To Guarantee or to Protect? Fifty Years of Dairy Subsidies

INTRODUCTION

American dairy producers are an integral part of the national farm economy. They efficiently produce a steady, sanitary supply of milk. Yet, many question whether dairymen should receive the majority of their income from the public trough. This comment analyzes whether the liberal dairy policies of the 1980's were a political aberration in an otherwise sound program or an outdated tool of the Great Depression. A review of the dairy provisions of the 1938 Farm Act and the 1949 Farm Act, as well as various proposals presented prior to the 1985 Farm Bill, will demonstrate that the answer lies somewhere in between. When based on public policy, dairy programs make sense. When based on politics, dairy programs are wasteful.

I. HISTORY OF COMMODITY PRICE SUPPORTS

A. *Legislative History*

Federal price support legislation resulted from the economic devastation experienced by depression-era farmers. In 1932, farm prices were at sixty-year lows. Farm foreclosures, tax sales, and bankruptcies were common.[1] Consequently, Congress passed the Agricultural Adjustment Act of 1933[2] to restore farmers' purchasing power and income to levels prevailing between the prosperous years of 1909 and 1914.[3] However, in 1936, the Act was declared an unconstitutional encroachment on the reserved powers of the states by the United States Supreme Court.[4] Congress responded by enacting the constitutionally acceptable Agricultural Adjustment Act of 1938[5] (1938 Act).

The 1938 Act is considered to be the model for farm price support

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[1] Comment, *Federal Price Support Payment Programs*, 31 S.D.L. REV. 363 (1985).

[2] Agricultural Adjustment Act of 1933, Pub. L. No. 73-10, 48 Stat. 31 (1933).

[3] M. BENEDICT, FARM POLICIES OF THE UNITED STATES, 1790-1950, 115 (1975).

[4] *See* United States v. Butler, 297 U.S. 1 (1936).

[5] Agricultural Adjustment Act of 1938, Pub. L. No. 75-430, 52 Stat. 31 (1938) (hereinafter 1938 Act).

legislation because it is the first comprehensive government involvement in agriculture.[6] The key to the Act was the concept of parity. Parity refers to the relationship between prices paid by farmers and prices received by farmers, in comparison with prices paid and received in a given base period.[7] The government supported commodity prices by purchasing and storing commodities at predetermined prices, thus affecting market price through supply and demand mechanisms.

By providing farmers with non-recourse loans at flexible rates and direct payments at or near parity prices,[8] Congress sought to provide farmers with higher incomes. However, these programs did not provide the amount of returns which would prompt farmers to increase production. Nor did the programs entice new farmers. Thus, the 1938 Act actually decreased farm production.[9] When World War Two began, national policy changed from increasing farm income to increasing farm production.[10] Consequently, Congress expanded farm output by increasing price supports.[11] Farmers were willing to take risks with their capital, as well as work longer and harder, because the government was guaranteeing higher incomes. This increase in the support level was intended to encourage production temporarily and then the support level was to fall back to 1938 levels.

B. *The Agricultural Act of 1949*

After the war, support levels were not reduced by Congress, but were increased. Congress' policy was to induce farmers to produce more in response to the higher support prices. However, surpluses began to grow as farmers produced more. Consequently, Congress enacted the dairy provisions of the Agricultural Act of 1949[12] (1949 Act) to control dairy surpluses.

The 1949 Act was the first statute to institute permanent federal price supports and distinguished basic from non-basic agricultural commodities.[13] Because basic commodities received better price supports

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[6] Harkin and Harkin, *Roosevelt to Reagan, Commodity Programs and Agriculture and Food Act of 1981*, 31 DRAKE L. REV. 499, 501 (1982).

[7] J. JUERGENSMEYER AND J. WADLEY, AGRICULTURAL LAW, at 252 (1982).

[8] 1938 Act, *supra* note 5, § 302 at 43.

[9] Comment, *supra* note 1, at 364.

[10] *Id.*

[11] Act of May 26, 1941, Pub. L. No. 77-74, 55 Stat. 201 (1941).

[12] Agricultural Act of 1949, Pub. L. No. 81-439, 63 Stat. 1051 (1949).

