

NEWSNOTES

Annual Convention June 1-3, 2002 Hilton Hotel In Lake Placid, New York You are Invited!

You are invited to attend our association's 75th anniversary annual meeting and our convention to be held at the Hilton Hotel, in Lake Placid, NY. A great deal has been planned for you and a guest to take part in. On Sunday, June 1, our opening reception will be at the top of the MacKenzie Olympic Ski Jump. We have a great line up of professional speakers who will share their insight into timely dairy industry related topics. Here is a sample of the agenda for speakers:

MONDAY June 2, 2003

8:30am Peter Fredericks, Chief Economist for the Northeast Federal Milk Marketing Order will discuss how the Order has changed since the 2000 revision.

9:15am Chantal Flickinger from Capital Financial Group will discuss the rising costs of health insurance and ways to save money.

9:45am E. Linwood Tipton, CEO, International Dairy Food Association, Washington D.C. will discuss updates in Washington politics.

TUESDAY

8:30am Dr. Mark Stephenson of Cornell University will discuss dairy production and pricing forecast.

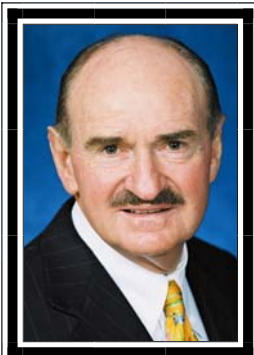
9:15-10:15am Panel Discussion
Topic: Dairy Imports and Exports/
US and Canada, Rick Zimmerman,
Commissioner of NYS Dept. of Ag. & Markets; Jim

Muir, Canadian Food Inspection Agency

10:30-12:00pm Panel Discussion. Topic: Different Perspectives & Views of the Dairy Industry. Moderator: Dr. Mark Stephenson. Panelists: George Mueller, Dairy Farmer, Clifton Springs, NY; Eleanor Jacobs, Editor, Northeast Dairy Business Magazine. Continued next Column, top right.



Dr. Mark Stephenson



E. Linwood Tipton



Celebrating our 75th Anniversary

If you would like to attend the convention and find out more about the entire program and activities, you can view the information on our website located at www.nysdfi.org. Hotel room reservations and name badge registrations are now being accepted and the forms can be downloaded off the website as well.



Eleanor Jacobs

You won't want to miss this opportunity to learn more about the industry and meet others in the dairy industry. Industry suppliers can support the event by sponsoring our golf outing or ordering a table display to show off your wares. Forms for both of these opportunities are on the website as well. Please call our office at 315-452-6455 if you have questions. We hope to see you there!

Milk Protein Concentrate (MPC) Battles Continue

Washington-A bill introduced in Washington to place tariffs on imports of MPCs has gained the support of 100 members of the US House. The bill is co-sponsored by US Rep. Dave Obey, (D-WI) and US Rep. Don Sherwood, (R-PA). The bill is known as the Milk Import Tariff Equity Act. MPCs and casein are substitutes that displace domestically produced dairy products such as nonfat dry milk. Dairy farmers and the National Milk Producer's Federation are in support of the legislation because of the displacement of domestic milk production caused by MPC. They claim the displacement leads to lower dairy farm milk prices.

Groups opposing the legislation among many others include the International Dairy Foods Assoc., located in Washington. IDFA contends that the tariff legislation, if enacted would increase the cost of MPCs, casein by approximately \$150 million annually, leading to higher consumer costs.



**Executive
Vice President Report
by
Bruce W. Krupke**

There are a number of important topics I'd like to run by you. First, I'd like to invite all of our members to attend our 75th anniversary annual membership convention. If you have never attended, you should consider attending our speaker sessions on Monday and Tuesday June 2/3, at the Hilton Hotel, in Lake Placid, NY. It is worth the price of registration and a night or two hotel's fee. In fact, meals are included in the hotel charge! Most importantly, you'll get an opportunity to learn more about how to run your business, learn dairy industry knowledge from others and in general take a day or two to relax and collect your thoughts and goals. I hope you'll attend, registration forms can be mailed or faxed from our office, or you can download them from our website at www.nysdfi.org. I hope to see you there, you won't regret the time spent!

