



# Department of Justice

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The Department of Justice filed a civil antitrust suit today charging Dairymen, Inc., one of the nation's largest dairy marketing cooperatives, with attempting to monopolize and unreasonably restraining the sale of milk produced by dairy farmers in the southeastern United States.

Attorney General Richard G. Kleindienst said the complaint was filed in U.S. District Court in Louisville, Kentucky, where Dairymen maintains its headquarters.

The suit charged that Dairymen, a cooperative marketing association with approximately 9,500 dairy farmer members, has entered into agreements with milk haulers and processors to unreasonably restrain the sale of milk to processors, in violation of Section 1 of the Sherman Act and Section 3 of the Clayton Act.

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

Dairymen has members in the states of Kentucky, Tennessee, Georgia, Mississippi, Indiana, Louisiana, Alabama, North Carolina, South Carolina, Virginia and West Virginia.

Assistant Attorney General Thomas Kauper, in charge of the Antitrust Division, said the complaint charged that Dairymen has been

restraining and attempting to monopolize milk sales in the southeastern United States since 1968 by a variety of practices designed to eliminate the competition of independent milk producers.

According to the complaint these practices include:

- requiring milk haulers who haul Dairymen milk not to haul milk produced by independent producers;
- requiring milk processors to purchase from it all or substantially all of their milk requirements;
- agreeing with other producers of milk that they will not furnish milk to processors who do not agree to take all or substantially all of their milk requirements from Dairymen;
- preventing other producers of milk from delivering it to processors;
- manipulating the supply of milk by flooding the market in order to depress the price competing producers receive for their milk;
- coercing producers into becoming members of Dairymen; and,
- unreasonably restricting the rights of members to withdraw from Dairymen and market milk in competition with it.

The complaint alleged that as a result of these practices competition in the production and sale of milk in the southeastern United States has been substantially lessened.

The suit asks that Dairymen be prohibited from continuing the practices cited in the complaint.