

November 21, 2002

Editor, The Hartford Courant
285 Broad Street
Hartford, Connecticut 06115

To the Editor:

I was pleased to see Christopher Zurcher's article titled, "Stores Overprice Milk; Farmers Struggle, Study Says" in the November 21st issue of your paper. The University of Connecticut study that I led does show that price gouging is a serious issue for consumers and farmers in the New England milk market today. Mr. Zurcher's article accurately portrays the problem and our study with one exception. He quotes Grace Nome, president of the Connecticut Food Association, who claims the report didn't take into account rent, labor, and transportation costs. This is not correct.

Our study openly considers the cost the processors and retailers are incurring in the marketing channel. Price Rite limited assortment stores in Connecticut are now selling milk at \$1.99 a gallon. This is more than a dollar below the average chain supermarket price in Connecticut of \$3.05 per gallon. Does it cost \$1.06 a gallon to add the retail frills to leading chain stores in Connecticut?

Also, the Massachusetts Department of Agriculture estimates that the cost of delivering milk to the check out counter in Massachusetts supermarkets ranges from \$1.74 a gallon to \$2.02 a gallon. These estimates were for supermarkets.

Today as I write, you can buy 1% milk in Big Y supermarkets for \$1.78 a gallon, and you can buy Guida 2% milk in Big Y supermarkets for \$1.98 a gallon. Big Y has cut its prices from over \$3.00 a gallon since this issue hit the press. Other supermarkets should follow Big Y and Guida's lead.

Sincerely,

Ronald W. Cotterill, Director
Food Marketing Policy Center

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