I'm feeling very optimistic these days, more so than a month or two ago. Why you ask? Well, I consider myself an optimist in general and a reformed idealist. It seems the economy might just be starting to turn around. Issues with our nation are better, the war in Iraq is almost over and the best part, summer is here.

But I don't want my optimism to be misdirected. You know as business people that goals are always necessary. In my opinion the number one goal of any business should be to increase sales. I've said it before, nothing can really happen unless somebody sells something. If you don't have the goal of increasing sales, eventually you'll be left behind.

The nation's dairy industry is currently going through some rough times. Dairy farmer's prices are really low. I'm not going to get into the why's of that issue now, I'll save it for later. Competition between processors and distributors is stiff. Retailers continually are trying to find new consumers. Legislators are pointing fingers saying you all are making too much money and are trying to pass laws to solve our problems, which in my opinion are unnecessary and meddlesome.

If you agree increasing sales is the number one goal of any business, then you have the perfect opportunity starting June 1, through June 30. Hey, **June is Dairy Month**. Everyone knows that, so why not use it to your advantage. Promote the concept in ads, gear specials around each week of June. Invite the local county Dairy Princess to your stores. Sample products, sponsor a float in a parade, start a June Dairy Month festival, have taste tests with consumers, or better yet, simply drink a glass of milk, (instead of soda), in salute to yourself and the dairy industry. Lets all get on board and start promoting our industry. We can start to help ourselves and the entire industry if we just sell and increase our sales. Items to help promote are plentiful, go to www.milkplan.org. June is Dairy Month is one way to sell more milk and dairy products, plan now to participate!

Marketing

That Makes a Difference

June is Dairy Month!

June is Dairy Month, have you started to plan your promotions to help increase sales? To help you promote June is Dairy Month, our office has a limited number of 3" round button pins for employees, drivers, dairy managers, to wear, whoever you think should be promoting the event. The pins cost only \$.25 cents each, plus shipping. To order the pins, please call our office and we'll get the order right out to you. Call 315-452-6455 and leave your name, shipping address and quantity you would like to order. You can also e-mail your order to info@nysdfi.org. We'll send an invoice with your shipment.



New Images for Customizable Point-of-Sale Materials

MilkPEP has developed new images for the customizable point-of-sale materials program. The new templates offer a variety of designs with many new headlines, nutritionally based messaging, and Hispanic messaging for flavored and white milk. Price points and processor logos are easily added to the various banners, cooler cling posters and shelf danglers. There are no minimum order quantities, and materials are shipped within 48 hours. The POS materials can be accessed at www.milkplan.org in the "Local Promotions" sub-section of the "Local Marketing" section or at www.instantimpact.com. You can also call 800-945-6455 for more information.

Flogging On A Bog

The exploding popularity of Weblogs—dairylike personal Web sites, also known as blogs—is often touted as a shining example of untainted expression. But marketers at Dr. Pepper see the movement as the perfect launch point for a "grass roots" campaign for a new "milk-based product with an attitude," Raging Cow. The first step is an in-house blog (ragingcow.com); it tells the fictional back story of the drink, which rolls out in April in flavors like Chocolate Insanity and Pina Colada Chaos.

Next comes a blog-related twist on viral marketing—recruiting "key influence bloggers" to promote Raging Cow by sharing their enthusiasm, linking to the site and distributing special screensavers, banners and skins. Beginning with an initial group of six people in their late teens and early 20s—flown to Dallas with their parents for an induction session—Dr. Pepper hopes to develop a "blogging network" to hype Raging Cow and "be part of the "in the know" crowd," says its brand-marketing honcho Andrew Springate. Those spreading the news via their flackitude, says Springate, because officially they're not paid Dr. Pepper employees; they only get promo items like hats and t-shirts. "We're independent and can advertise Raging Cow the way we want," says Nicole, 18, a Louisiana high-school senior with a popular blog. One Weblog guru thinks the campaign might backfire. "It seems ironic that a company would want to manipulate a phenomenon that's so generally bent on exposing things," says alpha blogger Doc Searls. "In my view blogs are the *antidote* to viral marketing."

