

PURDUE UNIVERSITY



DEPARTMENT OF
AGRICULTURAL ECONOMICS

April 3, 1990

Mr. Simon Garfinckel
Staff Writer
CHRISTIAN SCIENCE MONITOR
One Norway Street
Boston, MA. 02115-3122

Dear Mr. Garfinckel:

I read with interest your article which addressed the use of bovine somatotropin (BST). It was entitled "Milk Hormone's Benefit Doubted" and appeared in the March 9 edition of the CHRISTIAN SCIENCE MONITOR. While I appreciate your efforts to explain this new development in agricultural biotechnology, I believe you presented your readers with incomplete information.

You stated, "In addition to the drug's effect on the public health, legislators should be concerned about its potential to affect the national economy." In 1985, after reviewing extensive BST research, the Food and Drug Administration (FDA) found BST safe for "the public health" approving the distribution and human consumption of milk from BST-supplemented cows. In part, the FDA based its decision on the fact that BST is a protein which is naturally found in milk. Like any other protein, BST breaks down when digested. Legislators should allow the regulators to pass judgment on the safety of BST.

I have extensively reviewed past BST research and the recent United States Department of Agriculture study by Fallert et al. Each study has found that BST would not fundamentally alter structural changes already underway in the dairy industry. I believe BST will have a less dramatic effect on dairying than you suggest. I am currently conducting research on the impacts of BST on consumer demand for dairy products, using the Fallert study as a baseline. I would be pleased to share the findings once these results are released.

You state that Drs. Russell Gum and William Martin predict, "If we had BST, the government programs would have to change drastically to avoid having huge government subsidies." The United States Department of Agriculture estimates that the use of BST could lead to an increase of .75 percent to one percent in milk production per year. This translates into a less than five percent increase in supply within five years, hardly an amount which



would necessitate programs to change "drastically." Modest reductions in dairy price support levels could avoid any increase in government treasury outlays and pass on to consumers economic benefits through lower dairy product prices. Yet, adopters of BST could remain profitable as increased production efficiency reduces production costs per hundred weight of milk.

You state that "small dairy farmers across the country have been urging the banning of BST, saying that it will wipe out the family farm." In my contact with numerous dairy producers in Indiana, I find that the vast majority are supportive of new technology in general, and BST in particular. Many of these producers would be characterized as "small." And a recent university survey of Indiana dairy farmers reported that 60 percent would adopt BST once it is approved by the FDA and commercially available. Hence, it would be a serious mistake to allow a vocal minority to stop a new technology which could benefit both producers and consumers of dairy products.

I do agree with John McClelland's statement in your article that "... should BST be banned, the effects might ripple far beyond the dairy industry." There are many exciting products yet to be developed through biotechnology. It is imperative that we send the message to the biotechnology community and its research scientists that their efforts are much needed and appreciated.

Enclosed please find a recent journal article on potential economic impacts of biotechnology on the livestock sector. If you have any further questions on the economic impacts of BST, please feel free to call me (317) 494-4268.

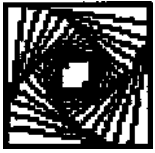
Sincerely,



Marshall A. Martin,
Associate Professor, and
Director, Center for Agri-
cultural Policy and
Technology Assessment

MAM:mjw

Enclosure



Simson L. Garfinkel
52V2 Pleasant Street
Cambridge, MA 02139
phone: (617) 876-6111
pager: (617) 958-3643

Marshall A. Martin
Associate Professor, and Director,
Center for Agricultural Policy and Technology Assessment
Krannert Building
Purdue University

West Lafayette, IN 47907

8:35 PM May 21, 1990

Dear Dr. Martin,

I am sorry for taking so long to respond to your letter; I was in Israel and then in California and then in California a second time.

Although I am no longer on the staff of the *Christian Science Monitor*, I did wish to respond to the letter you sent me about my article, "Milk Hormone's Benefit Doubted."

After reading and rereading your letter to me, I got the feeling that you believed that I was opposed to BST. I am neither opposed nor in favor of it. I am a reporter who attended a presentation at the American Association for the Advancement of Sciences by two well-respected researchers who presented a paper on what their economic models predict the results of BST might be. If you take issue with their findings, you should address your criticism to them, not to me, as I merely write the news, I do not manufacture it.

I did write that "small dairy farmers across the country have been urging the banning of BST, saying that it will wipe out the family farm." This is true. Small dairy farmers across the country *have* been urging the banning of BST. I did not say that the majority of small dairy farmers across the country have been urging this banning, and indeed, I do not think that the majority of small dairy farmers act in unison on anything with the possible exception of milking their cows. But there *has* been a push to ban BST, and it *has* been backed by small dairy farmers.

The economic model that presented examined what the impact of increasing the milk supply would have on farm price supports. I found the information presented convincing and I reported on it. One of the things that my article did was bring their work to your attention. You are now free to issue a press statement or try to interest other reporters in your angle on the story. That is the way a free press works.

But again, thank you for your comments.

Sincerely,

Simson Garfinkel