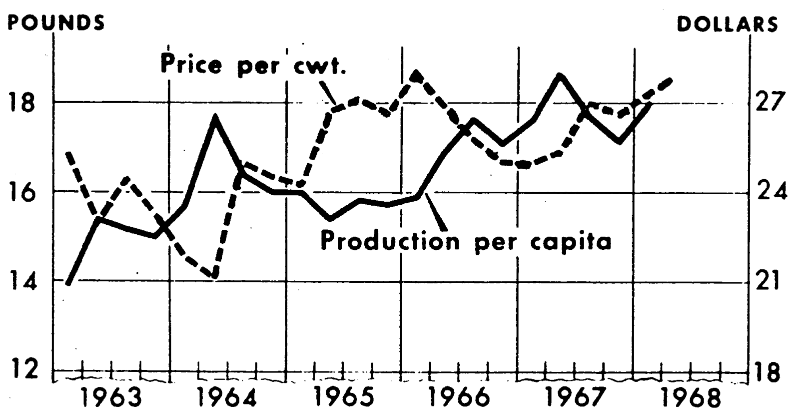
imports, i.e., in amounts equal to demand, would cure the current price weakness for high quality U.S. steers. With the consumer as ultimate beneficiary, our entire industry should gear production to satisfy the demand both for grain-fed products and lean meat foods. Without imports to even-out the erratic domestic production and meet the steadily rising demand for lean meat, there would be recurring inflationary price cycles.

Steer and heifer production and prices continue to follow historic trends. Domestic table beef supply fell in 1962 and 1965 and in each of those years average steer prices rose. No similar correlation between imports can be drawn. Viewing current production and price structure as reported by the USDA, there is an indication that prices now are rising in a parallel fashion with increased production of such beef. (See Table 9.)

TABLE 9

STEER & HEIFER BEEF PRODUCTION & PRICES*



* Prices based on Federally inspected carcass weight, Chicago and Kansas City.
SOURCE: U. S. Department of Agriculture