Cooperative's members were steadfast because they would not market through the League.

Albert Woodhead was one of many who worked hard to develop this organization and its plant operation. A plant was purchased on East Main Street, Rochester, and developed so that milk in cans could be received, weighed and separated. Further expansion came when the plant on University Avenue, Rochester, was purchased and remodeled so that larger volumes could be received and processed. The management of the Cooperative was assumed by two of the Cooperative's officers, Oscar G. Smith and Edmund Marvin, Sr., with Elmer Gardner assuming the position of plant manager.

The overall pooling of the market provided by the proposed order was very attractive to Western's producers, and they supported the State Order from its beginning. When the Marketing Order was established, Western became an "Operating Cooperative," with five cents per cwt. Coop. payments. The ability to maintain returns to their members was as good as any group. Their officers, Oscar G. Smith, Edmund Marvin, Sr. and Sid Lookup were active, responsible participants in the Rochester Bargaining Agency and the Cooperative's future was assured. Western functioned as a balancing plant, received milk not needed elsewhere in the market. It took on bottling operations for sub-dealers, and eventually operated retail routes.

When Elmer Gardner became ill and was no longer able to manage the Western plant, Charles Elphick was employed to take his place. Mr. Elphick had been employed by a local bank, and later as an accountant for the Brighton Place Dairy. He was familiar with the provisions of the Marketing Order and had appeared at many of the hearings.

The University Avenue plant, with its larger capacity, became an efficient operation in both separation and bottling. Eventually, further expansion was made to include the production of condensed milk products. Volumes for this operation were dependent upon cooperation with Genesee Valley Cooperatives where large volumes of surplus milk were accumulating, particularly in the spring and on long weekends. All of these factors led to the development of the idea of a joint corporation in a specialized plant, which resulted in the formation of Oatka Milk Products.

The proposal to operate a condensing operation came from Don MacCollum who offered, as a broker, to market the product through his contacts with large ice cream operations throughout the Northeast. He had been employed by the General Ice Cream Corporation, and had more recently handled the supplies of several small manufacturing plants in the Oswego area. Because of his past experience and associations, it seemed natural for him to assume responsibility for development of facilities to handle the excess milk in the Rochester Market.

The inadequacy of facilities and markets of these two plants became apparent and led to the first negotiations by Western and Genesee Valley Coops. officials. Loss of money, sometimes the dumping of skim milk for lack of storage, transportation, and buyers, made the proposals of great interest to both organizations.

When some agreement was developing for joint handling of the surplus milk, Western purchased a used evaporator and installed it in their University Avenue plant. This new development hampered further joint planning of surplus handling facilities.

Genesee Valley did, however, make the decision to work with Western in this operation because they were convinced that separate operations would be neither efficient nor profitable for either organization.

It soon became apparent to both organizations that a completely separate plant operated by a new corporation and separate management would better meet the existing needs.

The development of Oatka is another story. It is enough to say that when agreements were reached in about 1950 the necessity for large capital expenditure, efficient equipment and adequate milk supplies became apparent to all. The experience gained in operating Western's condensing unit at University Avenue was invaluable in the planning of the new facility.

The first step in developing a joint surplus handling facility was discussed with the Springfield Bank for Cooperatives. The Bank agreed that they could finance a new cooperative (Oatka) up to 50% if the two local cooperatives could raise another 50% of more.

Genesee Valley Cooperative immediately applied for funds on a long term basis. Western decided to finance their share with local banks on a short term basis, as they had previously done.

The planning and construction of Oatka took at least a year longer than anticipated, and Western's working capital position was strained by their short term obligations.

At about the same time a study was underway as to the feasibility of combining the fluid sales of the two cooperatives. The opportunities in the field were substantial and, in 1963, agreements were reached for Western to become affiliated with Genesee Valley Cooperatives. The employees of Western were added to the Genesee Valley Cooperative staff and a new era of cooperation followed.

11. Genesee Valley Cooperatives, Inc.

Genesee Valley Cooperatives, Inc., was organized in October, 1941, as a service organization to provide office facilities and management for six smaller cooperatives participating in the Marketing Order and Bargaining Agency activities in the Rochester Market.

When the Order began operating in January, 1940, the Dairymen's League and Western New York Milk Producers Cooperative Association, Inc., were the only cooperatives having offices or facilities of any kind in Rochester. The other small cooperatives qualified only as bargaining cooperatives. Their responsibilities included reporting the sale of members' milk to the market administrator and participating in policy decisions of the Bargaining Agency.

These cooperatives sold milk to more than forty dealers. The officers of these cooperatives found it advisable to set up a joint office and commissioned Floyd Hodges of Spencerport, the treasurer of Community Cooperative Marketing Association, to supervise this operation. Harriet Strapp, who later became Mrs. Glenn Smith, was employed to manage the office and make out the reports. Henry Blewer, then executive secretary of the Rochester Bargaining Agency, helped Mr. Hodges and Miss Strapp with this work. It was Mr. Blewer's assumption that the Bargaining Agency had a real responsibility in helping all producer organizations to be effective in Order activities.

This approach created two problems for the newly-opened office. First, Floyd Hodges was a dairy farmer without adequate available time to properly supervise the office. Secondly, the Dairymen's League and Western New York Milk Producers were disturbed to have the Agency helping the smaller cooperatives. Such aid was not needed by these two organizations as each had office facilities and personnel to do the work.

Thus, after a few months, it was agreed that Mr. Blewer should resign as executive secretary of the Agency and be employed full-time by the smaller cooperatives. Mrs. Margaret Bailey, who had been employed by the Agency since its inception, became executive secretary and continued to serve in that capacity.

It soon became obvious that working for six organizations presented difficulties. It was thought best to combine these small cooperatives into a federated cooperative, with a central board of directors to determine policy and hire necessary management. It was decided that the new organization, Genesee Valley Cooperatives, Inc., should become a collecting cooperative. Under the provisions of the Order, Genesee Valley would be entitled to a \$.025 per cwt. payment from the equalization fund, and would assume the additional responsibility of making payments to producers and to the market administrator. No deductions for capital funds were provided and no assessments were made by Genesee Valley. The member organizations did begin to deduct at least \$.01 per cwt. from their own members for their own expenses, including Agency assessments, and also for developing some capital reserves.

