

Kraft boycott spreads through Ontario

OTTAWA (CUP) — Wander through your local supermarket or corner store some day and take a look at the variety of brands in the dairy products and salad dressing shelves. You'll find small Kraftco labels on almost all cheeses, and salad dressings.

Kraftco Corporation has a virtual monopoly in this area of the food industry; it either makes the products or owns subsidiaries that do.

The National Farmers' Union has taken on this monopolistic giant in a boycott that is intensifying across the country as it enters a second year.

The boycott was called in response to dairy farmers' demands for better prices for their products through a collective bargaining agreement and the refusal by Kraft to discuss the matter with the NFU.

The NFU is fighting to enable farmers to negotiate in regional groups or on the national level with marketing boards and processors for the prices paid on farm products by the marketing boards and corporate business. Farmers have often been forced to sell their products at below production cost.

The NFU says that unless the present system is changed, the Task-Force on Agriculture's goal of removing two-thirds of the present number of farm operators and replacing them with corporate farms will be achieved.

Collective bargaining is the vehicle to stop rural depopulation and strengthen rural communities, says the farmers' organization.

Locals are encouraged to formulate policy for their area and the national good of all farmers since local decision-making is an important part of NFU policy.

The Kraft Boycott is important to the NFU because it is the means through which farmers may obtain collective bargaining rights.

In 1966 there were 22,206 dairy farmers in Ontario; by 1971 7,664 of them had been squeezed out of business. In the last two-and-a-half years, 44 Canadian co-op and independent cheese factories closed down. They handled a combined volume of 600 million pounds of industrial milk.

While that was happening, Kraft received a \$250,000 interest-free, forgivable loan from the Ontario government to build an addition to its Ingleside Ontario plant. (A forgivable loan does not have to be paid back.)

The same company that was virtually given a quarter-of-a-million dollars is the largest North American dairy monopoly. The American-owned corporation has branch plants in more than 100 countries—it controls 80 per cent of the Canadian cheese production.

In 1970, Kraft moved from 32nd to the 28th largest corporation in North America with sales of \$2,751,129,000 and a net profit of \$82,006,000. The company's net profit increased to \$91,300,000 in 1971. The president's salary was \$318,000.

Meanwhile, the farmer's share of the food dollar has steadily decreased from 57 cents in 1949 to 37 cents in 1970. Between 1968 and 1971, total farm income declined by \$137 million or eight per cent, while last year alone food prices increased by 7.4 per cent. The Canadian farmer's average net income in 1970 was \$3700.

Ontario dairy farmers sell their milk through the Ontario Milk Marketing Board (OMMB).

The OMMB also allocates the amount of milk cheese factories may receive through a quota system, introduced in 1969. Each processor was assigned quotas which could be bought and sold, thus encouraging the corporate monopolies to take over small plants.

In Leeds County near Brockville, Ontario, there were once 92 small plants; there are now two. The Plum Hollow co-op is one.

Local dairy farmers bought Plum Hollow in 1967 and invested \$60,000 to make the plant a paying proposition. In 1970 the co-op paid an eight per cent dividend to its members. Its location allowed neighbouring farmers to ship milk to the plant for considerably less than if they shipped to the closest Kraft factory.

The government agencies excuse why it couldn't be done.

To bring attention to the farmers who were also NFU members, a picketing action at the Kraft plant on July 28, 1971. It was the result of seventeen meetings attended by 1000 farmers held throughout Ontario.

The OMMB district representative, field O'Connor, responded by his office inside the plant. When milk truck drivers refused to cross the line, O'Connor attempted to coerce them, many of whom were independent. He reminded them their contracts were terminated and that under their contract, they were responsible for milk in their trucks.