Regional & National Dairy News

NMPF Board Authorized Exploration of Voluntary National Plan to Balance Supply/Demand

The NMPF Board of Directors recently unanimously approved exploration of a new voluntary national program that could be used to bring milk supply and demand closer into balance and generate higher prices for dairy farmers. A vote of cooperatives to participate is scheduled for May 9, 2003.

The Board's vote endorsed the creation of a voluntary, producer-funded and directed effort, entitled Cooperative Working Together or "CWT", to achieve these goals. The Board determined that seeking government support for a mandatory supply management program would not be a prudent use of the industry's resources, and that a self-funded program would have a much higher chance of success in both the short and long term. The program will also address methods of increasing demand for dairy products. Once the outlines of several program options are developed this month, the Board will reconvene to consider the options and discuss their nationwide implementation by member cooperatives.

In other action, the Board also endorsed staff efforts to bolster the effectiveness of the dairy price support program by asking the USDA to increase the purchase price of cheese, butter and powder products. The Board also endorsed the development of a domestic dairy protein production program that would be funded by the government and intended to generate the U.S. production of casein and Milk Protein Concentrate.

The Board also voted to seek legislation placing limits on the extent to which producer-handlers are exempt from federal milk marketing regulations. The Board also voted to oppose any effort to extend the USDA's forward contracting pilot program.

HACCP for Dairy and Juice by Steve Murphy

Hazard Analysis and Critical Control Point (HACCP) Programs are becoming standard in the food industry as a means of ensuring a safe food supply. The basic concept of a HACCP plan is to determine what hazards are possible and likely to occur in a specific food (Hazard Analysis) and to develop, implement and monitor controls that will prevent or minimize the likelihood of these hazards (Critical Control Points). The Hazard Analysis requires that the processor review every step in the manufacture of a food to determine what potential hazards might be introduced at each point and determine the likelihood of their occurrence and of causing illness or harm. Potential hazards that need to be considered include microbial (I.e. bacterial pathogens), chemical (I.e. caustic compounds) and physical (I.e. glass) hazards. Where a hazard is identified, a Critical Control Point (CCP) must be established and put into place to eliminate, reduce or minimize the likelihood of the hazard. A classic example of a CCP is the pasteurization step for milk, which is designed to "control" or minimize the likelihood of microbial pathogens in consumer dairy products that are commonly associated with raw milk supplies used to make these products.

In regard to food safety, HACCP programs do not stand-alone; they are generally supported by Sani-

tary Standard Operating Procedures (SSOPs) and/or Prerequisite Programs, which in many cases are sufficient to reduce the likelihood of certain hazards. SSOPs/PPs cover items such as the safety of the water supply and product ingredients, proper cleaning and sanitization of equipment and plant environment, prevention of product contamination and adulteration and exclusion of pests. Adherence to Current Good Manufacturing Practices (GMPs) and adequate employee training programs are also included in the foundation of sound HACCP programs.

Currently HACCP programs are required for only select segments of the food industry including certain meats, seafood and juice. While dairy operation are not required to have HACCP plans, the applicability of HACCP in dairy regulation and inspection is currently being investigated under a pilot program monitored under the National Conference of Interstate Milk Shipments (NCIMS). Although there are no regulations mandating HACCP, it has become very common for major customers of dairy plants (i.e. Wal-Mart) to require a HACCP plan before they will purchase a manufacturer's products. For dairy plants processing 100% juice, HACCP is required by the Food and Drug Administration (FDA). The juice HACCP requirement is already in effect for larger processors, while all plants processing juice must have a HACCP program in place by January of 2004. The FDA has already been in the field inspecting the HACCP plans of dairy plants processing juice. Additional information on the juice HACCP requirement and the NCIMS Voluntary HACCP Pilot Programs can be obtained by contacting the FDA or by visiting their website at <http://www.cfsaan.fda.gov/~lrd/haccp.html>.

