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Losing Farms, Gaining Pounds And Paying A Steep Price

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Sometime in the late 1970s, an interesting event in the annals of our nation's dietary history occurred: Americans started drinking more soft drinks than milk. By 2000, the average American was consuming less than 23 gallons of milk annually (down from 40 gallons in 1950), but consuming almost 50 gallons of soft drinks (up from 10 gallons in 1950).

Whatever the cause of these trends, two consequences are notable: The rates of obesity and diabetes are going up and the number of dairy farms is going down. Innovative proposals now before the Connecticut legislature would address these consequences, yet the interests that are profiting the most - soft drink companies and the supermarket industry - are opposing them.

Almost one in five children is overweight or obese, and those children have a 70 percent chance of becoming overweight or obese adults. Obesity leads to many health problems, including Type 2 diabetes in children, which up until the early 1990s was relatively rare. Its prevalence in children, however, has increased by almost 50 percent in the past 10 years. The cost to young people of diet-related diseases such as Type 2 diabetes is grim, and according to federal figures, the cost to society of obesity is $92 billion per year.

A major cause of childhood obesity is the over-consumption of unhealthy foods such as soft drinks, which are now readily available in our public schools. The soft drink industry has turned our schools into selling grounds for sodas and high-fructose corn syrup "juice" drinks. Sales are brisk and profits are high. Schools, especially those in urban areas facing steeply declining budgets, are particularly dependent on soda machine income to pay for athletic programs and discretionary "principal's funds."

Legislation pending in the General Assembly would decrease the availability of soft drinks and other junk food in our schools. The soda industry, however, has taken on this issue, first trying to kill the proposals and then working to increase soft drink availability outside of the school day. The same industry is not likely to promote substitute sales options such as healthy dairy products and fruits.

The other notable consequence is the loss of our state's dairy farms. Since the beginning of 2003, one Connecticut dairy farm every 10 days has gone out of business. Because of the oversupply of milk, stemming largely from the ever-expanding factory-style dairy farms in the West, dairy farmers across New England are receiving the lowest milk payments in 25 years - $1.04 per gallon - yet their production costs are more than $1.50 per gallon.

Rather than see the retail price of milk drop, consumers across Connecticut have been paying, on average, $3.10 per gallon for the past 18 months even though the farmer is receiving one-third less. Based on recent research published by Ron Cotterill at the University of Connecticut, the milk processor's share of the retail sale is 58 cents per gallon. When combined with the farmer's share of $1.04, we can see that the retailers make a whopping $1.48 for every gallon they sell.

Attorney General Richard Blumenthal has rightly called this high margin "price gouging" - the consumer is paying too much for milk, dairy farmers are going out of business and the supermarkets are earning unconscionable profits. The attorney general has submitted a bill to the legislature that would limit the processors' and retailers' markups to amounts based on the price paid to farmers. In addition, the formula would provide an incentive to pay the farmer more for his milk. Everybody wins: Farmers receive more, consumers pay less, processors and retailers receive a fair return, and Connecticut saves more than 100,000 acres of farmland that it would lose from abandoned dairies. And the beauty of this solution is that it doesn't require government subsidies - it simply distributes the value more equitably among all the players.

But in the same way that the soda industry is opposing attempts to reform school food programs, the supermarket industry is opposing the "fair milk bill." They view any attempt to restrict their profits as price control or gross interference by government in the free market.

Government has the responsibility to stand up for the health of children and to do what it can to ensure that the time-honored tradition of New England dairy farming doesn't go the way of the village blacksmith. Drinking more milk and less soda will help, but sometimes the state must correct the marketplace for the greater good of all.

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