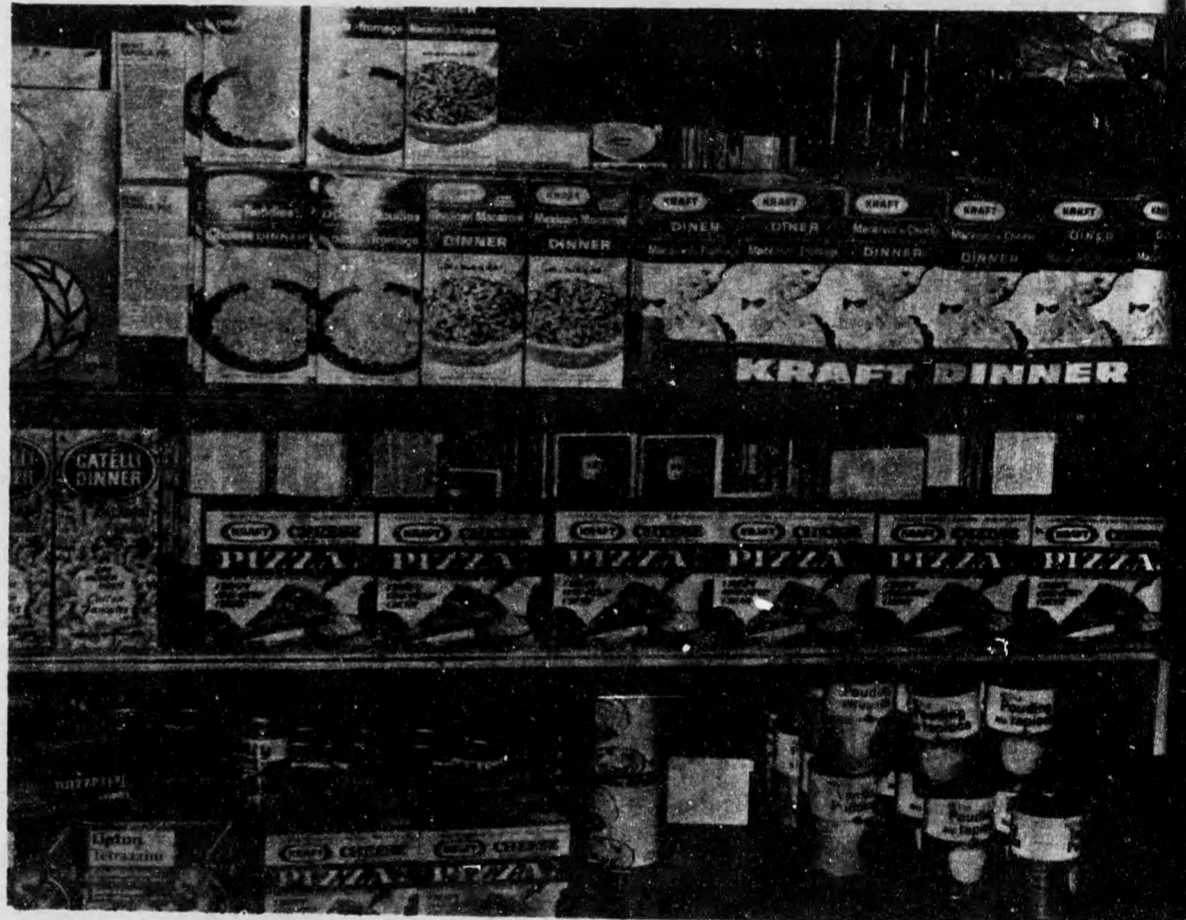


Photo by Ken De Freitas

The new quota system limited Plum Hollow to receiving four million pounds of milk in 1971, half the amount it processed a year earlier. Once the quota was filled, farmers — who are in turn operating under a system that financially penalizes them for producing over their own quotas — are required by law to ship their milk elsewhere.

The OMMB price paid to farmers for milk fluctuates greatly. Here is how the prices changed in a one-year period for a hundred-weight of industrial milk:

January 1971	\$3.70
September 1971	\$4.75
February 1972	\$4.48

While the consumer was paying more — not less — for milk products, the prices farmers receive can change monthly.

The NFU approached the Canadian Dairy Commission, the OMC and the OMMB with statistics showing dairy farmers are not paid enough for their produce. The figures also showed the corporations could well afford to pay farmers more out of the enormous profits taken from processing the milk.

O'Connor did this, even though he had given the Ontario Milk Commission a list of small cheese factories willing to handle all the milk diverted from Kraft. Some of these plants had even offered to pay up to fifty cents per hundredweight above the market price. They were willing to pay the higher prices since they suffered under the OMMB milk quota system.

The milk was finally diverted, but to the small plants. It was sent to the Ault plant at Winchester, Ontario. (Ault's is owned by Labatt's Breweries which is also in the beer and egg business.)

At one of the second days' picketing, the OMMB announced a price increase of 15 per hundredweight for industrial milk. The farmers decided to remove the picket line and hold a mass meeting the next day.

The following morning over 100 people assembled in the parking lot across from the Kraft plant for a meeting called for previously. Knowing the OMMB would raise the price the next month, the farmers decided to demand collective bargaining with Kraft, without any government interference.