Food Security Act of 1985: Dairy Industry Changes

by

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INTRODUCTION

Historically, federal regulation of the dairy industry has been primarily accomplished through price supports, milk order regulations, and import quotas.[1] These types of regulations have been successful for the most part, but recent technological and economic developments have hindered their effectiveness. Due in part to increasing milk production per cow,[2] decreasing feed costs,[3] and decreasing value of cull cows,[4] production of dairy products have been accelerated. This acceleration in production has provided the United States with an oversupply of dairy products. As a result of this oversupply, the market price paid to producers has fallen, thus causing a predictable increase in government purchasing at the support price. The major goal of the dairy program embodied in the Food Security Act of 1985[5] is to bring production of dairy products into line with demand. If this balance of supply and demand is achieved, it should raise the market price paid to producers, insure an adequate supply of milk products for consumers, and greatly reduce the amount of money the government will have to spend on purchases of excess dairy products. This note examines the provisions contained in the new dairy program, compares those provisions with provisions of prior programs, and attempts to set forth the diverse opinions concerning the programs likelihood of success.

DAIRY PROVISIONS OF THE FOOD SECURITY ACT OF 1985

As indicated above, price supports are a traditional means of regulating the dairy industry. Price supports work as a minimum price the government pays producers for milk products, regardless of what the market might support. These supports were initiated to provide producers a fair price for their products while insuring an adequate supply of reasonably priced dairy products for consumers. Recent overproduction of dairy products led some legislators to feel that price supports had been set too high, thereby artificially stimulating production of products for which there was no demand.[6] In response to such sentiment, the new dairy program provides for a systematic

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1. *See generally* Note, *Milk Orders: Selected Topics* 31 S.D.L. REV. 406 (1986).
2. Milk production per cow has more than doubled since 1950. The man-hours required to produce 100 pounds of milk has decreased five-fold since 1950. 131 CONG. REC. E4187 (daily ed. Sept. 24, 1985) (statement of Rep. Brown).
3. The value of grains and other concentrates fed to milk cows have declined $.84 per hundredweight during the four year period ending July 1, 1985. H.R. REP. No. 271(I), 99th Cong., 1st Sess. 18, *reprinted in* 1985 U.S. CODE CONG. & AD. NEWS 1103, 1122.
4. Cull cows are those less productive cows which are sold for slaughter. H.R. REP. NO. 271(I), *supra* note 3, at 19, *reprinted in* 1985 U.S. CODE CONG. & AD. NEWS at 1123.
5. Food Security Act of 1985, Pub. L. No. 99-198, 99 Stat. 1354 [hereinafter cited as Food Security Act].
6. 131 CONG. REC. H7838 (daily ed. Sept. 26, 1985) (statement of Rep. Olin).

lowering of price supports. Beginning on January 1, 1986, and continuing through December 31, 1986, the price support for milk will be $11.60 per hundredweight for milk containing 3.67% milkfat.[7] During the next period which begins January 1, 1987, and ends September 30, 1987, the price support for milk will be decreased to $11.35 per hundredweight.[8] During the final period beginning October 1, 1987, and ending December 31, 1990, price supports for milk will be lowered to $11.10 per hundredweight.[9] During the calendar years 1988 through 1990, however, there is the possibility of an additional increase or reduction in the price support.[10] On January 1 of the calendar years 1988 through 1990 the Secretary of Agriculture is required to (a) increase the support price then in effect by fifty cents per hundredweight if the Secretary projects that purchases of milk by the Commodity Credit Corporation (CCC) will be less than two and a half billion pounds, milk equivalent, during the upcoming year;[11] or (b) to reduce the support price then in effect by fifty cents per hundredweight if the Secretary projects that purchases by the CCC will exceed five billion pounds, milk equivalent, during the upcoming year.[12] The possibility of the reduction in the support price during 1988-1990 is further limited by the requirement that one of two additional criterion be met before a reduction will be permitted.[13] The price support level for milk may not be reduced during the aforementioned years unless (a) the milk production termination program succeeds in reducing the production of participants by twelve billion pounds during the eighteen months of the program; or (b) if the Secretary of Agriculture provides Congress with a certification which shows that reasonable contract offers were made by the Secretary in accordance with the program but an insufficient number of offers were accepted by producers making reasonable bids to achieve the targeted reduction.[14]

