



PRIME MINISTER

LIQUID MILK PRICES

I have seen Peter Walker's letter of 27 November seeking approval to proceed with an increase of 1½p per pint in the retail price of milk effective from 21 December 1980.

I fully support the case made. Milk producer margins are such that we must, in my opinion, take action now if we are to avoid a serious decline in the industry. This would hit livestock areas of rural Wales particularly hard because dairying accounts for 45% of Welsh agricultural production.

/ Copies of this go to Peter Walker and to the other recipients of his letter.

RNE

1 December 1980