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April 2, 1976

Q. Why did the USDA lower the retail price at which it sells government holdings of non-fat dry milk?

A. USDA reduced the resale rate for non-fat dry milk because we have accumulated substantial government holdings of the product. The new resale rate will permit the government to move some of the stocks into trade and rotate it's holdings to keep them in condition. The government stocks weren't moving at the higher resale figure.

IMPORT QUOTAS ON DRIED MILK MIXTURES

Q. What can be done to stop evasion of import quotas on nonfat dry milk?

A. Nonfat dry milk, dried whole milk and other dried milks are currently subject to strict import quota limitations pursuant to Section 22 of the Agricultural Adjustment Act. The problem is with evasion of these quotas by mixing the dried milks with other ingredients. Dried milk is not classified as a dairy product if it is mixed with another ingredient which is the chief component of value in the mixture.

On March 26, I signed a proclamation that closes this loop hole. The proclamation establishes a zero import quota on such mixtures if they are capable of being processed further.

Also, I have directed the United States International Trade Commission to investigate the problem and submit recommendations. The proclamation will remain in effect until I take final action on the recommendations.

3/29/76 (new)

November 13, 1974

SUBJECT:

MILK ANNOUNCEMENT

For Your Information

Class One hearings on fluid milk were held by the Department of Agriculture on October 8 to hear public comments on the need to change the parity level and increase the floor price of milk.

Following those hearings, the U.S. Department of Agriculture is currently reviewing those comments and will decide in the near future whether there should be any change in the parity levels or the floor price of milk.

How soon do you expect an announcement?

GUIDANCE: It is my understanding that there will be some decision made and announced in the next week or so.

JGC