During the first twenty years of Genesee Valley Cooperatives, Inc., the primary objective was the support for and proper development of the Marketing Orders in the interest of all producers in the marketing area. This process was one of education and communication. Attendance of members and their families at the American Institute of Cooperation meetings was promoted, as was the organization and the program development of the New York State Council of Farmer Cooperatives. This organization came into being after a meeting of New York State cooperatives at the A.I.C. meeting at the University of Massachusetts in August, 1948. Carl Miller and Henry Blewer suggested that a State Council of Farmer Cooperatives be organized in New York State. Soon afterward, the organization was

incorporated and officers elected at a meeting in Utica, New York. The New York State College of Agriculture aided in the establishment of this council. Professors Blanford and Hedlund contributed much to its success. Kenneth Stern, president of A.I.C., was also active in supporting the concept of joining with others to promote the real interests of farmers and their organizations.

The responsibilities for the delivery of milk to plants, sale of the milk and the collection from these sales kept the new cooperative busy. During World War II, there was little difficulty in selling surplus milk. Any surplus was welcomed by Dairymen's League, Western New York Milk Producers, or by Brighton Place Dairy, all of whom had some need for manufacturing milk supplies. Members of Genesee Valley participated in the subsidy program by which the Market Order prices were supplemented by direct payments to farmers by the United States Department of Agriculture.

To insure that all Class I handlers had adequate supplies of milk, a supply allotment system was developed by Genesee Valley. Many plants would manufacture butter and cheese using their excess supplies rather than releasing this milk for Class I use by other handlers. On one occasion, it was necessary to withhold supplies from a handler until full cooperation in this respect was assured. As a result of this activity, Genesee Valley became very familiar with the needs of all dealers in the market.

After the war was over, surpluses increased; sales for this milk became more difficult. The two operating cooperatives, Dairymen's League and Western New York Milk Producers, agreed that they would expand their facilities to handle surplus supplies only if the surplus class prices were lowered to the level of the Niagara Frontier class prices to allow them to operate without a loss. Rather than accept lower prices, Genesee Valley decided to acquire a plant where it could separate surplus milk and sell cream and skim milk.

One of the fluid milk handlers Genesee Valley supplied was the Bonnybrook Dairy, operated by Ralph DeStephano, located on Lyell Avenue. Bonnybrook Dairy approached Genesee Valley with the idea of selling the Lyell Avenue plant and operating their routes with milk bottled by the Cooperative at that point. Several other small dealers who were purchasing milk from Bonnybrook also agreed to become sub-dealers of the Cooperative. The purchase of the Bonnybrook plant in 1948 entitled Genesee Valley to qualify for \$.05 per cwt. payment as an operating cooperative. This gave Genesee Valley increased income to cover operating expenses. It also provided a place where surpluses could be handled and from which market needs of other Class I plants could be met.

The plant purchased from Bonnybrook Dairy after a period of time proved to be inadequate because there was need for expansion and several proposals for expansion were considered. Some of the alternatives were to remodel and enlarge the Lyell Avenue facilities, purchase other existing plants, or construct new facilities.

These various alternatives were considered secondary to two other developments in the market. Surplus skim milk had historically been sold to Borden's condensing and drying plant in Arcade, New York, which was scheduled to be closed. Cream was sold for butter to the Honeoye Falls Creamery or to the Fairmont Creamery Co. in Buffalo. These facilities were limited in the amount of surplus milk that they could process. With producers' increased supplies, nearby milk was accepted at these plants to the exclusion of the more distant Rochester supplies. The same was true at the Cuba Cheese operation in Cuba, New York. Facilities to handle the reserve supplies in the Rochester Market became a real necessity.

The option of acquiring retail and wholesale routes as part of the Cooperative's operation rather than expanding sub-dealer sales did not appeal to the Board of Directors as well as by management. Genesee Valley supplied a large percentage of the fluid market by direct delivery to many of the dealers in Rochester. These dealers specialized in Class I sales and the Cooperative did not wish to compete with them. Many of these smaller dealers began negotiating with Brighton Place Dairy, Dairymen's League, and Western New York Milk Producers, both of whom had expandable bottling operations for the sale of their routes.

The member cooperatives of Genesee Valley and their producers feared that domination of the fluid market by these organizations might endanger the Order. In order to more adequately meet this competition, Genesee Valley began buying the routes of small Class I dealers whenever they were offered for sale.

One of the first routes purchased was MacKenzie Dairy. The financing for this purchase was arranged through the Springfield Bank for Cooperatives. This loan enabled the Cooperative to consolidate existing indebtedness and furnish needed capital for the purchase. The success of incorporating MacKenzie Dairy into Genesee Valley's operation led to the purchase of other Class I dealers as they became available.

During the 1950's and early 1960's, Genesee Valley and Western New York Milk Producers conducted studies and negotiations concerning the feasibility of combining the two organizations. On April 1, 1963, the affiliation was completed. The Board of Directors of Genesee Valley was increased to include six members from Western New York Milk Producers. Harold Stapley was elected president; William Zuber, vice-president; Kenneth Noble, secretary; James Steele, treasurer. Management included Henry Blewer, general manager; Patrick Heffernan, Jr., operations manager; Raymond Ball, sales manager.

The decision whether to expand the Lyell Avenue facilities, purchase another facility, or to purchase land and construct a new plant needed to be made. At this time, negotiations were begun with Blue Boy Dairy, Inc. and Valley View Creameries, Inc. for the purchase of physical assets located at 476 Exchange Street. The purchase agreement was signed June 1, 1964.

The Blue Boy was of limited capacity, however, so that plans were developed in 1965 and early 1966 to remodel and expand the Exchange Street Plant and close the Lyell Avenue facilities. The glass bottling operation, as well as the cottage cheese and ice cream manufacturing, were done at Exchange Street; the paper carton filling operation was being done at Lyell Avenue. However, at this point, the Rochester City Planning Department informed Genesee Valley that expansion of the Exchange Street Plant would not be approved because this plant was included in an Urban Renewal Plan and would be "taken" in the near future by the Urban Renewal Authority. Negotiations were begun with Sealtest Foods Division of Kraftco Corporation to purchase their plant located at 45 Fulton Avenue, Rochester. The final purchase documents were signed on November 29, 1971. Remodeling of the Fulton Avenue Plant was begun and in a few months, the Exchange Street Plant was closed, and the property was taken by the Urban Renewal Authority. The Lyell Avenue Plant was also closed and all the operations were consolidated at the Fulton Avenue location.