Where does your dairy operation stand in regard to HACCP? While many plants have developed HACCP plans, some may not have had the need or the resources to do so. This "need" is changing, as more customers are requiring HACCP plans and if you are currently processing juice, HACCP is required. Regarding resources, information, training and assistance in developing HACCP plans is available from a number of organizations, consultants and academia. The Milk Quality Improvement Program at Cornell University can provide additional information in this regard and is currently gearing up to offer HACCP training for interested NYSFI members and others. For further information on HACCP resources and training contact Steve Murphy at (607) 255-2893 or scm4@cornell.edu.

Dairy Group Reports 2002 Gains

According to Gary Hanman, DFA president and CEO, prudent financial management and solid investments helped Dairy Farmers of America, Inc. return significant earnings to its members last year. DFA, like its members, has taken steps to reduce its operating costs and strengthen returns to members. Hanman states "In the past year alone, we decreased our long-term interest-bearing debt by \$78 million. We decreased DFA selling and administrative expenses by \$4.6 million, and reduced our capital expenditures by \$12.9 million. We have done all that, and still increased our member equity to \$631 million, which is an increase of \$8 million over 2001. In 2002, DFA paid out \$49 million in patronage and equity retirement." DFA Marketed a record 47.8
Continued pg. 4, left top column...

Dairy Groups Report Gains, from pg. 3

billion pounds of milk in 2002—an increase of nearly 5% compared to a national increase in milk production of just over 2.6%. While declining milk prices reduced DFA revenues to \$6.4 billion last year, the cooperative says it generated \$85.9 million in earnings from joint ventures, \$27.5 million more than in 2001. Those earnings included a solid return from DFA's 50% ownership in National Dairy Holdings. DFA's continuing investments in NDH and other joint venture relationships, including a milk protein concentrate plant in Portales, New Mexico, are expected to generate strong returns in 2003 and beyond, according to the cooperative.

Judge Rules Assessments Can Be Used For Got Milk? Campaign

A federal judge has ruled that assessments that dairy farmers pay can go to fund the national Got Milk? Advertising campaign. Two Tioga County dairy farmers last year filed a lawsuit to halt the use of assessments collected by the Department of Agriculture that fund the national campaign that produces television, magazine and billboard advertisements showing stars with white milk mustaches.

Joseph and Brenda Cochran operate a farm using traditional farming methods geared to sustainable agriculture like herd and grazing management. They maintain they produce milk that is better for the consumer and environment.

They claim in their lawsuit that it was not constitutional to force them to contribute money for a promotion that does not acknowledge there are differences in milk quality.

U.S. District Court Judge John Jones III on March 24th ruled that money assessed milk producers to fund dairy research and generic advertising does not infringe on the Cochran's right to communicate any message, including the claimed benefits of their methods of farming over others'.

The Cochran's are annually assessed between \$3500 to \$4000 by the Department of Agriculture for the milk they produce.

LT. GOVERNOR DONOHUE UNVEILS NEW "AG TAGS"

Lt. Governor Mary Donohue, on March 3rd, joined State Agriculture Commissioner Nathan L. Rudgers and State Commissioner of Motor Vehicles Raymond P. Martinez to unveil New York's newest custom license plate—the "ag Tag", whose proceeds will benefit the New York Agriculture in the Classroom Program. "New York State Agriculture is such a vital part of our New York State economy and Ag in the Classroom is a useful tool to help students learn and appreciate the uniqueness of our great State and the products we produce. We hope that this plate will be a popular seller in order to promote this important program" said Raymond P. Martinez. "ag Tags" will help support New York's Agriculture in the Classroom Program by contributing \$25 of the initial cost and all renewal fees for the specialized license plates.

New York Agriculture in the Classroom (AITC) is a statewide program that is part of a national effort to increase the public awareness and understand-

ing of agriculture. The mission of AITC is to promote an understanding and appreciation for agriculture the food and fiber system by infusing agriculture content into school curriculums. In doing so, AITC provides materials for nearly four million school age children in New York State. AITC is a partnership between the New York State Department of Agriculture and Markets, New York Education Department, New York Farm Bureau and Cornell University's College of Agriculture and Life Sciences.