The milk production termination program was initiated as a novel approach designed to reduce overproduction. The general idea of the program is to permanently reduce the number of dairy cattle in the United States thereby eliminating the source of overproduction. The funding for this program will come from a reduction in the price paid to producers on milk produced in the United States for commercial use.[15] This price reduction will begin on April 1, 1986, and continue until September 30, 1987.[16] The amount of the reduction will be forty cents per hundredweight of milk marketed between April 1, 1986, and December 31, 1986, and twenty-five cents per hundredweight for milk marketed during the remainder of the period.[17] The money withheld

7. Food Security Act, *supra* note 5 at § 101, 99 Stat. at 1362 (to be codified at 7 U.S.C. § 1446).
8. *Id.*
9. *Id.*
10. *Id.* at § 101, 99 Stat. at 1362-63.
11. *Id.*
12. *Id.*, 99 Stat. at 1362.
13. *Id.*
14. *Id.*
15. *Id.*, 99 Stat. at 1363.
16. *Id.*
17. *Id.*

from the producers pursuant to this provision will be remitted by the purchasers to the CCC.[18] If, however, the producer sells his product directly to consumers, the producer must remit the funds directly to the CCC.[19]

The general premise of the milk production termination program is that the Secretary will pay a producer an agreed upon amount in exchange for the producers complete termination of milk production for a period of five years.[20] In order to participate in the program, the producer must submit a bid to the Secretary which represents the amount the producer will accept to terminate his production of milk.[21] Along with his bid, the producer must submit to the Secretary evidence of the producer's marketing history and information on the size and composition of the producer's dairy herd.[22] If the Secretary feels the bid is reasonable he may offer to enter into a contract with the producer.[23] All contracts require that the producer sell for slaughter or export all dairy cattle in which he owns an interest.[24] The contracts also require that the producers shall not acquire any interest in dairy cattle or milk production for a five year period.[25] Finally, the contracts prevent the producers from allowing others the use of the producers' milk production facilities unless authorized by the Secretary.[26]

In order to help to ensure compliance with the terms of the contracts, provisions have been made which impose stiff civil penalties in the event of their violation.[27] Although the milk production termination program is only scheduled to run through September 30, 1987, it is possible that a similar program may be in effect in the years 1988 through 1990. If the Secretary feels there will be a burdensome excess of milk or milk products in the years 1988 through 1990, he has the authority to establish a milk diversion or a milk production termination program as necessary.[28]

The drafters of the termination program recognized the programs operation might have a negative impact on red meat producers. In order to minimize the possibility of negative consequences, protective measures were enacted. These measures limit the number of dairy cattle to be slaughtered per year.[29] The measures also empower the Secretary to control the seasonal flow of dairy cattle to slaughter.[30] The Secretary is directed to promulgate regulations which will have the least detrimental effect on red meat producers.[31] Another protectionary measure of the Act directs the Secretary to

18. *Id.*
19. *Id.*
20. *Id.*, 99 Stat. at 1363-64.
21. *Id.*, 99 Stat. at 1363.
22. *Id.*, 99 Stat. at 1364.
23. *Id.*, 99 Stat. at 1363.
24. *Id.*, 99 Stat. at 1364.
25. *Id.*
26. *Id.*
27. *Id.*, 99 Stat. at 1365.
28. *Id.*, 99 Stat. at 1364.
29. *Id.*, 99 Stat. at 1363-64.
30. *Id.*
31. *Id.* at § 104, 99 Stat. at 1366 (to be codified at 7 U.S.C. § 1446n).

purchase and distribute two hundred million pounds of red meat in addition to those quantities normally purchased and distributed.[32] These purchases are scheduled to correspond with the period in which the termination program is in effect.[33] The red meat thus purchased is to be distributed to federal agencies or is to be made available for export.[34]

Another aspect of the new dairy program is an increasing involvement with the casein industry. Casein is a milk protein which has traditionally been used to make paint, glue, plastics, and paper coatings.[35] More recently, however, casein has begun replacing natural dairy products in animal feed and in human foods such as cheese, coffee whitener, whipped toppings and frozen desserts.[36] It has been suggested that the importation of casein may seriously interfere with the milk price support program. In fact, it is estimated that in 1984 alone imported casein displaced over three hundred million pounds of domestic nonfat dry milk.[37] This displaced dry milk must go somewhere and most likely that somewhere is into government storage. It is estimated that because of casein imports the government spent an additional 300 million dollars on domestic dairy products in 1984.[38] In response to this problem, the new dairy program provides measures which are designed to strengthen the domestic casein industry.[39] The program also requires that the Secretary of Agriculture conduct a study on the effects of imported casein upon the milk price support system.[40]