It should be noted that extraordinary service was provided Genesee Valley by its plant manager, Alfred Hamilton, and general manager, Donald M. Bay, in litigating a favorable settlement for the condemnation of the Exchange Street (Blue Boy) property by the City of Rochester.

With larger volumes of milk to handle, some expansion of plant facilities was necessary. When the Blue Boy Dairy became available, it seemed advantageous to purchase this dairy, and arrangements to purchase it were immediately made. The strengthened financial position of Genesee Valley after the union with Western New York Milk Producers was demonstrated when a loan to cover the entire cost of the Blue Boy purchase was advanced by the Springfield Bank for Cooperatives. The purchase price was the depreciated value of buildings and equipment as shown on the Blue Boy books. The purchase agreement provided that the cooperative assume responsibility for the balance of a retirement contract that had been previously issued to the Blue Boy Dairy manager, James Bell. In addition to the purchase of the fluid processing and packaging plant, there was included a nearly new and modern ice cream plant together with an ice cream distribution business in the Rochester area and a substantial area around Syracuse.

Immediate steps were taken to plan to abandon the Lyell Avenue (Bonnybrook Dairy) plant and consolidate its operation into the Blue Boy operation. This plan had to be dropped when the Urban Renewal Authority informed the cooperative that they were clearing the area on which the plant was located at an early date and that no building permits could be issued in the interim.

We had been informed that in such Urban Renewal purchases that compensation would be for land and buildings only, but recent court cases in other cities had determined that this obligation could be expanded to cover dairy processing equipment which was fastened in place and became inseparable from the building because of wiring, plumbing, and other factors.

When the plant was "taken" by the Urban Renewal Authority, the cooperative refused their offer, which was based solely on the value of the land and buildings, and took the matter to court on the assumption that we were entitled to the cost of new facilities of equal capacity including the heating, refrigeration, storage, and processing equipment. After several years, our contention was upheld and full payment was made.

By this time, the merger with Upstate was completed and the funds available from the sale of Blue Boy and Bonnybrook plants were used in the purchase and refitting of the Brighton Place Dairy where the Upstate-Rochester Division is now operating.

Wax paper milk containers came into the market right after the end of World War II. Only the largest milk plants used them since they were expensive to produce and required additional costly equipment. When a few plants began delivering to stores in one-half gallon containers at a discount, Genesee Valley Cooperatives leased a "Sealright" plastic lined paper machine and made the product available to many of our subdealers. The threat of competition from a lower priced one-half gallon container was met by producing a "twin-pack" container - two single quart containers fastened together with a plastic handle. The container cost to us was made the same as the half gallon container and the retail price was made equal also. This twin-pack did not require extra equipment since it was put up on the same machine as the one quart containers. With some promotional help from the Sealright Corporation, Genesee Valley took over a large share of the store sales in Rochester, including some of the chains. This resulted in a volume of fluid sales sufficient to make efficient use of our plant and our labor and management.

At this time, Idyllbrook Farms closed its plant operation and bought milk in paper from us. Then Idyllbrook developed two high volume stores called "Drive and Buy - Sit and Buy", where customers could buy all sorts of dairy and other food items without leaving their car. When this market was apparently to be abandoned because of other large needs for capital funds by the owner, Genesee Valley Cooperatives bought the business and tried to maintain the volumes to keep our paper operation at a high enough volume to justify its continuance and maintain low costs.

The move was very unpopular with some of the Genesee Valley directors and the sales management were deterred from an aggressive expansion program in the stores since it was too competitive with our chain store outlets. Without constant promotion, the volumes dropped; the operation was not profitable, and after a few years, was completely discontinued. Meanwhile, chain store sales were booming and the loss of these outlets did not seriously damage the future of the Genesee Valley operations. Genesee Valley did learn, however, to avoid entering into ventures that could not be fully backed up and expanded to make them successful.

Much of the growth and operational success of the various cooperative processing plants within the Upstate system was made possible because of the introduction of bulk handling of milk from the farms to the plants in Rochester, Buffalo and Batavia. This method of handling had its start in California and was introduced in the early 1950's in Connecticut and in Washington, D.C.

National Dairy Products Corporation proposed that bulk handling be brought to the Western New York markets. After some study, Genesee Valley Cooperatives, with the help of Wellington Seward, a farmer and milk trucker in Bergen, New York, and a small group of farmers in that area led by Harold Shepard, decided to start a bulk route delivering to Rochester. Paul Girton of the Girton Manufacturing Company of Millville, Pennsylvania, provided valuable advice as to equipment. Valuable assistance was obtained from the Connecticut Milk Producers Cooperative in Hartford, and Maryland and Virginia Milk Producers Cooperative in Washington, D.C. The Department of Agriculture and Markets provided rules and regulations under which the system would operate within the order markets, and the Farm Credit system financed the producers' investment wherever needed. Full cooperation made this operation a success from the start. Some milk dealers were willing to pay a ten cent bulk milk premium over order prices to get the improved quality and lower cost handling. The cooperative plants also paid the premium on milk handled in their own plants so that all bulk milk received this premium.

Milk was delivered to Rochester on the first day after the N.Y. State Department of Agriculture and Markets had cleared the project for Rochester in 1952. In the next few years, bulk handling of milk became universal in Western New York markets.

The premium was discontinued when the conversion was nearly complete because Sealtest refused to continue it and other cooperatives decided to deliver milk without the premium. Genesee Valley Cooperatives attempted to withhold milk from plants not agreeing to pay the premium, but was advised by the Department of Agriculture and Markets that the Marketing Order did not provide for such payments.

By this time the conversion to bulk had been largely paid for out of increased returns to producers, and the system was generally accepted. The convenience and efficiency on the farms and in the transportation of milk to the city plants, together with the capability of plants handling bulk milk to expand the volumes, have made possible the industry as it now exists.

The part that Genesee Valley played in this development was highlighted by the cooperative's insistence that (1) loyal can truckers were given the first chance to develop bulk routes among their own patrons, (2) bulk receipts were established as receipts in the market pool, making acceptance at city plants unneeded to establish the market

pooling when supplies were diverted to manufacturing plants on a temporary basis, (3) the transfer of title occurs when the milk is pumped from the farm tank. Thus, bulk truck operators had to be under the control of a handler or cooperative licensed by New York State.

