



LOCAL BUSINESS

Dairyman bidding time with USDA decision

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Dairyman Hein Hettinga was in a remarkably good mood Friday.

"I'll survive," he said. "They're trying to beat me into the flock, but they're not going to get me."

He was reflecting on a decision by the U.S. Department of Agriculture that he is subject to the dairy pooling and pricing provisions of the Arizona milk marketing orders.

It's a ruling Hettinga, a fiercely independent dairyman, has fought off for years, first in Congress and then with the USDA under pressure by the dairy co-op every other large dairyman in Arizona belongs to. The co-op has claimed that Hettinga, who produces, processes and distributes his own milk, is unfair competition.

Hettinga, meanwhile, sees the issue as one of free enterprise. And one, he says, that is important to consumers who he predicts will pay more for milk for lack of the competition he now provides if he joins the co-op.

The USDA has ruled that Hettinga must either join the co-op or pay millions of dollars annually into the pool of other dairymen around the state. The decision also applies to three producer-distributor dairies in the Pacific Northwest.

Although the USDA issued its final decision in December, it has not been enacted.

So it's a waiting game for Hettinga, who pledges he will continue to fight to remain independent. "I'm waiting for the government to enforce it before I make my next move," he said. "I can't file a lawsuit until I'm damaged. Until then, I can't get an injunction.

"So it's business as usual for now. I'm continuing to produce a good product at a good price and grow the business."

He said the other three dairies did file a lawsuit shortly after the USDA decision, "but the judge threw it out because he said they hadn't been damaged yet. These are family-owned dairies ... the salt of the earth. They're working hard and barely making a living."

Hettinga is bigger. He supplies more than 10 percent of the bottled milk in Arizona, and his product is sold in such discount giants as Sam's Club and Costco as well as Food City, Sprouts and several independent distributors.

"My 10 percent of the business is affecting 100 percent of the milk prices because I'm competition. If not for me, Arizona milk would be 50 cents a gallon more. If all the milk is controlled by one person (the co-op), prices will go up," he said.

The milk marketing orders were set up in the 1930s to help then-struggling dairies. At the time, half of all milk in the United States was supplied by producer-distributors; today it's only 1.5 percent.

Hettinga believes the milk regulations have outlived their usefulness. "It's not the same situation anymore," he said. "The laws are no longer needed. It's a socialist system. I don't know any other way to put it."

The fight is one that has gained national attention, Hettinga noted. "The final ruling is no surprise. Co-ops across the country requested it."

That's because, he says, if he succeeds in remaining an independent producer-distributor, other large dairies are expected to follow his example and leave the co-ops.

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