As stated previously, the new dairy program is largely a response to the problems brought on by the overproduction of dairy products. In Subtitle C of the Act, a different approach is taken toward overproduction problems.[41] In order to try to reduce the negative effects of overproduction, the program authorizes the Secretary to establish a National Dairy Research Endowment Institute.[42] The goal of the Institute is not to reduce production but to find new markets for dairy products.[43] The Institute is to be headed by a board of trustees composed of the members of the National Dairy Promotion and Research Board.[44]

The board is authorized to appoint from among its members an executive committee whose membership is equally representative of the different milk producing regions in the United States.[45] The executive committee's duties

32. *Id.*
33. *Id.*
34. *Id.*
35. 131 CONG. REC. H7858 (daily ed. Sept. 26, 1985) (statement of Rep. Horton).
36. *Id.*
37. *Id.*
38. *Id.*
39. Food Security Act, *supra* note 5, at § 105, 99 Stat. at 1367 (to be codified at 7 U.S.C. § 1446c-2).
40. *Id.*, 99 Stat. at 1367.
41. *Id.* at § 121, 99 Stat. 1369-72 (to be codified at 7 U.S.C. § 4532).
42. *Id.*, 99 Stat. at 1368.
43. *Id.*
44. *Id.*
45. *Id.*

and powers will be delegated to it by the board.[46] The board of trustees are also authorized to assist the dairy industry through implementation of dairy products research orders.[47] Dairy products research orders are initiated as proposals by certain authorized groups to the Secretary.[48] In addition to establishing provisions which attempt to expand markets for dairy products, the research orders are also the source for the promulgation of many administrative policies.[49] Upon receipt of a proposal the Secretary may publish the proposed order in the Federal Register, and after publication and reasonable opportunity for public comment, the Secretary may issue the dairy products research order.[50]

If the Secretary establishes the Institute he is also authorized to establish a Dairy Research Trust Fund.[51] This trust fund is authorized to receive one hundred million dollars in appropriations or in transfers from money available to the CCC.[52] Interest and dividends from the trust fund may be used by the board in amounts, and for purposes approved by the Secretary.[53]

The Dairy Research Program which includes the National Dairy Research Endowment Institute, dairy research orders, and the Dairy Research Trust Fund may be terminated at the Secretary's discretion.[54] If the Secretary finds that an order issued under the program does not tend to further the program's goals he may terminate or suspend the order.[55] If the Secretary terminates the order the entire Dairy Research Program is automatically dissolved 180 days after such termination.[56]

Subtitle D of the new dairy program provides for the establishment of a National Commission on Dairy Policy.[57] The Commission is to be composed of eighteen members who are engaged in the commercial production of milk in the United States.[58] The members of the Commission are appointed by the Secretary, and at least twelve of the members are to be chosen from nominations submitted to the Secretary by the Chairman and ranking minority member of both Congressional agriculture committees.[59] Each member of the Commission will represent a milk producing region of the United States.[60] The purpose of this Commission is to study and make recommendations concerning the future operation of federal price support programs for milk.[61] In conducting the study, and in making its recommendations, the Commission is to

46. *Id.*
47. *Id.*
48. *Id.* at § 121, 99 Stat. at 1369 (to be codified at 7 U.S.C. § 4533x).
49. *Id.*
50. *Id.*
51. *Id.* at § 121, 99 Stat. at 1371 (to be codified at 7 U.S.C. § 4535).
52. *Id.*
53. *Id.*
54. *Id.*
55. *Id.*
56. *Id.* at § 121, 99 Stat. at 1732 (to be codified at 7 U.S.C. § 4538).
57. *Id.* at § 142, 99 Stat. at 1374 (to be codified at 7 U.S.C. § 1446n).
58. *Id.*
59. *Id.*, 99 Stat. at 1374-75.
60. *Id.*, 99 Stat. at 1375.
61. *Id.* at § 143, 99 Stat. at 1375 (to be codified at 7 U.S.C. § 1446n).

take into consideration the declared policies and findings of Congress regarding such programs.[62] The Commission shall consider, among other things, how effective the current federal price support program for milk will be in preventing future dairy surpluses, how the program will affect the family farm structure of milk production, and whether modifications of the current program are necessary to ensure the survival of milk production within the family farm structure.[63] At the conclusion of its study, and no later than March 31, 1987, the Commission must submit a report containing its recommendations to the Secretary.[64] Thirty days after the submission of such report the Commission will automatically be dissolved.[65]