When the Bonnybrook Dairy plant was purchased in 1948, there was a small ice cream freezer, a low temperature hardening room and an ice cream store in the front of the plant. The store had low volume and required quite a few employees, especially as the store was open evenings. When the paper packaging machine for milk was acquired, the ice cream space was converted for use by the milk packaging operation and ice cream production was discontinued.

Later in 1964 when Blue Boy Dairy was purchased, there was included a nearly new ice cream plant, a storage room with a modern conveyor system, several refrigerated trucks, and a substation with storage in Syracuse. Thus a wholesale business was conducted serving most of Western and Central New York, dealing mainly with small grocery stores and restaurants.

Since condensed milk and cream were available in bulk from Oatka, it seemed logical that this business might be expanded, serving some chain stores and other high volume outlets. A real attempt was made to do this - both to expand the enterprise and to provide a good local market for manufactured milk products available from Batavia. This met with very little success because regional ice cream manufacturers who served larger stores were able to keep their prices below what was believed to be the cooperative's profitable operating levels.

When the Blue Boy plant was taken by Urban Renewal, it was thought unwise to invest in replacing the ice cream plant as expansion and modernization of the newly acquired Fulton Ave. plant offered a more desirable use of capital funds available at that time.

The services of Harold Leach, as dedicated manager of the ice cream division, and Charles Bowman, as sales manager, added strength to the Genesee Valley Cooperatives' operation after the Blue Boy purchase and should be recognized in this history.

12. The Mergers

When one studies the formation and history of marketing cooperatives, it is generally found that many were formed at a time when agricultural producers were in desperate need to improve their economic situation. While the small milk marketing cooperatives that make up the membership of Upstate Milk Cooperatives, Inc., were organized during the depression years of the 1930's, Upstate, itself, was organized much later. The formation of the Genesee Valley Cooperative in the Rochester market in 1941 is described elsewhere in this history. This federation was reinforced and strengthened by the affiliation of Western New York Milk Producers Cooperative and Genesee Valley Cooperatives in 1964.

Upstate Milk Cooperatives, Inc., as it is constituted today, is the result of the consolidation. These cooperatives that previously operated in either the Niagara Frontier or Rochester markets. Upstate now operates milk processing plants in Buffalo, Blasdell, Rochester, LeRoy and Jamestown. At these plants milk is received from the farms of producer members by bulk tank trucks for bottling or processing into manufactured dairy products. In fiscal year ending Sept. 30, 1976, Upstate handled 666 million pounds from member producers and an additional 24.5 million pounds from other producers.

The marketing function that Upstate performs starts at the farms of the 875 producer members. From these farms the milk is hauled in bulk tank trucks to market. The handling of the milk of these members is carefully inspected by a staff of trained fieldmen to maintain a high standard of quality. Every step in the handling and processing is constantly checked by trained sanitarians using modern laboratory technology. These high standards of quality have enabled Upstate to earn a reputation for dairy products of the highest quality, and has done much to help build its present volume of business. To handle this volume of business, Upstate employs approximately 440 people.

The idea of uniting milk producers into an organization such as Upstate probably existed in the minds of the members of the small cooperatives as well as in the minds of cooperative leaders for a long time. From time to time, the cooperatives discussed the possibility of a closer working arrangement between the various groups. Yet, because of personalities, loyalties to the various cooperatives, or perhaps a lack of confidence between groups, the

idea of consolidating resources was slow in developing. In 1948, talks were held between Buffalo Milk Producers and Genesee Milk Producers and a tentative working agreement to unite these two cooperatives was developed. Although this agreement was essentially the same as the agreement the two cooperatives used when they combined forces in 1961, apparently the time was not ripe for such a consolidation. However, these two cooperatives continued to work together. Buffalo Milk Producers handled the surplus milk of the Genesee group and shared profits with Genesee, thus building confidence and mutual respect. When Buffalo Milk Producers completed its new modern plant on Dale Road, Buffalo, in March, 1961, plant facilities were more than adequate and conditions warranted a consolidation.

At the time Buffalo Milk Producers and Genesee Milk Producers were discussing and developing plans to merge the two cooperatives, representatives of Arcade Farms Cooperative were invited to sit in on these discussions. David Welles, vice president, and Richard George, secretary, represented Arcade Farms during those discussions. However, Arcade Farms did not elect to become a member at this time. This decision not to join with Buffalo and Genesee may have been influenced by the fact that the Buffalo and Arcade groups had been keen competitors over the years and also because Arcade's manager, William Sadler, was personally opposed to such a merger. However, Genesee joined with Buffalo Milk Producers and formed what was known as Frontier Federated Cooperatives, Inc. The new cooperative was incorporated in December, 1960.

The first officers of Frontier Federated Cooperatives, Inc. were:

President	Peter J. Kehl, Strykersville
Vice President	Richard C. Call, Batavia
Secretary	Richard P. George, Strykersville
Treasurer	Irene C. Golnick, Buffalo
General Manager	Lyman F. Baker, East Aurora

The directors were: Richard C. Call, Ralph Culver, Richard C. George, Peter J. Kehl, George Kellogg, Carl W. Miller, Ellsworth Waite. Attorneys T.A. Buhl and Larry Schork helped in the legal aspects of the merger.

With this consolidation of members and with the enlarged facilities of the Dale Road plant, a policy of expansion was put into effect. Frontier Federated became a member of O-AT-KA Milk Products Cooperative, Inc. Frontier Federated also purchased Cloverleaf Dairy and added considerable volume to its bottling and distribution business.

In 1964, when the Fairmont Foods Company closed its operation in Buffalo, the milk of the Hollisville Cooperative, which supplied Fairmont, was diverted to either the Arcade Farms Cooperative or Frontier Federated Cooperatives. The division of the membership of the Hollisville group as to where their milk would be diverted was largely determined by the geographical location of the various members. This orderly division of the Hollisville membership to Arcade Farms and Frontier Federated did much to improve the relationship between these groups. At about the same time, Mr. Sadler retired as general manager of Arcade Farms in 1963, and was succeeded by William Kruger. David Welles of Arcade, was elected president of Arcade Farms and with these changes, negotiations were resumed with Frontier Federated.

