Tentative Settlement Reached in Milk Price Lawsuit

GREENEVILLE, Tenn. (AP) — Southeastern dairy farmers from 14 states have reached a tentative settlement for nearly $159 million in their antitrust lawsuit against the Dairy Farmers of America over claims of dairy price controls.

The preliminary settlement heads off a civil trial that was to have begun Wednesday in U.S. District Court in Greeneville.

The farmers claimed there was a conspiracy among major milk producers to drive down the prices they received for milk. The lawsuit was filed in July 2007 and the farmers have previously settled with Dean Foods and the Southern Marketing Agency.

An order issued Tuesday by Judge Ronnie Greer grants the dairies' motion for preliminary approval of the settlement. Greer will conduct a hearing April 3 to consider final approval.

The lead attorney for the farmers, Robert Abrams of the law firm BakerHostetler, said in a news release that the southeast milk market has been reformed as a result of the settlement.

"The monetary recovery itself is very substantial and the resulting conduct changes will significantly and positively impact competition in the southeast dairy industry," he said.

The law firm said in a statement that the last settlement brings the total amount for the farmers in the class action lawsuit to more than $300 million. The Dairy Farmers of America, a milk marketing cooperative, also agreed also to change some of its business practices in the southeast region to increase raw milk prices and boost transparency, the law firm said.

The settlement was first reported by The Greeneville Sun [1].

Source URL (retrieved on *04/01/2015 - 11:45pm*):
http://www.foodmanufacturing.com/news/2013/01/tentative-settlement-reached-milk-price-lawsuit

Links:
[1] http://bit.ly/Tg1KoO