

Our state beef producers offer no resistance to U.S. Mainland beef being shipped into Hawaii unrestricted. Such shipments have little effect on our market and is of no concern to us.

However, with last years foreign beef imports representing 26% of the 50th state's total beef market, a situation has been created which is completely detrimental and demoralizing to adequate planning for meeting the state's future meat demands.

Hawaii being the closest and most lucrative port to Anzac's is hard hit because of excessive and sporadic inshipments, particularly when the amounts vary so widely from time to time. The effect of these imports has been to reduce the prices received by Hawaiian ranchers from 42.0 cents to 32.5 cents per pound for grass fat steers and heifers. This 23.8% reduction in price has come while production costs for land, labor and supplies have continued to spiral upward.

A substantial portion of beef imports from the Anzac's comes to Hawaii in the form of primal cuts, the balance in processing meat. In the pocket market situation that exists in Hawaii, where all parts of the carcass must be merchandised within the State, foreign primal cuts are again a detriment to our market when they flow in unrestricted and sporadic amounts. Because much of this beef comes to the islands in this form, it also cannot be offered for federal grading thereby placing a product of inferior quality to grain fed federally graded beef that is produced in this State.

With many slaughterhouses across the nation facing the possibility of being closed or radically renovated under the Wholesale Meat Act of 1967, we question the wholesomeness of the vast amounts of foreign beef coming into the United States which have been slaughtered under insanitary or conditions adverse to health and sanitation standards adhered to in the United States.

By way of summary, foreign beef has been detrimental to our price structure and effective marketing. Sporadic shipments make future planning to meet the demands for beef next to impossible. Hawaii has been used as a dumping ground being the closest and most lucrative port. These imports have completely depressed and ruined the market for grass fat animals. The wholesomeness and quality of this product is also much in question.

While operational, land and labor costs continued to spiral and heavy investment shave been made to produce a quality product here in Hawaii, the unrestricted flow of foreign beef to our shores poses a constant threat to our livelihood and makes the future of the cattle industry, which contributes more than \$10 million annually to the State's economy, look extremely precarious.

ACCEPTABLE SOLUTIONS FOR A TYPICAL PORT STATE (HAWAII)

We in the industry realize we must take our fair share of imports like any other state; however, we don't feel we should absorb more than an equitable portion of beef from foreign sources. While nearly 30% of our total market comes from the Anzacs, most Mainland states are receiving an average of 11% of their total production from these same areas.

After careful consideration by leading cattlemen in our State, several formulas for solving the problem would be agreeable to all:

(1) Base Hawaii's fair share on a per capita basis. (Hawaii would then receive 2,235,000 pounds of foreign beef for 1968.)

(2) Restrict Hawaii's fair share to 11% of the total production (this equals the average received by Mainland states.) Hawaii would be willing to include in its total production that product received from the U.S. Mainland. (Hawaii would receive 5,241,390 pounds of Anzac beef for 1968.)

(3) Permit processing beef (that used in manufacture of hamburger and sausage only) to flow unrestricted into Hawaii, but restrict primal cuts on a per capita basis (Hawaii would then receive approximately 6,677,600 pounds for 1968.)

(4) Adopt a port of entry quota system which would grant such ports special consideration. Under present agreements a single port state could receive the entire U.S. quota or a substantial portion thereof. We wish to propose that one half the average total of foreign beef imports received by that State during the past five years be used to set quotas for that State. (Hawaii would then receive 7.962 million pounds carcass weight or 14% of our State market from Anzac sources.)

It must soon be decided whether present government restrictions on foreign beef, which have proven to be of little value in alleviating the grave situation facing our nation's cattle industry, will be allowed to continue in