



1997 SENATE JOINT RESOLUTION 15

February 25, 1997 - Introduced by Senators WELCH, FITZGERALD, HUELSMAN, WEEDEN, RUDE, FARROW, DARLING, DRZEWIECKI and BUETTNER, cosponsored by Representatives OTT, FREESE, DUFF, URBAN, WARD, ZIEGELBAUER, POWERS, AINSWORTH, GOETSCH, ALBERS, GROTHMAN, BRANDEMUEHL, PORTER, GREEN, MUSSER, HAHN, HARSDORF, OURADA, F. LASEE, LAZICH, OLSEN, NASS, HASENOHRL, REYNOLDS, KREIBICH, DOBYNS, SYKORA, SERATTI, SCHAFFER and KEDZIE. Referred to Committee on Economic Development, Housing and Government Operations.

1 **Relating to:** memorializing the U.S. Secretary of Agriculture to reform the
2 determination of cheese prices under the federal milk order system.

3 Whereas, the National Cheese Exchange price is the dominant factor in the
4 basic formula price established by the U.S. Department of Agriculture for the
5 purpose of establishing minimum prices paid to dairy producers; and

6 Whereas, less than 2% of the nation's cheese is sold on the National Cheese
7 Exchange; and

8 Whereas, the National Cheese Exchange price was never intended to be an
9 indicator of national supply and demand for milk; and

10 Whereas, alternative measurements may be more reliable indicators of market
11 supply and demand for milk; and

12 Whereas, the cheese market is a national market and its regulation at the
13 federal level is appropriate and necessary to ensure that cheese market prices reflect
14 the actual national supply and demand for milk and are not subject to unlawful price
15 manipulation;

16 *Resolved by the senate, the assembly concurring, That* the price of milk
17 be based on the supply of and demand for milk used in the manufacture of dairy

1 products, and that the U.S. Department of Agriculture no longer use the National
2 Cheese Exchange price to determine the basic formula price for federal milk
3 marketing orders; and, be it further

4 ***Resolved, That*** the Commodities Future Trading Commission and the Federal
5 Trade Commission reevaluate their authority to regulate the National Cheese
6 Exchange and begin regulating the National Cheese Exchange at the earliest
7 possible opportunity.

8 (END)