[13] *Id.* at §§ 101, 201, 63 Stat. 1052-1053. In 1949, basic commodities included corn, cotton, wheat, tobacco, peanuts and rice. All other commodities were considered non-basic, with the exception of milk which was considered neither. The commodities cur-

than non-basic commodities, members of Congress jockeyed to have constituent crops defined as basic rather than non-basic. Legislators from dairy states were successful in having milk products classified as a separate commodity, thus ensuring a unique support program.[14] Accordingly, the definition of a basic, non-basic, or unique commodity became a political decision, rather than a policy decision.[15] The long journey towards an irrational farm policy had begun.

Additionally, the 1949 Act established a different method for calculating parity.[16] While basic commodities had fixed price supports, milk, a perishable commodity, was established on flexible price supports set by the Commodity Credit Corporation (CCC). The CCC was established by the federal government in 1948, and is controlled by the United States Department of Agriculture. Its purpose is to eliminate wild fluctuations in the price of commodities and to stabilize farm prices through farm loans, commodity purchases and payments. Specifically, excess dairy products are purchased and stored by the CCC. In the event of a shortage, the CCC can sell the surplus.

Although the CCC held broad authority over prices in 1949, the Secretary of Agriculture was granted the power to overrule any CCC decisions regarding milk supports, as long as eight factors were considered:

> 1. The supply of the commodity in relation to the demand;
> 2. The price levels at which other commodities are being supported;
> 3. The availability of funds;
> 4. The perishability of the commodity;
> 5. The importance of the commodity to agriculture and the national economy;
> 6. The ability to dispose of stocks acquired through a price support operation;
> 7. The need to offset temporary losses of export markets; and
> 8. The ability and willingness of producers to keep supplies in line with demand.[17]

The Secretary was also authorized to raise and lower support levels as

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rently supported by federal statutes include wheat, corn, peanuts, rice, upland and extra long staple cotton, tobacco, honey, wool and mohair, rye, barley, sorghum, flax, soybeans, gum naval stores (resin), sugarbeets, sugar cane and milk and its products.

[14] *Id.*, 63 Stat. at 1053.

[15] HARKIN AND HARKIN, *supra* note 6, at 502.

[16] ECON. STAT. & COOP. SERV., U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL INFORMATION BULLETIN NO. 424, PRICE SUPPORT AND ADJUSTMENT PROGRAMS FROM 1933 THROUGH 1978, at 17 (1979). The most recent ten year period was now to be used in calculating the parity index, rather than the 1909-1914 base period.

[17] JUERGENSMEYER AND WADLEY, *supra* note 7, at 270-271.

necessary to maintain market equilibrium.[18]

Throughout the 1950's, few changes were made to the 1949 Act.[19] However, by the 1960's, dairy surpluses began to mount. A voluntary program to curtail overproduction was authorized by the Food and Agricultural Act of 1965.[20] Dairy provisions in the Agricultural Act of 1970[21] continued to combat overproduction, effectively lowering surpluses by 1973.[22] The focus of farm legislation[23] in 1973 shifted from overproduction and low farm income to shortages, inflation, instability in farm prices and the need to use agricultural exports as offsetting payments for imported oil.[24] The Food and Agricultural Act of 1977[25] sought to increase farm income which had been eroded by inflation and high oil prices. Congress, fearful of projected milk shortages, increased the support level. However, increases in the support price, along with low feed costs, reduced beef prices, and depressed markets for other commodities encouraged many dairy farmers to increase production, and some farmers, outside of dairying, to purchase dairy herds.[26]

II. Dairy Price Supports in the 1980's

Since the Agricultural Act of 1949, Congress has been marginally successful in stabilizing and strengthening the dairy industry through price support legislation. While the policy of maintaining sanitary, steady and inexpensive milk was sound, policy execution failed because of politics. With vast amounts of money available for spending, Congressmen failed to conduct themselves with restraint. Consequently, constituent representation prevailed over a rational farm policy.

For instance, as the 1981 Farm Bill was being debated, the previous

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[18] 1 Agricultural Law 40 (J. Davidson, ed. 1981).

[19] The Agricultural Trade Development and Assistance Act of 1954, Pub. L. No. 83-480, 68 Stat. 454 (1954), was passed in an effort to assist in the distribution of excess commodities overseas.

[20] Food and Agriculture Act of 1965, Pub. L. No. 89-321, 75 Stat. 1187, 1191-1192 (1965).

[21] Agricultural Act of 1970, Pub. L. No. 91-524, 84 Stat. 1358 (1970).

