

Agriculture by Marcia Merry

Farm milk prices plunge

To free traders, low prices are "competitive"; to farmers and eaters, they are economic disaster.

June is "National Dairy Month." This year it should be better known as "National Dairy Crisis Month." Today's farm milk prices are the same as they were in 1978—part of the overall plunge of basic farm commodity prices implemented in the last 10 years by the food cartel, private financial interests, and the U.S. Department of Agriculture. Some examples: Wool prices are down by 50% in one year; wheat prices are down by 50%; and dairy prices dropped close to 30% since last fall.

Ignoring the implications of this crisis situation for farmers, and for the eating public, the new Secretary of Agriculture Edward Madigan has joined with U.S. Trade Representative Carla Hills to run around Europe in recent weeks, insisting that the "Uruguay Round" of the U.N. General Agreement on Tariffs and Trade (GATT) be revived to result in a global treaty this year. For what purpose? To force governments around the globe to allow their farm sectors and food supplies to be governed by the "free market" run by the international cartel companies.

Since the Uruguay Round was begun at a GATT member-nation meeting in 1986 in Punta del Este, Uruguay, the GATT bureaucracy in Switzerland has criticized the U.S. milk and sugar price policies as "trade distorting," and excessively supported by federal intervention. Reference was made to the U.S. national milk marketing system and federal floor price program, set up in the 1930s in the name of providing a secure supply of fresh milk, a perishable food item.

Though the Bush administration has insisted on setting the floor price far too low—\$10.10 for a hundredweight (about 12 gallons) of raw milk—the mechanism is itself useful, and a sovereign prerogative.

But under a GATT treaty, such an intervention will be outlawed. Even now, in advance of compliance with the free trade policy, the USDA has been issuing reports and planning hearings on dismantling the floor price and marketing board system. And they are insistent on low prices to farmers no matter what. This spring, a move by the U.S. Congress to raise the farm milk price floor was quashed by the Bush White House.

Since then, individual states have moved to order that buyers of raw milk pay higher prices to farmers. For example, on May 8, New York State ordered that dairy farmers receive an extra 80¢ a hundredweight for their milk.

The signs of what could throw a monkey wrench into these GATT machinations came during June from Wisconsin, the nation's leading dairy state.

A county government board in northern Wisconsin declared a state of economic emergency—not because of weather or other natural disaster, but because of "man-made" disaster—namely, the low milk prices. County officials have asked for help, something the GATT process would disallow.

The Board of Supervisors of Lincoln County passed a resolution of emergency, they said, in order to call national attention to the economic

emergency caused by low farm prices.

The declaration was passed 14-5 on June 5, and the same initiative is now being taken up by surrounding counties. Elected officials of nearby Clark County defeated a similar resolution earlier this year, by one vote.

Lincoln County dairy farmer, Phil Schneider, who is a board member who backs the resolution, told the Associated Press, "If prices stay as they are, there will be no sound dairy farmers in the state."

The Lincoln County resolution reads, in part:

"Whereas, the dairy farmers of Wisconsin and Lincoln County have had a severe drop in milk prices in recent times; and

"Whereas, their expenditures for farm operations have remained the same or increased, and

"Whereas, Lincoln County conducted a survey of 25% of the dairy farmers in the county and found that 40% were planning on retiring before 1995 and found that 87% of all the farmers had no successors intending on continuing in farming once the current operator quit dairying, and

"Whereas, at the time of the survey the farmer was making a slight profit. Since the survey, milk prices have dropped 25%. This reflects a loss of \$4.25 million. The price for milk is below a profitable level for nearly all dairy farmers, which will increase the amount of farmers who are near retirement and/or forced out of farming for financial reasons.

"Therefore, be it resolved that the plight of the farmers in Lincoln County will have a most definite affect on the tax base of Lincoln County. Let it hereby be requested by the Lincoln County Board of Supervisors to declare Lincoln County as a disaster area and request the appropriate federal officials and agencies to provide help to the dairy farmers."