Niagara County Milk Producers Cooperative Corp., represented by its president, Albert Stratton and its manager, Albert Waite, also participated in these meetings. These negotiations had gone smoothly and it had been expected that Niagara would become a member of the newly formed cooperative. In fact, it was Albert Stratton who suggested the name "Upstate" for the new cooperative. At the end of negotiations, however, Niagara County Milk Producers Cooperative Corporation, voted not to become members of the new organization, but a good relationship has continued over the years.

Arcade Farms Cooperative and Hollisville Cooperative joined Frontier Federated Cooperatives on February 1, 1965, forming Upstate Milk Cooperatives, Inc.

In these negotiations several individuals were of great help to the cooperatives involved. One of these was Tom Brewer of the Department of Agricultural Economics at Cornell University. He made extensive cost studies as to the operation of the new cooperative and was able to point out where many savings could be made. Representatives of both the Springfield Bank for Cooperatives and the Farmer Cooperative Service of the United States Department of Agriculture also rendered valuable advice and counsel.

At a meeting held February 11, 1965, the following were elected directors of Upstate Milk Cooperative, Inc.

Representatives from Buffalo Milk Producers Cooperative, Inc.:

Peter J. Kehl, Strykersville
Ralph J. Culver, East Concord
Carl W. Miller, Arcade

Representatives from Genesee Milk Producers Cooperative, Inc.:

Richard C. Call, Batavia
Ronald St. John, Oakfield

Representatives from Arcade Farms Cooperative, Inc.:

David Welles, Arcade
Richard L. George, North Java
Ralph Wittmeyer, North Collins

Representative from Hollisville Milk Producers Cooperative, Inc.:

Casimer Kujawa, Forestville

The officers chosen for the newly-formed Upstate Milk Cooperatives, Inc., were:

President	Peter J. Kehl
Vice President	David Welles
Secretary	Richard L. George
Treasurer	Richard C. Call
Co-managers	Lyman F. Baker and William Kruger

The combined membership of Upstate at that time was approximately 750 members.

Following the formation of Upstate Milk Cooperatives, Inc., in Buffalo, the operation was most satisfactory. In fact, it exceeded the projected savings by a considerable amount. Because of this success, many were inclined to believe that considerable savings and increased efficiency in marketing milk could be achieved by combining the members and facilities of the three major operating cooperatives in Western New York - that is, Upstate in Buffalo, Genesee Valley in Rochester, and Dairylea in both of these markets. Negotiations were started and much progress was made. Upstate was represented by Peter J. Kehl, Richard Call, and Ralph Wittmeyer. Dairylea was represented by Lester Martin, Russell Dennis, and William Lawson. Genesee Valley was represented by William Zuber, Kenneth Noble, and Stewart Donnan. In addition, much assistance was given by the Farmer Cooperative Service, division of the United States Department of Agriculture through Joseph Knapp and William Monroe. The Springfield Bank for Cooperatives also rendered considerable assistance in projecting operating costs through the assistance of Clifford Busekist.

These studies showed that milk marketing efficiencies could be achieved resulting in considerable savings. These studies proceeded to a point where it was felt that the new organization, referred to as "XYZ Cooperative," was about to be formed. However, in January 1969, some doubt arose in the minds of the Upstate representatives as to whether or not they wished to be involved in this new venture. The delegate body voted not to participate and the "XYZ" project was abandoned.

However, there still were those in Upstate and Genesee Valley who felt that there were possibilities for making savings by combining these two organizations. Accordingly, negotiations were resumed between Upstate and Genesee Valley which, on July 1, 1971, led to the formation of a new cooperative combining the resources of both organizations.

The officers and directors of the new cooperative were:

President	Peter J. Kehl, Strykersville, N.Y.
Vice President	William G. Zuber, Churchville, N.Y.
Secretary	Stewart Donnan, Piffard, N.Y.
Treasurer	Carl Yunker, Elba, N.Y.
	John E. Bennett, Holcomb, N.Y.
	Arnold Cox, Wyoming, N.Y.
	Francis L. George, Strykersville, N.Y.
	Richard L. George, North Java, N.Y.
	Casimer Kujawa, Forestville, N.Y.
	Ronald St. John, Oakfield, N.Y.
	Harold Shepard, Elba, N.Y.
	Lyle Spaulding, East Concord, N.Y.
	Frank L. Wiley, Victor, N.Y.
	Ralph Wittmeyer, North Collins, N.Y.
	Joseph Wizeman, Palmyra, N.Y.

Donald M. Bay was named General Manager.

The objectives of the newly formed cooperative as defined in a resolution passed July 26, 1973, are as follows:

"RESOLVED, That Upstate Milk Cooperatives, Inc., as a producer organization affirm three basic objectives:

1. To maximize producers' income over the long run as the primary objective,
2. Simultaneously to consistently earn satisfactory returns on assets employed in its business and on its members' equity,
3. That Upstate treat all of its members equitably."

13. Upstate Milk Cooperatives, Inc.

Upstate Milk Cooperatives, following the consolidation with Genesee Valley, experienced internal growth and made several acquisitions. During this period, the sales volume and territory were significantly increased. Packaged milk products produced by Upstate became available in Erie, Niagara, Monroe, Orleans, Genesee, Wyoming, Livingston, Ontario and Wayne counties. This brought the sales territory of Upstate into better alignment with the production area and better positioned the cooperative in Western New York.

Remodeling of the former Sealtest Plant at 45 Fulton Avenue, Rochester, was completed, and on September 30, 1972, all operations at the Exchange Street Plant were moved to Fulton Avenue. The City of Rochester took physical possession of the Exchange Street property for the Urban Renewal Project on October 1, 1972.

Since 1972, Upstate has pursued a program of continued consolidation and improvement of facilities and services to maintain a leadership role in Western New York.

During the last half of 1973, Upstate participated in the formation of the Regional Common Marketing Agency (RCMA), an organization formed to provide marketing services for its members in the Northeast.

Upstate's activities have extended beyond Western New York. It is a member of and supports the following organizations: National Milk Producers Federation, National Council of Farmer Cooperatives, American Institute of Cooperation, Milk Industry Foundation, New York - New England Dairy Cooperative Coordinating Committee, New York State Council of Farmer Cooperatives, and the Empire State Council of Agricultural Organizations.

