



11350 Random Hills Road, Suite 800, Fairfax, Virginia 22030 Phone (703) 934-6101 Fax (703) 352-3678

[fff@fff.org](mailto:fff@fff.org) [www.fff.org](http://www.fff.org)

## **Milk Protectionism**

**by Gary Barnett**

The headline recently in Missoula, Montana's, daily newspaper, the *Missoulian*, was "Cheaper milk from Washington pulled from Missoula shelves." Angry customers know this is obvious protectionism, but Montana milk producers say they only want a "safe" product for Montanans. Yeah, right!

Certain stores in Missoula on Friday were ordered to stop selling lower-priced milk from Washington State. They had written violations posted on their doors by state officials posing as milk regulators. One retailer compared these monkey-suit enforcers to the "milk Gestapo." I would agree with this analogy. The reason for all this: Washington milk was selling for about \$1.00 less per gallon than Montana milk.

But how could this be? Milk coming from Washington has to travel much farther to reach the stores. That must mean that the Washington companies are paying higher shipping costs, but yet, they are still able to sell their product 20 percent to 25 percent less than milk produced in Montana. It sounds to me as though the Montana producers are making a very high profit and Washington milk producers want to compete for a smaller profit. So what is the problem? Isn't that how open competition and free markets are supposed to work?

Steve Merritt, a spokesman for the Montana Department of Livestock, said that "our goal is ensuring Montanans get the highest-quality, freshest product available." If you believe that, I'm sure there are several bridges and Montana ocean-front properties you may be interested in buying. One has to assume that Merritt and his ilk know better what you want to buy for your own family than you do. Well, after all, he is an employee of a government department. And doesn't the state always know what is better for the

people than they themselves do? Merritt declined to comment on any free-market issues (what free market?), citing pending legislation — that is, legislation by Washington distributors against Montana.

So the bottom line is that everyone who was buying the cheaper milk, and who was fully satisfied I might add, now has to pay substantially more so that Montana milk producers can maintain control of the market. Where are all the politicians when you need one? Why are these same politicians not screaming at the top of their lungs and prosecuting Montana producers for gouging? Oh, I see: it's considered gouging only when the state is not involved in setting the price and benefitting from the profits. If someone charges a higher price for a much-needed generator during a hurricane because the supply is low, that's gouging, but if a state official gets votes and campaign contributions because of his complicity in higher prices, that's okay. This is just another example of the total hypocrisy and corrupt behavior practiced by those politicians we call our "representatives".

Free markets bring more products, better products, and lower prices. Non-free markets, like those in the Montana milk case, bring protectionism and favoritism and, consequently, lower supplies and higher prices. When government blatantly stops the free flow of goods in order to enhance a particular individual's or company's profits, the consumer loses. We all lose.

Keep in mind that this is just a local situation that is adversely affecting individuals and companies in just two states. But who is affected? The obvious ones hurt are the Montana consumers and retailers of milk and the Washington producers supplying the milk. What about the truck drivers delivering the Washington milk? What about the dock workers loading and unloading the Washington milk? What about the fuel retailers, the en-route service providers, coffee manufacturers and retailers, the motels, the automotive repair shops, the restaurants, and on and on? When government gets involved in an otherwise free market and manipulates it, many more are harmed than are helped. That is the way of government.

Again, this is just one local interference, but this idiocy prosecuted by U.S. state and federal governments goes on across the entire country every day. How much better

off would we all be if government did not have the power to regulate anything? What a wonderful world it would be!

*Gary D. Barnett is president of Barnett Financial Services, Inc., in Lewistown, Montana. Send him [email](#).*

**This article was originally published in September 2008.**