"ag Tags" feature a white background with blue numbers. On the left side of the plate is an illustration of a red-gabled roof barn, a Holstein cow, New York tree products and a cornucopia of New York grown fruits and vegetables topped with a banner that states "Keep NY Growing." The tagline of the plate says "I Love NY Agriculture." In addition to the regular license plate registration fee, the initial cost for the standard "Ag Tags" with an assigned plate number by the Department of Motor Vehicle is \$34.50 with an annual renewal fee of \$25.00. A personalized version of the "Ag Tag" with the motorists' choice of up to six characters, including spaces, is available for \$63.00, with annual renewal fee of \$50.00. The renewal fees are billed every two years. In every case, \$25.00 of the annual renewal fee will be deposited to the New York Agriculture in the Classroom Program. "Ag Tags" can be ordered at local motor vehicle offices, by calling the DMV Custom Plates office at 1-800-364-PLATES, or on DMV's website at www.nysdmv.com.

POWERED MILK TO GO TO FARMS IN DROUGHT

Mounds of milk that filled warehouses and manmade storage caves are headed for feed troughs in drought-stricken areas. The government will be shipping 218 million pounds of nonfat dry milk too parched Western states to feed cattle, buffalo, sheep and goats. About 24,000 farmers will receive the powder—enough to fill 4.5 billion 8 ounce glasses—they will add it to grain for their animals.

Agriculture Secretary Ann Veneman says "These herds are crucial to the livelihoods of many rural families, and they are the backbone of the economy in many rural communities." The milk handouts will go to producers living in Arizona, Colorado, Kansas, Montana, Nebraska, New Mexico, South Dakota, Utah and Wyoming, where drought has scorched pastures in some parts for more than two years. The dry weather is forecast to continue.

Veneman announced that a new drought council comprising Agriculture Department officials will monitor weather conditions and find ways to help families and communities in drought-stricken regions.

Over the past three years the government bought 1.1 billion pounds of powdered milk to prop up prices paid too dairy farmers. It cost about \$1 billion to buy it and about \$23 million a year to store it. The government has sold some to food plants to make casein, a fine milk protein powder used in manufacturing products from chocolate to cosmetics and they donated some as food aid to hungry countries. The new feed program may continue, it is done in 30 day windows and in mid-May the drought council will decide if they will do it for another 30 days.

Some Good Stuff to Know..

New York State Retail Milk Threshold Price Effective May 1, 2003

	<u>Gallon</u>	<u>Half Gallon</u>	
<u>Quart</u>			
<i>Metro Region:</i> (NYC & Counties Of Nassau, Suffolk, Rockland, Orange, Westchester, Putnam & Dutchess)	\$2.44	\$1.27	\$.67
<i>Upstate Region:</i> (Remaining Counties)	\$2.27	\$1.19	\$.63

A retailer who sells above the threshold price may be in violation of the law unless such selling price is justified as not being unconscionably excessive. Such justification includes net invoice price paid for the milk item plus actual costs incurred in handling and selling that milk item.

There were no changes compared to the previous month..

China: The World's Fastest-Growing Milk Market

The Chinese government is encouraging its citizens to drink milk, making China the world's fastest-growing milk market. Government officials see milk as a cheap, compact source of protein and vitamins—and as a healthy alternative to extremely potent alcoholic drinks. The drink-milk campaign “is important for the future of the Chinese people,” says a government spokesman. One obstacle: up to 90 percent of the Chinese are lactose-intolerant.