[22] S. Rep. No. 163, 98th Cong., 1st Sess., *reprinted in* U.S. Code Cong. & Admin. News 1658, 1671 (hereinafter S. Rep. No. 163). In 1970-1971, net government dairy product removals were 7.1 billion pounds, at a cost of $383.5 million. By 1973-1974, net government removals were .7 billion pounds, at a cost of only $77 million.

[23] Agricultural and Consumer Protection Act of 1973, Pub. L. No. 93-86, 87 Stat. 221 (1973).

[24] Harkin and Harkin, *supra* note 6, at 506-507.

[25] Food and Agricultural Act of 1977, Pub. L. No. 95-113, 91 Stat. 913 (1977).

[26] S. Rep. No. 163, *supra* note 21, at 1671.

farm bill expired. Accordingly, the Department of Agriculture was prepared to utilize the 1949 Act as its basis for determining support levels until a new farm bill was passed.[27] Although a bill was introduced in Congress to stop the implementation of the 1949 provisions, Congressmen from several dairy states banded together in an effort to defeat the bill.[28] Though the dairy representatives were unsuccessful, their actions showed that dairy price supports were no longer based on protecting dairymen's income, but instead were based on which Congressmen could elicit the highest amount of money from the agricultural budget for his or her dairy constituents.

Additionally, dairy interests are well protected and influenced by a formidable dairy lobby. For example, a proposed amendment to the 1981 Farm Bill that would have pared support costs by $360 million was soundly defeated. A study of the vote showed that the 243 members voting against the amendment received an average of $4,000 from dairy Political Action Committees in the two preceding elections; members voting for the amendment received an average of $700.[29]

A. *Agriculture and Food Act of 1981*[30]

The 1981 Farm Bill was an example of farm legislation that protected the monetary interests of dairy producers, without regard to market conditions.[31] Passed at a time of low feed costs and beef prices, milk production without high supports was profitable. As a result of market conditions and the dairy provisions in the 1981 Farm Bill, dairymen who would normally have left dairying chose to remain in production, causing surpluses to mount.

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[27] Congress had approximately 30 days of debate and hearings before a new farm bill would be passed. The use of dairy provisions to support dairy products under the 1949 Act would have cost the federal government an additonal $1 million daily, or $30 million cumulatively.

[28] R. Shepard, Washington News, propriety of United Press International (September 30, 1981) (LEXIS, Nexis Library, Omni File).

[29] J. Donahue, *The Political Economy of Milk; Dairy Price Supports*, 252 THE ATLANTIC MONTHLY CO., INFORMATION ACCESS CO., at 59, (October 1983) (LEXIS, Nexis Library, Omni File).

[30] Agriculture and Food Act of 1981, Pub. L. No. 97-98, 95 Stat. 1213 (1981).

[31] Comment, *supra* note 1, at 369.

B. 1982 Dairy Assessment Program[32]

High surpluses continued to mount in 1982. To reduce these surpluses, the Reagan Administration obtained a landmark change in federal policy that authorized direct payments to dairymen for producing less milk.[33] Instead of reducing price supports to decrease supply, the government paid dairymen to reduce production. Dairymen who had been paid by the government for overproduction were now paid to stop production. However, dairy producers were disturbed that they were partially financing the diversion program. By January, 1983, several farmers had successfully petitioned the courts to enjoin collection of their assessment fees.[34] Their success substantially reduced the total assessments collected by the government. Thus, Congress was forced to abandon the 1982 Act and seek new alternatives to the overproduction problem.

C. 1983 Temporary Diversion Program[35]

In 1983, Congress adopted a three prong solution to eliminate overproduction. First, the minimum support level was lowered, providing for two further reductions in 1985 if certain conditions were met.[36] Second, for fifteen months, dairymen who reduced production could receive a payment for their reductions.[37] Finally, a National Dairy Board was created to promote milk consumption.[38]

The 1983 temporary diversion program did result in a drop in production, even though the major dairy producing regions of the Pacific, Northeast, and Great Lake States had sparingly participated in the diversion program.[39] As a result of the program, shortages occurred in

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[32] Omnibus Budget Reconciliation Act of 1982, Pub. L. No. 97-253, 96 Stat. 763 (1982) (hereinafter 1982 Act).

[33] *Id.* at 763-766.

[34] State of South Carolina *ex rel.* Patrick v. Block, 558 F. Supp. 1004 (1983). The farmers sued on the basis that the Department of Agriculture had failed to comply with the federal rulemaking requirements in issuing regulations to carry out the program.