In a further attempt to expand markets for United States dairy products, the new dairy program creates a Dairy Export Incentive Program.[66] As the name implies the program seeks to induce the export of United States dairy products. The program will begin sixty days after the enactment of the Food Security Act of 1985 and will continue until September 30, 1989.[67] The program will be administered by the CCC which will make payments on a bid basis to those entities which sell United States dairy products for export.[68] The Secretary will have the discretion to accept or reject all bids submitted.[69] The program only allows payment to an entity only for those dairy products which are sold as exports in addition to any export sales the entity would have made in the absence of the program.[70] The Secretary may provide that payments be in cash or in commodities of equal value which are available in CCC Stock.[71] The payments under the program are to be made at a rate established or approved by the Secretary.[72]

The New Dairy Program Compared With The Dairy Production Stabilization Act Of 1983

After comparing the provisions of the new dairy program with the provisions of its predecessor, it becomes clear that the more things change the more they stay the same. The differences between the dairy program set out in the Food Security Act of 1985, and the Dairy Production Stabilization Act of 1983[73] are more differences in degree than in kind. Both programs were initiated as a response to the problem of overproduction in the dairy industry. This commonality of purpose tends to explain the comparative similarity be-

62. *Id.* at § 141, 99 Stat. at 1374 (to be codified at 7 U.S.C. § 1446n).
63. *Id.* at § 143, 99 Stat. at 1375 (to be codified at 7 U.S.C. § 1446n).
64. *Id.*
65. *Id.* at § 145, 99 Stat. at 1377 (to be codified at 7 U.S.C. § 1446n).
66. *Id.* at § 153, 99 Stat. at 1377 (to be codified at 15 U.S.C. § 713a-14).
67. *Id.*
68. *Id.*
69. *Id.*
70. *Id.*
71. *Id.*
72. *Id.*, 99 Stat. at 1378.
73. Dairy Production Stabilization Act of 1983, Pub. L. No. 98-180, 97 Stat. 1128 [hereinafter cited as Dairy Production Stabilization Act].

tween the programs' remedial measures. Regulation of price supports plays an important role in the scheme of both programs. Although the actual price support rates are different, the basic idea used in the programs is the same. Both programs provide for base price supports which decreases periodically over the length of the program.[74] These cuts in the support rates are designed to bring about a decrease in the production of dairy products. Both programs also have provisions which allow for additional adjustments of the price support rates. These adjustments are dependent upon the amount of dairy purchases made by the CCC.[75] The adjustments are an attempt to insure that price support rates are at least partially responsive to changes in the rate of production.

Another element common to both programs is a provision which pays farmers to reduce their production of dairy products.[76] Although the provisions are not exactly the same in both programs, the main idea behind the provisions is the same. Paying farmers to reduce production of dairy products is an attempt to decrease overproduction at the source. The main difference between the two programs is seen in the extent of reduction required of the producers. The Dairy Production Stabilization Act contains a diversion program.[77] Under this program producers are paid to reduce the quantity of milk they market by five to thirty percent during a fifteen month period. The new dairy program's counterpart of the diversion program is called the milk production termination program.[78] This program pays producers to totally terminate their milk production and milk production facilities for a period of five years. Another difference between the two programs concerns the disposition of the cattle taken out of production. Under the diversion program dairy cattle may be put back into production at the program's termination,[79] whereas under the milk production termination program all dairy cattle must be sold for export or slaughter.[80] This difference should ensure that the milk production termination program will have a more permanent effect on milk production than that of the diversion program. Funding for both the diversion program and the termination program come from assessments paid by dairy producers.[81] These assessments are paid by the producers via price reductions

74. Food Security Act, *supra* note 5, at § 101, 99 Stat. at 1362 (to be codified at 7 U.S.C. § 1446); Dairy Production Stabilization Act, *supra* note 73, at § 102, 97 Stat. at 1128-29 (codified at 7 U.S.C. § 1446).

75. *Id.*

76. Food Security Act, *supra* note 5, at § 101, 99 Stat. at 1363-66 (to be codified at 7 U.S.C. § 1446); Dairy Production Stabilization Act, *supra* note 73, at § 102, 97 Stat. at 1129-35 (codified at 7 U.S.C. § 1446).