THE NATIONAL ASSOCIATION OF MILK BOTTLE COLLECTORS IS LOOKING FOR NEW MEMBERS

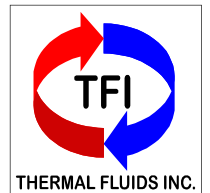
The association is incorporated as a 501 “not for profit” organization whose purpose is the research and dissemination of information in the furtherance of the international hobby of milk bottle collecting. The study and documentation of the history of the fluid milk industry is a defined goal. Annual membership is \$20, which includes a subscription to the The Milk Route monthly newsletter, invitation to annual convention in Hershey, PA and annual membership directory. For more information their address is P.O. Box 105, Blooming Grove, NY 10914 or email at: moto2@frontiernet.net

Where is the dairy product made? FIPS Numerical Code for States

<u>State</u>	<u>FIPS</u>	<u>State</u>	<u>FIPS</u>
Alabama	01	Montana	30
Alaska	02	Nebraska	31
Arizona	04	Nevada	32
Arkansas	05	New Hampshire	33
California	06	New Jersey	34
Colorado	08	New Mexico	35
Connecticut	09	New York	36
Delaware	10	North Carolina	37
District of Columbia	11	North Dakota	38
Florida	12	Ohio	39
Georgia	13	Oklahoma	40
Hawaii	15	Oregon	41
Idaho	16	Pennsylvania	42
Illinois	17	Puerto Rico	43
Indiana	18	Rhode Island	44
Iowa	19	South Carolina	45
Kansas	20	South Dakota	46
Kentucky	21	Tennessee	47
Louisiana	22	Texas	48
Maine	23	Utah	49
Maryland	24	Vermont	50
Massachusetts	25	Virginia	51
Michigan	26	Washington	53
Minnesota	27	West Virginia	54
Mississippi	28	Wisconsin	55
Missouri	29	Wyoming	56

Example: 37-275; 37 indicates processing plant is located in North Carolina. 275 identifies a plant within that State. It is recommended that the part of the code indicating the State or origin always consist of two digits followed by a hyphen; for example, 05- or 48.

PROPYLENE GLYCOL HEAT TRANSFER FLUIDS



Fully inhibited propylene glycol heat transfer fluids designed for use in all types of dairy processing equipment and chillers. Made with USP Grade (FDA approved) Propylene Glycol and Food Grade inhibitors.

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For all other areas call us directly at: 1-800-640-8011 or visit our website at: www.thermalfluidsinc.biz

Thermal Fluids, Inc., Easton, MA 02334

Calendar of Events

June 1-3, 2003 75th Annual New York State Dairy Foods, Inc. and Pennsylvania Association of Milk Dealers Combined Convention. Hilton Hotel, Lake Placid, NY. Call NYSDF at 315-452-6455 for hotel reservations, name badge registration, golf tournament, & Booster tables and golf hole sponsor forms.

July 9, 2003 8th Annual NY State Dairy Foods Ice Cream Day Golf Tournament at Rogue's Roost Golf Club, Route 31, Bridgeport, NY. Shot Gun Tee Off at 8:00 a.m., forms can be downloaded at www.nysdfi.org

July 9, 2003 Northeast Ice Cream Suppliers Clambake, Hinerwadel's Grove, N. Syracuse, NY. Email Peter Garafalo at nicsc@nedairytech.org, or call 603-432-3647.

Dairy Market Watch

MILK PRODUCTION: Milk production in the 20 major States during February totaled 11.6 billion pounds, up 1.7 percent from February 2002. January revised production, at 12.5 billion pounds, was up 1.8 percent from January 2002. The January revision represented an increase of 1 million pounds from last month's preliminary production estimate.

PRODUCTION PER COW: Milk production per cow in the 20 major States averaged 1,485 pounds for February, 13 pounds above February 2002.

THE NUMBER OF MILK COWS: The number of milk cows on farms in the 20 major States was 7.81 million head, 66,000 head more than February 2002, and 3,000 head more than January 2003.

Sales Update - Fluid Milk

The latest data from USDA show sales of packaged fluid milk through December 2002 up 0.3%. In 2002, whole and fat-free posted slight decreases while sales of lowfat significantly trended upward. Supermarket volume sales through December were down 0.4%; however flavored and chocolate milk continued to post significant gains of 8% and 8.1% respectively. While IRI's broader date including mass merchandiser has shown growth most months of 2002, this data is not currently available.

