

105TH CONGRESS
1ST SESSION

S. RES. 52

Expressing the sense of the Senate regarding the need to address immediately the current milk crisis.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 1997

Mr. SPECTER (for himself, Mr. SANTORUM, Mr. FEINGOLD, Mr. KOHL, Mr. JEFFORDS, and Mr. LEAHY) submitted the following resolution; which was ordered to lie over, under the rule

RESOLUTION

Expressing the sense of the Senate regarding the need to address immediately the current milk crisis.

Whereas during the last few months farm milk prices have experienced substantial volatility, dropping precipitously from \$15.37 per hundredweight in September 1996 to \$11.34 per hundredweight in December 1996 while simultaneously there have been record high costs for cattle feed;

Whereas there is a strong sense of financial crisis in the dairy industry;

Whereas many dairy farmers have looked to the Federal Government for relief because minimum milk prices under the Milk Marketing Orders are established by the Department of Agriculture;

Whereas the price of cheese at the National Cheese Exchange in Green Bay, Wisconsin, influences milk prices paid to farmers because of its use in the Department of Agriculture's Basic Formula Price under Federal Milk Marketing Orders;

Whereas less than 1 percent of the cheese produced in the United States is sold on the National Cheese Exchange and the Exchange acts as a reference price for as much as 95 percent of the commercial bulk cheese sales in the Nation;

Whereas there has been some concern among dairy producers that the prices at the National Cheese Exchange may have been manipulated downward, benefiting processors at the expense of dairy farmers; and

Whereas it is in the national interest to ensure that market prices for milk, cheese, and other dairy products are determined by a fair and competitive marketplace: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate of the
 2 United States that the Secretary of Agriculture should act
 3 immediately pursuant to his legal authority to modify the
 4 Basic Formula Price for dairy by replacing the National
 5 Cheese Exchange as a factor to be considered in setting
 6 the Basic Formula Price and to establish in its place an
 7 equivalent pricing mechanism more reflective of the actual
 8 market conditions for cheese and other dairy products na-
 9 tionally.

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