Upstate Milk Cooperatives has achieved a record of performance of which it can be justly proud. We can readily see as we read this history, the humble beginnings from which it has grown. We sincerely believe Upstate will continue to serve its members as well in the future as it has in the past.

14. O-At-Ka Milk Products Cooperative, Inc.

In several sections of this history, references have been made to Oatka Milk Products Cooperative, Inc. Since the planning and formation of this organization was taking place at much the same time as the developments that led to the formation of Upstate Milk Cooperatives, Inc., it seems appropriate to include this organization in the history.

Oatka Milk Products Cooperatives, Inc. began as an idea in the minds of people involved in Genesee Valley Cooperatives and the Western New York Milk Producers Cooperatives around 1956. These forward thinking people, contemplating construction of separate surplus facilities of their own, realized that the operation of two surplus facilities was neither efficient nor profitable for either organization. After considerable study and discussion the idea of a combined facility became a reality with the construction of the Oatka Milk Products Cooperative, Inc. plant in Batavia, New York, in April 1959.

The plant was designed to handle large volumes of milk and other operating cooperatives were invited to participate. Frontier Federated Cooperatives, Inc. and Dairymen's League Cooperative Inc. became members in 1961. Niagara County Milk Producers Cooperative Corporation joined the organization in 1967.

Oatka Milk Products Cooperative, Inc. has two major roles to accomplish. First, it performs a balancing function for member organizations by handling supplies not needed by other plants. In this regard, the Oatka plants in Batavia and in Collins Center process volumes as high as 44 million pounds per month to a low of 4 million pounds per month. These fluctuations complicate the management of personnel as well as production facilities. The second role of Oatka is market development for products made from the supplies of milk received. Products manufactured by Oatka Milk Products Cooperative, Inc. include non-fat dried milk powder, buttermilk powder, whey powder, canned evaporated milk, butter and fluid condensed milk products.

The market area of Oatka Milk Products Cooperative, Inc. includes Eastern and Southern United States and Puerto Rico.

Flexibility is one of the keys to the success of this organization. By handling the reserve supplies of milk for the cooperatives of Western New York, producers are assured a market for all their milk every day.

Since this organization was developed long after other milk producers were organized in this area, it was possible to incorporate in its by-laws much of the valuable experience that others had. (1) Its board of directors was equitably divided to represent fairly all of its members. (2) It was financed by member organizations by an original contribution to capital in proportion to their volume in the market. This was replaced over the years by funds withheld from payments to members in proportion to their use of the facility. (3) An assessment from all members' milk in the markets is made to cover a large part of the overhead costs of Oatka so that if members withdraw milk for other purposes, the overhead is not a burden on the remaining supplies and payments for milk on a monthly basis can still be in accordance with market values.

Management is competent and free to operate the facilities and market the products with a minimum of interference from the membership which has very varied interests according to their position in other phases of milk marketing.

First efforts to meet the problems of disposing of surplus milk in the Rochester Market were made in cooperation with Western New York Milk Producers and are briefly described in the chapter reviewing the activities of that cooperative.

The difficulty of getting current accounting as to the net returns from the condensing operation, so intermingled with other operations in the Western New York plant, and the limited volumes which could be processed without major expansion of the facilities, made this program unacceptable to the management and board of directors of Genesee Valley Cooperatives. Western New York Milk Producers Cooperative was asked to help in the development of plans for a separate facility.

Early studies showed plainly that a substantial investment would have to be made since costs of operation could be lowered only by providing for a high volume of milk and the guarantee of sufficient volumes to maintain this rate. If the invitation to assume responsibilities for milk from the other plants in the Rochester area and the distressed supplies in the Buffalo area was not made, other plants would be developed, thus dividing the volume so that no one

would have enough on a year-around basis to justify the large investment in efficient, high volume equipment that could make possible a maximum return to producers.

So there was agreement that a separate corporation with membership open to any cooperative willing to participate in financing and supplying the new plant would have to be formed. Thus, the Oatka Milk Products Cooperative was born.

A location between Rochester and Buffalo was desirable to make possible the direct delivery of milk from dairy farms in both markets without extra hauling costs. This location would have to have adequate water supplies and economical supplies of natural gas and electricity. Waste water, both from the cooling operation and clean-up, would have to be disposed of in accordance with new and more stringent requirements by the State.

A site, meeting all of the conditions, was finally found on the south side of Batavia where deep water-filled gravel beds fed with water flowing from the valleys to the south and where the city sewer system could be extended to the plant site.

Harry Griffin, retired chief engineer of the Carnation Company, was retained to develop the operation. He was pleased with the site and proceeded to work out the most economical size of equipment to take care of the processing of a milk supply estimated to reach a peak of a million pounds per day.

Early plans to handle the skim milk only, leaving separation to be done in the receiving plants in Buffalo and Rochester were scrapped when it was seen that the milk could be received in bulk direct from the farms, and that high volume separators could do the work with little added labor, heat, cooling, or transportation.

Milk from the Western New York plant in Rochester was being sold as condensed milk and cream to ice cream plants in the New England area and the new plant was designed to continue to serve these markets.

Thus, separating and evaporating equipment was a primary requirement, together with the addition of a high capacity dryer to make excess skim milk into powder. By selling cream to butter plants, and powder to the U.S.D.A., all milk could be delivered under the U.S.D.A. support program so the cooperative would not be dependent upon commercial outlets which were very competitive. This high volume, low-cost operation should return to its member cooperatives an amount very close to the target support price as determined by the U.S.D.A.

The estimated cost was just under one million dollars. No immediate financial assistance was offered by other cooperatives, so Western and Genesee Valley had to develop capital for the new operation. Finally it was agreed that Western should provide one-sixth and Genesee Valley one-third of the needed amount in return for certificates of interest issued by the new Oatka cooperative, and that Oatka would then borrow one-half from the Springfield Bank for Cooperatives, and the construction began.

The winter of 1958-1959 was unusually severe. The foundations were barely in place when zero weather came in right after Thanksgiving Day, and it was nearly impossible to construct the concrete walls. Steel was held up by a strike of steelworkers in Buffalo until mid-winter. Ground froze to a depth of six feet within the building area so that when walls and roof were finally in place, concrete floors could not be poured until after weeks of heating.

It had been planned to have the operation going well before the spring surplus season in 1959, but this was unavoidably delayed until the seasonal flow of milk was at a peak.