<i>Product</i>	<i>December Sales vs. YAGO</i>	<i>Year to Date (thru December)</i>
Whole Milk	0.0	-0.1
2% Reduced Fat Milk	0.7	0.3
1% Low fat Milk	1.0	2.2
Fat Free Milk (Skim)	-1.1	-0.5
Buttermilk	-3.9	-3.3
Total Fluid Milk Products	0.2	0.3

<i>Region</i>	<i>December Sales vs. YAGO</i>	<i>Year to Date (thru December)</i>
Northeast	-0.6	-0.3
Appalachian	1.9	-0.7
Southeast	1.4	-0.6
Florida	0.1	1.6
Mideast	-1.6	0.3
Upper Midwest	-0.3	0.4
Central	0.1	0.0
Southwest	0.2	0.4
Ariz.-Las Vegas	3.0	2.6
Western	3.0	0.7
Pacific Northwest	-0.5	-0.4
California	3.3	1.6

YTD Supermarket Sales, ending 12/29/02 vs. same period last year. (Source IRI)

Total Fluid Milk	-0.4
White	-0.6
Whole White	-0.5
Reduced-Fat White	0.0
Low fat White	-0.4
Fat-Free White	-2.3
Total Flavored	8.0
Chocolate	8.1

*MilkSplash, March 2003
USDA Data*

CHEESE PRODUCTION INCREASES IN 2002

USDA recently announced that revised figures show cheese production in 2001 and 2002 were on the increase, contrary to previous reports. Cheese production for 2001 is revised upward by 131.5 million pounds, meaning cheese production was actually up 0.03%, or 2.6 million pounds, from 2000. Cheese production for 2002 was also revised upward from February's preliminary estimate by 153.3 million pounds, to a record 8.500 billion pounds, a 4.1% increase over 2001.

WEGMANS REJECTS POLITICAL MESSAGE ON YOGURT CARTONS

Barbara Smith of Ithaca, NY was recently told by Wegmans supermarket chain that they would not accept the shipment of her family's Meadowsweet yogurt, which bore new labels that read "Stop the War on Iraq." The yogurt labels also told people how to buy bus tickets to attend an antiwar rally in Washington. Wegmans representatives said the decision had nothing to do with the content of the anti-war message. Jo Natale, spokeswoman for Wegmans, said it's always been the supermarket chain's philosophy to not permit messages on any of its products. "We have to consider how our customers feel. We are not going to endorse a position as a retailer." According to Natale, the Wegmans' policy manual clearly prohibits products or any members of the public from "soliciting funds or support, or distributing written materials for any organization, activity or cause."

Initially Wegmans told the Smiths they weren't going to accept or pay for the shipment. After some compromising Wegmans agreed to keep the shipment with the understanding that their employees were going to cut off the labels.

A visit by a reporter to the Wegmans in Ithaca revealed a number of products whose labels seem to espouse causes, indirect violation Wegmans policy. When asked about the possible inconsistency, Natale said, "We have 60,000 products. We are not going to notice them all."

QUESTION OF THE MONTH

Question: One of our employees is being activated for duty in the National Guard. How do we handle his medical insurance?

Answer: Both state and federal statutes provide for a "COBRA"-like medical insurance continuation if the employer ceases medical coverage during extended military leave. At the onset of military leave, employers must continue the regular medical insurance program for 30 days. After 30 days, if the regular medical insurance is not continued, the employer must offer up to 18 months of continued coverage. The employer may charge the full cost of the coverage plus two percent for employer administrative expenses. If the military leave lasts the 18 months, employers must then offer the regular 18 month COBRA continuation coverage. (Information provided by The Business Council of New York State).

Do you have comments regarding our newsletter, responses to our editorials or info you want to share? If so, send us your thoughts in writing to the address at the top right corner of page 1 or email us at: info@nysdfi.org . We would also encourage you to view our website weekly to stay up to date on important dairy news, industry events and other important information by visiting our website located at: www.nysdfi.org