

Federal Order history

- Federal Orders were attempting to solve what an economist would call a market failure of the early 1900s.
- At that time fluid milk was the most important dairy product and the regulation was focused on that commodity.
- The idea of classified pricing was employed as a means of collecting more revenues from the most important dairy product but classified pricing was given the power of law.
- Pooling was also used to fairly distribute those revenues amongst producers to stop the fighting for the most lucrative dairy markets.