Meanwhile, no encouragement was available from the Dairymen's League, who were interested - but skeptical. Frontier Federated, in Buffalo, was fully occupied with construction of their Dale Road plant and could not at the same time help finance Oatka. Collins Cooperative started construction of an enlarged plant at Collins Center, using equipment as efficient as that planned for Oatka and, therefore, had no interest in the Batavia plant.

Thus, Oatka had to start out supported only by Genesee Valley Cooperatives and Western New York Milk Producers. The courage and confidence of the directors, officers, and management of Oatka, and of the member cooperatives during this period, was magnificent and all involved should be remembered for the life of the Oatka Cooperative. Among those who participated and should be remembered are: Fred Snyder, Oscar Smith, Merton Colby, and William Zuber.

The history of the development of the dairy cooperatives in this area including the organization of Oatka would not be complete without mention of Ted Buhl of Batavia. He was a graduate of the N.Y.S. College of Agriculture at

Cornell, who later became a lawyer. He served at one time on a committee formed to revise the New York State cooperative corporations laws and, thus, had a better understanding than many attorneys of the needs and opportunities of farm organizations in our area. He was helpful in the incorporation and development of the bylaws of Genesee Valley and Oatka, but he mainly gave our leadership a background and confidence in the steps they were taking, thus expediting the present unity of our Upstate Cooperative. Without his help, much of this "history" would not have happened.

The handling of surplus milk throughout the Northeast was very inefficient. Small receiving plants took in farm supplies which were hauled, sometimes for hundreds of miles, to manufacturing plants that were outdated in equipment, and competing for such markets as were available. Oatka invited groups in the New York and New England markets to see what could be done here, hoping to show them that high volume plants located so that excess supplies could be received in bulk direct from producers, could upgrade the basic price under the support program to its maximum, and the phasing out of cooperative investment in obsolete can receiving stations, as the bulk handling system developed, would put producers in the best possible position to control the costs of handling and delivery to city plants, as well as maximize the returns for manufactured milk.

Soon cooperatives accepted the idea of modernizing facilities to lower costs, but would not work together to finance them or organize their supplies for minimum hauling costs. Some lost money and gave up the projects; others were unable to compete with proprietary handlers and large supplies were taken from them so the joint ownership plan, on which Oatka was based, had failed to take hold in other Northeastern markets.

But it did work here. Once the operation had proven feasible, Frontier Federated became a member, then Dairymen's League, and then Niagara Cooperative. Each has contributed to the financing of the organization, making it possible to expand the facility and keeping it up-to-date. The Collins Center plant has been joined with the operation and the operation is a fine example of what producers can do with unity and good leadership in meeting their milk marketing problems.

Soon after the Oatka plant was in operation, the marketing orders in Rochester and Buffalo were amended to add substantially to the manufactured milk prices. While this was a burden of added costs on a new organization with no financial reserves, it did much to justify the producer support investment with time and money by increasing the uniform price in both markets.

Soon, however, the ice cream manufacturers, to whom Oatka was selling condensed milk and cream, found cheaper sources of supply and Oatka's milk was marketed mostly as powder and butter. When the opportunity to sell evaporated milk in consumer cans to chain stores arose, used equipment was installed to process those products. The equipment was secondhand and gave Oatka no cost advantage over others operating in the field, but the competition was largely in the West, and there was a transportation cost advantage to Oatka. This market has grown and is now a principal enterprise for the cooperative.

When new butter-making equipment became available, modern methods providing both improved quality and labor efficiency in butter making were installed, further improving the marketing advantages which Oatka has in disposing of manufactured milk supplies in this area.

This marketing organization has the capacity for further growth in volumes handled and in efficiency, with improved returns to the producers in this whole area unless the individual interests of the member cooperatives lead to the further diversion of supplies. The successes already achieved should act as a deterrent to such diversions.

15. Summary

We have covered, as well as possible, the situation as it existed in milk marketing in the 1930's prior to the marketing orders, and the foresight and courage of the many leaders among dairymen of that time, which resulted in the acceptance and support of State regulation in the Rochester and Buffalo markets.

The growth of cooperatives and their unity and effectiveness was a necessity if the orderly marketing were to continue. The use of the State regulations and the cooperative facilities must be limited primarily to gains in efficiency and lower costs which benefit both the consumer and the dairyman if the system is to be supported by our legislators and permitted by antitrust investigators from Washington, D.C.

The development of our cooperative structure to this point has been in conformity with these requirements. Continual watchfulness on the part of producers through their directors and management will carry these objectives far into the future.

We have shown that farm people can work together, properly finance and manage effective cooperative marketing programs and facilities in the interest of all. We should make the public, our governing officials, and the media so well aware of these objectives and successes, that we have continuing support from all. Too much concentration on enhancing price, rather than efficiency, can be temporarily helpful to dairymen, but can easily result in public pressure that can limit our activities and defeat our real objectives of security and long lasting effectiveness in marketing.

The results to date have been the result of years of education and leadership. The members and their families have been better informed and have participated in decision making much more closely and sympathetically than has been the case in most other areas or other industries. Success can make our members apathetic and over-confident unless this process is continued and enhanced.

Neither of the authors of this history have participated in this movement for the last forty years with the intent or objective of continuing animosities or dividing our farm people. More far reaching unity and cooperation with other groups should be a principal objective from now on as it has been in the past.

Acknowledgements

The writing of this history has been a cooperative enterprise. Many have contributed to this undertaking.

We especially appreciate the help of Donald M. Bay, General Manager, and Peter J. Kehl, former President of Upstate Milk Cooperatives, Inc. They originally conceived the idea of collecting and preserving these historical fact.

Mrs. Shirley Lloyd was of great help in compiling and editing data from the records of the Cooperative.

Lynn Smith contributed much from his knowledge of the membership.

William Snyder supplied technical knowledge of great value in determining the format and the printing of this history.

Mrs. Jeanne Tucker, of Arcade, New York, devoted much time and effort to the preparation of the manuscript.

There have been many others who were of great help to us in our efforts. We thank them all.

