



Department of Justice

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JUSTICE DEPARTMENT MAKES FILING TO USDA URGING ACCELERATION OF MILK MARKETING DEREGULATION

WASHINGTON, D.C. -- The Justice Department announced today it has urged the U.S. Department of Agriculture (USDA) to accelerate the deregulation of milk marketing.

The Department's position was presented in a filing made with the USDA Tuesday, December 31, 1991, in response to proposals contained in USDA's November 6, 1991, recommended decision to revamp some of the milk marketing regulations it administers.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said, "Deregulation of milk marketing would lead to improved performance in the dairy industry and benefit consumers of fluid milk as well as the nation's taxpayers."

USDA regulations currently establish minimum prices dairies must pay for milk supplies. These regulations increase the cost to consumers of fresh fluid milk, and effectively prevent consumers from being able to purchase commercially reconstituted milk, the Department said. The regulations, while raising the price of milk paid by consumers, also have led to a wasteful

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overprotection of raw milk, which must be processed into cheese and ultimately purchased by the government at taxpayer expense.

In its recommended decision, the USDA proposed changes in its regulations that would ease restrictions on the sale of commercially reconstituted milk, but has not yet proposed to deregulate milk prices.

The Department in its filing, said, "While the recommended decision proposes changes in the treatment of reconstituted milk that constitute an important first step in the right direction, it does not go far enough to revise the entire system of milk marketing regulation in light of current market realities."

The Department urged USDA to move decisively toward a free market which would be the most effective way to make milk marketing more efficient and improve the welfare of American consumers.

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