[35] Dairy and Tobacco Adjustment Act of 1983, Pub. L. No. 98-180, 97 Stat. 1128 (1983) (hereinafter 1983 Act).

[36] *Id.* at 1128-1129.

[37] *Id.* at 1130-1131.

[38] *Id.* at 1136-1137.

[39] S. REP. NO. 145, 99th Congress, 1st Sess., *reprinted in* U.S. CODE CONG. & ADMIN. NEWS 1660, 1805. For example, diversions in Florida ran 15%; Georgia, 10.8%; Alabama, 11%; Missouri, 10.1%; and Kansas, 11.2%. In comparison, diversions in Wisconsin ran 3.4% of 1983 production; California, 4.8%; Minnesota, 5.7%; and New York, 2.5%.

those regions with the highest participation, forcing dairy suppliers to buy milk from the non-participating regions, often at premium prices.

Additionally, proponents recognized that while the diversion program was a simple method to control milk production, it was easily abused. For example, 1983 participants replaced low producing cows with genetically superior, higher producing cows.[40] While the program helped bring production down in the short term, the high producing cows began to produce more milk than the replaced cows. In the meantime, dairymen were paid for reduced production during the transition. From 1983 to 1984, the number of cows declined by 258,000 as low producers were being culled.[41] However, by July 1985, there were 269,000 more cows than six months earlier, and only slightly less than the record number of cows before the diversion program began.[42]

D. *Proposals to Correct Dairy Program Deficiencies*

Congress tried to combat long-term overproduction with various legislative adjustments to the 1981 Act, but the problems persisted. Costs of support programs continued to be astronomical. For example, dairy program costs rose 1000 percent from 1979 to 1983.[43] Dairy surpluses grew from approximately 3 billion pounds in 1979 to almost 18 billion pounds in 1983, a 600 percent increase over four years.[44]

Congress had generally retained a large role in setting the level of price supports. But, because sound decisions required analysis of detailed economic information, Congress realized that the legislative process had not been successful in making short-term adjustments in the support level. As a result, in 1985, Congress was willing to examine radical approaches to dairy overproduction. One approach was to induce farmers to produce less milk than would have been produced in

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[40] *Id.* at 1805. The average number of replacement heifers per 100 cows on January 1, 1985, was 44.0 compared to 40.8 a year earlier. The January inventory was a record number of milk replacement heifers and a clear indication that farmers were planning to expand herds when the diversion program ended. The ratio of replacement heifers to milk cows is generally placed at about 35 replacements for each 100 milk cows in the herd.

[41] *Id.* at 1805.

[42] *Id.*

[43] THE NATIONAL COMMISSION OF DAIRY POLICY FOR THE SUBCOMMITTEE ON LIVESTOCK, DAIRY, AND POULTRY OF THE COMMITTEE ON AGRICULTURE, 100TH CONG., 2ND SESS., MILK PRICE SUPPORT PROGRAM AND OTHER POLICIES AFFECTING THE U.S. DAIRY INDUSTRY, at 208 (Aug. 1988).

[44] *Id.* at 209.

response to market prices.[45] Another approach was to control supply by creating incentives at the source, to reduce cows and milking facilities.[46] Finally, abandonment of the parity concept and formulation of a new standard for pricing milk was considered.[47]

E. *Food Security Act of 1985*[48]

When the Agriculture and Food Act of 1981 expired, the United States was recovering from a major recession. Farm debt and farm foreclosures increased dramatically. An inordinately strong dollar and high loan rates had priced American dairy exports out of the world market.[49] Congress was concerned that overproduction experienced in the early 1980's would recur.

Consequently, Congress enacted the Food Security Act of 1985. The 1985 Act sought to respond to new technologies in the dairy industry, prevent further overproduction and preserve small and medium-sized dairies.[50]

Two supply management programs were established. First, dairy price support prices were reduced ten percent over a four year period.[51] Second, an eighteen month milk production termination program was established. Under this program, qualifying dairymen sold their herds to the government and agreed to remain out of dairy farming for three to five years.[52]

The benefits of the new policy were realized quickly. Milk production declined and milk promotion efforts boosted consumption. As a result, CCC milk purchases decreased 50 percent in two years. By 1989, dairy costs had fallen under the billion dollar mark to approximately

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[45] *See generally Review of Existing and Alternative Federal Dairy Programs*, Economic Research Service, U.S. Department of Agriculture, Staff Report No. AGES-840121, at 66 (1984).