Henry T. Blewer

Carl W. Miller

Appendix

MANAGEMENT STAFF

CORPORATE

DONALD M. BAY	General Manager
EDWARD D. ANNA	Assistant to the General Manager
JOSEPH PAILLE	Director of Human Resources
JACK M. PURDY	Director of Finance and Administration
LYNN A. SMITH	Director of Membership and Field Service

BUFFALO DIVISION

JAMES DE PERNO	Division Manager
LAWRENCE DARCH	Sales Manager
MATTHEW LAWRENCE	Controller
ROGER GROVE	Manager Plant Operations

ROCHESTER & LEROY DIVISIONS

HERBERT BINSACK	Division Manager
CHARLES BOWMAN	Sales Manager
GEORGE GREENWOOD	Controller
LAVERNE RUMSEY	Manager Plant Operations

ICE CREAM MIX DIVISION

JOHN BECK	Manager
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Appendix

ARCADE FARMS COOPERATIVE, INC.

Ralph Wittmeyer	North Collins, N.Y.
Richard L. George	North Java, N.Y.
Francis Kohn	Lawtons, N.Y.
Harold Bley	Eden, N.Y.
Kenneth Bray	Arcade, N.Y.
Walter Dabolt	Chaffee, N.Y.
Gerald Keem	Arcade, N.Y.
Arnold Cox	Wyoming, N.Y.
Charles Buckenmeyer	Darien Center, N.Y.

ARCADIA COOPERATIVE MARKETING ASSOCIATION, INC.

Stewart Donnan	Piffard, N.Y.
Frederick Nagel	Wadsworth, N.Y.
Dean Huff	Holcomb, N.Y.
Peter Shurter	Piffard, N.Y.
Glenn Webb	Avon, N.Y.
Willard Logsdon	Pavilion, N.Y.

BUFFALO MILK PRODUCERS COOPERATIVE ASSOCIATION, INC.

Henry Kelter	Strykersville, N.Y.
Charles Almeter	Strykersville, N.Y.
Donald Rudolph	Darien Center, N.Y.
James Meyer	North Java, N.Y.
Robert McCormick	Java Center, N.Y.
Hyland Day	Chaffee, N.Y.
Paul Kirsch	Johnsonburg, N.Y.
Walter Sugg	Akron, N.Y.
Francis George	Strykersville, N.Y.
Francis Brunner	North Java, N.Y.
Charles Seewaldt	Johnsonburg, N.Y.
Peter B. Kehl	Strykersville, N.Y.
Donald Kirsch	Cowlesville, N.Y.
Lyle Spaulding	East Concord, N.Y.
Lowell Freeman	Clarence, N.Y.

COLLINS PRODUCERS COOPERATIVE, INC.

Martin D. Vacinek	Chaffee, N.Y.
Robert W. Butzer	Lawtons, N.Y.
Norbert Gabel	Lawtons, N.Y.
Wesley Phillips	Collins Center, N.Y.
Francis Gernatt	Collins, N.Y.

COLLINS PRODUCERS COOPERATIVE, INC. cont'd.

Robert Schelble	East Concord, N.Y.
Jay Lamb	Eden, N.Y.
Gordon Smith	East Concord, N.Y.
James A. Luther	Collins, N.Y.

COMMUNITY COOPERATIVE MARKETING ASSOCIATION, INC.

Fred Strussenberg	Hilton, N.Y.
Thomas Snyder	Churchville, N.Y.
Glenn Maxon	Holley, N.Y.
James Ehrmentraut	Churchville, N.Y.
Willard Pengelly	Bergen, N.Y.
James Colby	Spencerport, N.Y.
Don Shardlow	Elba, N.Y.
Avery DeGolyer	Castile, N.Y.
Paul Sears	Holley, N.Y.

GENESEE MILK PRODUCERS COOPERATIVE, INC.

Carl Yunker	Elba, N.Y.
Rudolph Kunze	Wyoming, N.Y.
Ron St. John Jr.	Oakfield, N.Y.
Paul Schneider	Attica, N.Y.
Richard Waite	Attica, N.Y.
Eldred Wheelock	Kent, N.Y.
Virgil Phelps	Oakfield, N.Y.
George Torrey	Stafford, N.Y.
Wilfred Bowman	Wyoming, N.Y.
George Kellogg	East Bethany, N.Y.
Director Emeritus	

HOLLISVILLE MILK PRODUCERS COOPERATIVE, INC.

Harold Meyers	Varysburg, N.Y.
Edmund Kujawa	Forestville, N.Y.
Peter W. Perl	Bliss, N.Y.
Kenneth Cross	Forestville, N.Y.
Arthur Kern	Attica, N.Y.

ROCHESTER GUERNSEY PRODUCERS COOPERATIVE, INC.

Frank L. Wiley	Victor, N.Y.
Carmen Gillette	Lima, N.Y.
James V. Nedrow	Clifton Springs, N.Y.
Colson Titus	Wyoming, N.Y.
Helen Kuszlyk	Churchville, N.Y.

ROCHESTER INDEPENDENT MILK PRODUCERS COOPERATIVE, INC.

John E. Bennett	Holcomb, N.Y.
James Orman	Avon, N.Y.
John Lincoln	Holcomb, N.Y.
Kenneth Post	Oakfield, N.Y.
Lee Lannon	Newark, N.Y.
Maynard Armison	Batavia, N.Y.
Donald LeFeber	Avon, N.Y.
Walter Kingston, Jr.	Geneseo, N.Y.
Joseph Cicero	Livonia, N.Y.

WESTERN NEW YORK MILK PRODUCERS COOPERATIVE ASSOCIATION, INC.

William G. Zuber	Churchville, N.Y.
George Eichas	Hilton, N.Y.
James Steele	Avon, N.Y.
Joseph Wizeman	Palmyra, N.Y.
David Lyon	Marion, N.Y.
William Jones	Canandaigua, N.Y.

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Appendix

UPSTATE MILK COOPERATIVES, INC.

BOARD OF DIRECTORS

* FRANK WILEY, <i>President</i>	MAYNARD ARMISON	PAUL SCHMIEDER
* RALPH WITTMAYER, <i>Vice President</i>	ARNOLD COX	LYLE SPAULDING
* STEWART DONNAN, <i>Secretary</i>	FRANCIS GEORGE	FRED STRUSSENBERG
* CARL YUNKER, <i>Treasurer</i>	RICHARD GEORGE	MARTIN VACINEK
	EDMUND KUJAWA	JOSEPH WIZEMAN
	* DONALD RUDOLPH	* WILLIAM ZUBER

* *Executive Committee Members*

....As of September 30, 1977