

Agriculture by Marcia Merry

Kill cows and create milk shortages

The new U.S. dairy bill threatens to permanently cut milk production, while severe shortages hit the Third World.

President Reagan has signed into law a milk reduction program unprecedented in United States farm policy history. It should be known as the "Milk Luxury Act," because it is intended to permanently and drastically reduce U.S. milk output, which at present accounts for over 15 percent of total world production.

University of Wisconsin farm experts estimate that at least 20 percent of the dairy farms in Minnesota and Wisconsin—among the top national dairy states—will go out of operation within the next few years.

This law, signed on Nov. 29, is similar in purpose to drastic dairy reduction plans now before the European Community.

Designed like a milk "PIK" (the destructive crop reduction Payment-In-Kind program effected this year), the new U.S. law will pay farmers a set rate of about \$10.00 for every hundred pounds of milk they don't produce every month, for 15 months, compared to their recent average production. In other words, farmers will be paid to cull their herds. Slaughtering of dairy cows is already under way as this summer's drought and the PIK program have sharply increased feed costs. The new "milk luxury act" will speed the process.

An additional provision of the bill compels farmers to pay the government a levy of \$1.00 for every hundred pounds of milk they do produce, nominally to contribute to the cost of the government milk price support program. Meantime, the government support price level for milk will re-

main around \$13.10 per hundred-weight, when the actual parity price—the cost to produce the milk—is at least \$15.50.

The rationale for cutting both production and future production capacity in both the United States and in Europe (see article, p. 10)—which together now produce over 40 percent of the world's milk—is that there is a big milk "surplus" internationally. This is a lie.

Worldwide there is a devastating lack of protein in daily diets. The average American has available about 70 grams of animal protein a day, more than half of which is from dairy products. The amount in Africa is less than 10 grams a day.

Already in Mexico City, lines of people stretch around city blocks, waiting to buy scarce milk supplies. In the last six months, milk has become a luxury good, accessible only to a few fortunate babies and the wealthy. In Mexico and many other developing nations, thousands of farmers have been forced out of operation by the high interest rates, currency devaluations, and economic collapse imposed under International Monetary Fund conditionalities, which also dictate that these nations may not use scarce foreign reserves to buy milk products from the United States, or other exporters.

A small group of dairy cartel companies collaborate with the IMF to restrict world dairy trade to themselves, and to back the milk output reductions in order to create more scarcity. The prominent companies are Nestlé's,

based in Switzerland; Unilever, from northern Europe; and the old British Empire corporation, the New Zealand Dairy Board, which is the largest private milk product exporter in the world. United States milk exports are held down to a negligible level because of this cartel—with the cooperation of the State Department.

Bruce Stewart, the representative of the New Zealand Dairy Board in the United States calls the new dairy reduction law a "welcome development" and criticizes U.S. milk output as "overshadowing the world market."

To support the myth of overproduction of milk, which even dairy farmers have been demoralized enough to swallow, the media and the dairy cartel point to the "mountains" of milk products in government storage in the United States and Europe. As of this fall there were about 440 million pounds of butter, 1,011 million pounds of cheese, and 1,490 million pounds of milk powder.

But the insignificance of these supplies is made clear by looking at the extent of the current food shortage. There are fewer than two pounds of butter for every American, and less than four pounds of cheese. With large parts of the continent threatened with starvation immediately, Africa needs almost twice the U.S. milk powder mountain, just for one year's requirements.

These inventories were built up over the last few years of deepening depression when the government moved in to purchase products the unemployed public could no longer afford. Since 1979, milk consumed per person in the United States (in all forms) has steadily dropped from 535 pounds of milk equivalent per person to 526 and below. Diets are deteriorating, and infant mortality and illness increasing in many depressed areas.