



Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's  
Private Office

1 WAP

2 Prime Minister 2

✓ Mr Ingham

WM  
25/3

T F Matthews Esq  
Private Secretary to the  
Chief Secretary to the Treasury  
Parliament Street  
London  
SW1P 3AG

25 March 1982

Dear Terry

LIQUID MILK PRICES

My Minister will be announcing a seasonal decrease in the wholesale price of liquid milk in the form of a written Parliamentary Reply at mid-day tomorrow. He will also be sending copies of his announcement this afternoon to the Milk Marketing Board, the National Farmers' Union and the Dairy Trade Federation. I enclose a copy of the announcement that he intends to make.

I am sending copies of this letter and its enclosure to Nick Huxtable in Mr Pym's Office and to Willie Rickett at Number 10.

Yours sincerely

Robert Lawson

R LOWSON  
Private Secretary

The Government has been considering the level of liquid milk prices that should apply during the coming months, having regard to all the relevant considerations including the data available from the costings system and the changes which I announced on 22 December 1981 following the Binder Hamlyn review. In the light of these considerations, and of the normal seasonal variations in cost factors, the Government has concluded that it would be right to reduce the maximum wholesale price by 0.2p per litre with effect from 1 April. The new prices, which in the case of Northern Ireland also reflect the consumer subsidy there, will be as follows:

	p/litre
England and Wales (except London)	17.783
London	16.016
Northern Ireland	21.400

These prices will of course be further reviewed in the autumn when full account will be taken of the definitive costings data and of the position of milk producers. It is my wish to provide both milk producers and the dairy trade under the new costings system with a firmer basis for planning their commercial operations and to announce decisions promptly each spring and autumn. In conformity with this objective it is my intention to seek to announce before 1 October the prices to apply in the winter months.

A Statutory Instrument giving effect to these new maximum wholesale prices will be laid before Parliament shortly.

h The maximum retail price will remain unchanged.

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