



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today charging Associated Milk Producers, Inc., one of the nation's largest dairy marketing cooperatives, with monopolizing the sale of milk produced by dairy farmers in 14 states.

Attorney General John N. Mitchell said the complaint was filed in the United States District Court in San Antonio, Texas, where AMPI maintains its headquarters.

The suit charged that AMPI, a cooperative marketing association with more than 40,000 dairy farmer members, has combined and conspired with milk haulers and processors to unreasonably restrain and monopolize the sale of milk to processors, in violation of Sections 1 and 2 of the Sherman Act.

The suit also charged that AMPI has attempted to monopolize the sale of milk to processors in violation of Section 2 of the Sherman Act.

AMPI has members in the states of Wisconsin, Minnesota, South Dakota, Iowa, Nebraska, Illinois, Indiana, Missouri, Kansas, Tennessee, Arkansas, Oklahoma, New Mexico, and Texas.

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Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that AMPI has acted to restrain and monopolize milk sales in the 14-state area since 1967 by a variety of practices designed to eliminate the competition of independent milk producers.

According to the complaint, these practices include:

--Manipulating federal milk marketing orders, after issuance by the Secretary of Agriculture, for the purpose of depressing the price of milk received by independent milk producers in competition with AMPI;

--Agreeing with milk processors who purchase milk from AMPI that they will not purchase milk from AMPI's competitors, or that such processors who do will pay a higher price for their milk than other processors who do not deal with AMPI's competitors;

--Agreeing with milk processors that they will not sell or deliver milk acquired from AMPI except as directed by AMPI;

--Agreeing with milk haulers who haul AMPI milk that they will not haul milk produced by AMPI's competitors;

--Acquiring milk haulers and processors who deal with AMPI's competitors, and terminating such dealings; and

--Unreasonably restricting the right of dairy farmer members to freely withdraw from AMPI and market milk in competition with AMPI.

The complaint charged that, as a result of these practices, competition among AMPI and other milk producers or dairy marketing cooperatives has been eliminated; that milk producers have been denied unrestricted access to milk haulers and processors; and that consumers have been deprived of the opportunity to buy processed milk and milk products at competitive prices.

The suit asked that AMPI be prohibited from continuing the practices cited in the complaint, and also asked that AMPI be enjoined from using threats or coercion to induce dairy farmers to join AMPI or to induce independent milk haulers and processors to refuse to haul or process milk for non-members of AMPI.

AMPI is an agricultural marketing association organized pursuant to the Capper-Volstead Act for the purpose of marketing the milk of its dairy farmer members. AMPI was formed as the successor to about 36 dairy marketing cooperatives which were merged in 1969.