[46] *Id.*

[47] Although not a new concept, abandonment of dairy price supports is invariably considered whenever a new farm bill is being debated.

[48] Food Security Act of 1985, Pub. L. No. 99-198, 99 Stat. 1354 (1985) (hereinafter 1985 Act).

[49] *Preparation for the 1990 Farm Bill: Hearing before the Committee on Agriculture, Nutrition, and Forestry*, 101st Cong., 1st Sess. 101-259 (April 19, 1989) (statement of Clayton Yeutter, Secretary of Agriculture) (hereinafter Statement of Clayton Yeutter).

[50] 1985 Act, *supra* note 48, at 1374.

[51] 1985 Act, *supra* note 48, at 1362.

[52] 1985 Act, *supra* note 48, at 1364.

$679 million.[53]

Although beef prices declined due to the slaughter or exportation of 1.3 million cows,[54] by September 1987, beef prices were at their highest levels since 1980.[55] Finally, a solution to the overproduction problem seemed at hand. Unfortunately, while supply and demand reached an equilibrium in the short term, long term milk production was not affected.[56] Many producers who did not participate in the program actually increased production. For example, in California, 1987 milk production was 11 percent higher than the previous year.[57] Further, many non-producing cows were placed in the termination program. For instance, an Iowa farmer kept a 15 year old cow as a pet. When the program was implemented, the government offered to pay $1,740 for this animal to be slaughtered, even though her milk producing days were over.[58] By the end of the termination program, government purchases and costs were down, but the yield per cow increased. Unfortunately, the fundamental overproduction problem had not been solved.

III. Food, Agriculture, Conservation, and Trade Act of 1990[59]

As Congress began debate on the 1990 Farm Bill, supply and demand were balanced, due to declines in milk support prices, supply management programs and increased consumption.[60] Nonetheless, the

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[53] 1989-1990 Dairy Price Support Program, United States Department of Agriculture, Agricultural Stabilization and Conservation Service, Commodity Fact Sheet at 2 (May 1990) (hereinafter Commondity Fact Sheet).

[54] *The Outlook for Farm Commodity Program Spending, Congress of the United States, Congressional Budget Office*, at 8, (June 1988).

[55] *Effectiveness of the Dairy Termination Program and the Dairy Section of the Food Security Act of 1985, Hearings before the Subcommittee on Livestock, Dairy, and Poultry of the Committee on Agriculture*, 100th Congress, 1st Sess., at 224, (October 3, 1987 and November 2, 1987).

[56] Subcommittee on Livestock, Dairy, and Poultry of the Committee on Agriculture, 101st Cong., 1st Sess., Report and Recommendations of the National Commission on Dairy Policy, at 48 (April 1989).

[57] *Id.* at 48. Similarly, in Wisconsin, 1,681 milk producers with 785 million pounds of production participated in the program. October 1987 levels in Wisconsin were 5 percent above the previous year.

[58] *Mama and Dada at the Agriculture Department*, 197 The New Republic, at 10 (September 14, 1987).

[59] Food, Agriculture, Conservation, and Trade Act of 1990, 136 Cong. Rec. H. 11034-11037 (October 22, 1990), (to be codified as Pub. L. No. 101-624, ____ Stat. ____), (hereinafter 1990 Act).

[60] J. Westwater, *Farm Bill Dairy Section May Be Budget Sensitive*, The Agricul-

authors of the 1990 Farm Bill encountered political resistance to continued supply and demand balance. Some large dairy cooperatives, the National Farmers Union and the National Farmers Organization sought continued protection through price supports and supply management.[61] Other dairy cooperatives, the Bush Administration and several dairy processors advocated a price policy[62] which relied more on the free market. The National Milk Producers Federation proposed a third policy that would change the support price formula and would implement a supply management program if production became excessive.[63]

However, Congress realized federal dairy policies were now dictated by the federal budget deficit. Even though dairy spending had fallen 66 percent from 1985 to 1989,[64] it was still 250 percent greater than amounts spent during the 1970's.

