



Written by [Steve Byas](#) on May 27, 2022

Montana Company Offers Free-market Solution to Baby Formula Shortage

All American Pharmaceuticals in Billings, Montana, is prepared to do its part in relieving the shortage of baby formula in the United States, but it faces opposition from the same federal government that created the shortage in the first place.

How did the federal government create the baby-formula shortage? In short, by excessive tariffs on baby formula and onerous bureaucratic regulations on its production — all of which favor big business over small business in the United States. The Biden administration's decision to send baby formula to our southern border — despite the shortage in the U.S. — is not a major factor in the shortage's creation, but it certainly does not help.



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But sending baby formula to our southern border while American grocery store shelves are bare of baby formula illustrates the priorities of the Biden White House.

Instead of turning to the available free-market solutions to the problem it created, President Joe Biden's administration is invoking the "Defense Production Act," in which he can order American business to do certain things for "national defense." Of course, the production of baby formula has nothing to do with national defense, but it does set the precedent for the president to step in and control American business for any purpose he determines is appropriate.

This is known as economic fascism, but Biden's "solution" is yet another action from the federal government, which created the problem in the first place.

The national shortage is real, and was directly caused by the federal government when, in February, the Abbott baby-formula manufacturing plant in Sturgis, Michigan, was closed — by federal bureaucrats. Four infants became sick after consuming products made in that plant, with two of the infants dying of a bacterial infection.

But there is no evidence that the baby formula was the cause of the infections. One would logically conclude that if this one plant's baby-formula product *was* the cause of this misfortune, then many more infants than just four would have been affected. Genetic sequencing on two available samples from the sick babies did not match strains of Cronobacter found in the plant. Additionally, samples from the two infants who died did not even match each other, indicating there was no logical connection between the two cases.

After testing of all four cases by the state of Michigan, the CDC, and the FDA of the Abbott formula, all unopened containers tested negative.



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Abbott said, “The infants consumed four different types of our formula made over the course of nearly a year and the illnesses took place over several months in three different states.”

Yet, the plant responsible for 42 percent of the U.S. baby-formula market was shut down. Abbott is, along with Nestle, Perrigo, and Mead Johnson, one of only four major baby-formula manufacturers in the United States, and nearly all of America’s baby formula is produced domestically.

Also, under the Women, Infants, and Children (WIC) program operated for low-income mothers, states contract with *one* of these manufacturers to offer huge rebates. In other words, women in a particular state are limited to purchasing formula from whatever manufacturer is awarded the exclusive contract, in a monopolistic fashion, all due to the government.

This shortage of baby formula is obviously not a failure of the free market. In contrast to the Biden administration invoking the Defense Production Act, and using economic fascism to solve the problem government has created, All American Pharmaceuticals in Montana is offering a free-market solution.

All American Pharmaceuticals already makes baby formula in Billings, Montana, *but they cannot sell this baby formula for infants in the United States*. Why? Because of federal regulations. Instead of restocking America’s grocery shelves, their formula has been sold in Canada and Mexico for several years.

Jeff Golini of All American told *Montana Talks*, “I can sell it outside of the United States. So we can sell it into Canada, we can sell it [to] Mexico, anywhere else, but not in the USA.” The government argues that this is a “new label.”

While All American’s formula is identical to formula presently sold in the United States, they still have to go through bureaucratic “studies” of their brand. All American can market their formula for children over one year of age, but not infants under 12 months of age.

Golini said that the federal government has created a monopoly in the baby formula business in America.

“As the government, you know, you come in, you inspect, you approve me to manufacture. So that means I’m doing everything right to produce this product in a safe, effective way,” Goliani explained. “Yet you don’t let me sell it.”

And it is not just All-American that could be solving the shortage. “You have 10 or 20 people like me who can produce,” Golini added, insisting “we have no shortage, because we’re going to fill in the gaps. But if ... you’re a momma and you’ve been in the stores in the last however many years, there’s only a couple of choices. You don’t see any private label brands. You don’t see the Costco brand. You only see the couple big boys. They monopolize the entire industry.”

Why does this monopoly exist? It is not a result of the free market, but rather a result of the federal government’s intervention into this industry. The government caused the problem, and it is offering more government to solve the problem.

Apparently, the last thing that Joe Biden thinks about is turning to the free market. Instead, his instinct is to impose government “solutions,” which are really no solutions at all.



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