77. Dairy Production Stabilization Act, *supra* note 73, at § 102, 97 Stat. at 1129-35 (codified at 7 U.S.C. § 1446).

78. Food Security Act, *supra* note 5, at § 101, 99 Stat. at 1363-66 (to be codified at 7 U.S.C. § 1446).

79. Dairy Production Stabilization Act, *supra* note 73, at § 102, 97 Stat. at 1130 (codified at 7 U.S.C. § 1446).

80. Food Security Act, *supra* note 5, at § 101, 99 Stat. at 1364 (to be codified at 7 U.S.C. § 1446).

81. Food Security Act, *supra* note 5, at § 101, 99 Stat. at 1363 (to be codified at 7 U.S.C. § 1446); Dairy Production Stabilization Act, *supra* note 73, at § 102, 97 Stat. at 1129 (codified at 7 U.S.C. § 1446).

for commercially marketed milk.[82]

A final similarity between both dairy programs can be seen in their approach to dairy promotion and market expansion. Both programs create entities whose main function is to come up with new ways to promote the dairy industry and expand its markets.[83] The Dairy Production Stabilization Act provides for the establishment of a National Dairy Promotion and Research Board,[84] whereas the new dairy program authorizes the establishment of the National Research Endowment Institute.[85] Both of these entities are administered by a board whose members are representative of the different milk producing regions in the country.[86] The main responsibility of both entities is to promote research in areas which will aid the dairy industry.[87]

ARGUMENTS CONCERNING THE MAJOR PROVISIONS OF THE NEW DAIRY PROGRAM

H.R. 2100, the Food Security Act of 1985, was initiated in the House of Representatives where it received much attention and was hotly debated. A great deal of the attention and discussion were focused upon the composition of H.R. 2100's dairy program. The most heated debates occurred over the consideration of whether to adopt the committee proposal or the Olin-Michel amendment. The committee proposal basically relied upon a diversion program to reduce overproduction,[88] whereas the Olin-Michel amendment placed its faith in the reduction of price supports.[89] The main provisions of the new dairy program are basically a composite of both the committee proposal and the Olin-Michel amendment. As a result, it would seem that by considering the original reasons given for supporting one or the other alternative it would be possible to point out the strengths and weaknesses of the current dairy program. Proponents of the Olin-Michel amendment claimed that a reduction in price supports would cause a reduction in dairy production.[90] These proponents pointed out that price support reductions have been historically successful in correcting imbalances in milk production.[91] Olin-Michel supporters felt that a reduction in price supports would bring the dairy industry more in line with the law of supply and demand.[92] They felt that a continuation of the

82. *Id.*

83. Food Security Act, *supra* note 5, at § 121, 99 Stat. at 1368 (to be codified at 7 U.S.C. § 4532); Dairy Production Stabilization Act, *supra* note 73, at §§ 112-122, 97 Stat. at 1136-43 (codified at 7 U.S.C. §§ 4501-1413).

84. Dairy Production Stabilization Act, *supra* note 73, at § 113, 97 Stat. at 1137-38 (codified at 7 U.S.C. § 4504).

85. Food Security Act, *supra* note 5, at § 121, 99 Stat. at 1367 (to be codified at 7 U.S.C. § 4531).

86. Food Security Act, *supra* note 5, at § 121, 99 Stat. at 1368 (to be codified at 7 U.S.C. § 4532); Dairy Production Stabilization Act, *supra* note 73, at § 113, 97 Stat. at 1137-38 (codified at 7 U.S.C. § 4504).

87. *Id.*

88. 131 CONG. REC. H7830-36 (daily ed. Sept. 26, 1985) (committee proposal).

89. 131 CONG. REC. H7837-38 (daily ed. Sept. 26, 1985) (statement of Rep. Olin).

90. 131 CONG. REC. H7838 (daily ed. Sept. 26, 1985) (statement of Rep. Olin).