The 1990 Farm Bill seeks to reduce farm spending by $13 billion between 1991 and 1995, and to maintain farm income growth through expanding exports. The 1990 Farm Bill permits a wide fluctuation in support prices, depending upon the level of government purchases. For example, the Secretary of Agriculture is authorized to raise the support price at least 25 cents if purchases for the following year are projected to be less than 3.5 billion pounds and can lower the price 25 to 50 cents if purchases are projected to exceed 5 billion pounds.[65] If the level of purchases are estimated to be within 3.5 to 5 billion pounds, the support price remains unchanged.[66] However, the support price cannot fall below $10.10 per hundredweight.[67]

Further, no supply management controls are in place. Although the original Senate and House farm bills provided for a supply management program, the inability of the various dairy groups to agree on a specific program forced Congress to seek new alternatives. Dairymen must now pay an assessment whenever government purchases exceed 7 billion pounds.[68] In addition, dairymen must pay another fixed assess-

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TURAL LAW LETTER, at 6 (July-August 1990).

[61] Webster, *Price Supports or Supply Management? The 1990 Farm Bill Will Likely Include Measures to Curb Milk Production: Farm Bill 1990*, INFORMATION ACCESS COMPANY 20, 22 Co. (Jan. 1990).

[62] *Id.*

[63] *Id.*

[64] COMMODITY FACT SHEET, *supra* note 53, at 2.

[65] 1990 Act, *supra* note 59, §101 at 11,029.

[66] *Id.* at 11,035.

[67] *Id.*

[68] *Id.*

ment of 5 cents per hundredweight in 1991, and 11 cents from 1992 to 1995. The latter assessment is designed to make the dairy program self sufficient, while the former assessment is designed to force dairymen to pay their share of overproduction costs.

CONCLUSION

The 1990 Farm Bill is not an extension of the 1985 Farm Bill, for dairymen will not be receiving support prices equivalent to rural welfare. Congress has finally realized that the buy now, pay later mentality of the 1980's cannot be maintained. Instead, the goals of the 1949 Act are again coming to the fore.

The 1949 objectives supported milk prices at levels that ensured adequate supplies, adjusted prices to changes in the cost of production and ensured productive capacity to meet future needs.[69] Provisions in the 1990 Farm Bill reflect this new attitude by providing a fair return to dairymen. However, if surpluses and costs become burdensome, dairymen shoulder the financial burden, not the government.

Though difficulties were experienced in the previous decade, price supports are a justifiable public policy. If low prices were to force large numbers of dairy farms out of business, a serious disruption in the supply of milk would occur. Dairy production requires considerable capital, which prevents easy start-ups. Further, start-up dairies do not realize an immediate return on investment. Unlike crops that are harvested once or twice a year, dairy cows do not produce milk for the first two years of their lives. Additionally, physical plants are expensive and require gruelling hours of labor by owners and employees alike.

The new farm bill seeks to address two issues representative of the 1990's. First, battles between urban representatives and farm subsidy proponents are becoming more frequent. The public wants a reduced and responsible dairy support program that contributes its share towards reducing the budget deficit. However, as long as dairy cooperatives and lobbyists continue to wield power in Washington, D.C., the dairy industry's contribution towards alleviating the deficit will not get any larger. Dairymen expect a government safety net protecting their income. Though dairymen despise their reliance on the federal government, if their livelihood is threatened, they will fight bitterly for their subsidies.

Another issue addressed by the 1990 Farm Bill is the role of dairy

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[69] *Dairy: Background for the 1985 Farm Legislation*, AG. INFO. BULL. NO. 474, 14 (1984).

subsidies in the world market. The 1990 Farm Bill was enacted while the General Agreement on Tariffs and Trade (GATT) was being debated. Subsequent GATT agreements could have a profound effect on the dairy section of the 1990 Farm Bill. The Secretary of Agriculture, before a Congressional hearing, conceded that any future GATT treaties would likely force at least one more farm bill debate before 1995.[70] If subsidies are largely removed through a GATT agreement, the dairy industry would be forced to change. American dairies could no longer rely on government assistance to protect their incomes. Instead, dairymen would have to focus on international markets, as well as domestic.

Unfortunately, many dairies, unable to compete in a global market, will likely fold. The federal government does not generally prop up failing businesses and should not save all failing dairies. Rather, Congress should learn from its mistakes in the 1980's, remain true to the original goals of the 1949 Act and protect, but never guarantee dairymen's income.

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[70] Statement of Clayton Yeutter, *supra* note 49, at 73.