91. *Id.*

92. 131 CONG. REC. H7841 (daily ed. Sept. 26, 1985) (statement of Rep. Michel).

current price support levels would encourage dairy producers to produce despite the lack of a market for their products.[93] The Olin-Michel advocates claimed that this process was responsible for the current overproduction problem which in turn was the cause of excessive government purchasing of dairy products.[94] Proponents of the committee proposal claimed that the Olin-Michel amendment was an overly harsh remedy which would not achieve its stated goal. Committee advocates pointed out that any reduction in dairy production achieved under Olin-Michel would occur as the result of forcing dairy producers out of business.[95] The committee advocates felt that a better alternative would be a producer funded buyout program.[96] This program would allow dairy producers to get out financially intact instead of being forced out by bankruptcy.[97] Committee proponents stated that under their alternative the number of dairy producers bought out would be only a fourth of those producers which would have to be forced out under Olin-Michel.[98] The committee proponents reasoned that one voluntary buyout eliminates a whole herd by permanently taking it out of production, whereas under bankruptcy it takes four farms to achieve the same effect because, their cattle go to auction and eventually end up in another farmer's herd.[99] Committee advocates felt that despite the harshness of the Olin-Michel amendment it would not accomplish a reduction in dairy production. Committee supporters cited to instances where price supports were lowered and dairy production increased.[100] The committee proponents explained that this reaction was a logical one considering the nature of the dairy industry.[101] Dairy producers have fixed costs that go with production, if the support price goes down the only way to meet these costs is to produce more dairy products.[102]

Opinions voiced in the House debate concerning the viability of the Olin-Michel amendment or the committee proposal tended to support one alternative to the exclusion of the other. It is ironic that the final version of the new dairy bill contains major excerpts from both alternatives. Perhaps this uneasy compromise was to be expected when taking into consideration the adamancy of the proponents of the alternative proposal. In any case, the success or failure of the new dairy program will tend to show whether these provisions are compatible or inapposite.

CONCLUSION

On its face, it appears the "new" dairy program is simply another rewrite using the same old concepts. The major exception is the idea of a whole herd

93. 131 CONG. REC. H7851 (daily ed. Sept. 26, 1985) (statement of Rep. Frank).
94. *Id.*
95. 131 CONG. REC. H7842 (daily ed. Sept. 26, 1985) (statement of Rep. Jeffords).
96. *Id.*
97. *Id.*
98. *Id.*
99. *Id.*
100. 131 CONG. REC. H7843 (daily ed. Sept. 26, 1985) (statement of Rep. Regula).
101. *Id.*
102. *Id.*

buyout. Although a diversion program was tried in 1983 with at least some success, the concept of a whole herd buyout seems to be more meritorious. While the diversion program only resulted in a temporary partial reduction in dairy production, the termination program insures that dairy cattle are taken out of production permanently. It seems only fair that dairy producers be given a chance to get out of the business by choice rather than by foreclosure. Through the use of producer funded buyouts the entire dairy industry bears part of the cost for overproduction.

Success of the milk production termination program depends upon producer participation. If enough producers do not participate the program will obviously not have its anticipated effect upon dairy production. If this happens, the end result will be a further drop in price supports which will force many producers out of business. Marginal dairy producers will hopefully see the handwriting on the wall and get out of the business by choice. It is clear that the government can no longer afford to artificially stimulate production of dairy products for which there is no use. Dairy producers must be prepared to participate in the buyout program or survive on lower support prices.

The major premises of the new dairy program appear to be logically sound, although one aspect concerning the administration of the program is troubling. A close look should be given to the extreme amount of discretion that the Secretary of Agriculture has over the new program. For example, the Secretary may at his discretion: establish further diversion or buyout programs; establish the National Dairy Research Program including a National Dairy Research Endowment Institute and a Dairy Research Trust Fund of a hundred million dollars; terminate at will the aforementioned Dairy Research Program; transfer one million dollars to the National Commission of Dairy Policy; and may make rules and regulations governing the Dairy Export Incentive Program as he deems necessary. Broad discretionary powers are not always bad, in fact, in the hands of the proper person such powers allow for valuable flexibility. As always, however, broad discretion presents the potential for abuse. If nothing else, this discretion places the Secretary in a delicate situation. The Secretary is appointed by the President and thus feels loyalty to the administration. What happens when the policies of the administration conflict with the policies embodied in the dairy program? The Secretary may be forced to choose between pleasing the administration and furthering the goals of the program. Even if such a conflict never arises, the fact remains that many major decisions are being made by one person. Wouldn't it be better to have other people involved in the decision making process so that differing views would be represented?

Taken as a whole, the new dairy program seems to provide some possible solutions to difficult problems. The program is the result of many hours of hard work and debate. The compromise reached by Congress will hopefully be a solution to the dairy industries overproduction problem. Somehow this industry must eventually adopt a system of regulation which is more closely keyed to the concept of supply and demand. Perhaps the new dairy bill will serve to get the industry pointed in the right direction. In the end, only time will tell what effect the new dairy bill will actually have on the continuing difficulties faced by the dairy industry.

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