Expressed on a percentage basis, domestically produced fish meal accounted for 68.5% of the average annual supply 1950–59, compared to 31.5% for imports. For the seven year period 1960–66, we find that this trend was reversed and the larger part of the average annual supply, 53.2%, was from imports and 46.8% from domestic. 1967 imports accounted for 75.5% and domestic dropped to 24.5%.

The serious problem for us today and for the forseeable future from the standpoint of the domestic fish meal industry, with its large investment in manufacturing plants, fishing vessels and gear, and the five to six thousand people engaged in the industry, is the depressed price of fish meal on the U.S. market.

Fish meal imports were bound duty free by a Trade Agreement with Iceland in 1943 and bound under the General Agreement on Tariffs and Trade at Geneva in 1948. The Tariff Act of 1930 placed fish meal, which at that time had a 20% duty, along with tankage on the free list. The principal used for these products then was for fertilizers. This certainly is not the case today and has not been since fish meal became recognized as a high quality animal protein supplement (60% to 70% protein) and became an important ingredient in the manufacture of poultry and other animal feeds. (Now a refined version, Fish Protein Concentrate, has been approved by the Food and Drug Administration for human use.)

Under this situation fish meal imports are free to enter the U.S. market in whatever quantities are available from foreign production. As we have shown above, these imports have been a part of the U.S. fish meal supply for many years, however, up until recent years they did not account for over one half of the U.S. supply or enter in quantities that were in excess of the developed usage or outlets for fish meal in the United States, with exception to a brief period in 1959–60.

Under this situation, the U.S. market was generally maintained at price levels that permitted the U.S. fish meal industry a fair return on its large investment in fishing vessels and gear and in the plant manufacturing facilities ashore and, at the same time, providing the feed manufacturers with this additional supply of fish meal that otherwise would not have been available.

Throughout this period of moderate importation of fish meal, the question or need for restricting imports at this average level did not present itself for the simple reason that world production of fish meal and the export trade had not then experienced the rapid growth and expansion that has since taken place.

World production figures for fish meal within the past ten years illustrate this rapid buildup in world production. In 1958, for example, the total world production in the free countries was 1.39 million metric tons. By 1967, world production had more than tripled to over 4.2 million tons. During this same ten year period, total world exports of fish meal almost quadrupled, going from .596 million tons in 1958 to over 2.32 million tons in 1967.

Under this changed situation, particularly during the past fifteen months, we find that the U.S. supply, largely from the imports, exceeds the demand that can be used and marketed on an orderly basis without depressing the prices for domestically produced fish meals below U.S. production costs and in fact in some cases, as below its actual economic value for use in the formulation of poultry and other feeds in relation to other similar ingredients.

A comparison of the price situation over the past three year period, 1965-67, is shown in the attached table (Table 5), which has been compiled by the Bureau of Commercial Fisheries from price quotations at New York. While these prices for menhaden fish meal and Peruvian anchovy meal are listed as average prices over the twelve month period, it is recognized by the trade that they do not accurately reflect the average prices at which the bulk of the fish meal was sold in these years. For example, the same weight has been given to spot sales which usually involve small lots in these calculations.

In considering these values, however, it is readily apparent that the average prices received by domestic fish meal producers in 1967 have been drastically reduced. The build-up in fish meal imports and the large stocks that are presently on hand or about to be produced in foreign countries have been the determining factors. In the absence of any kind of restriction against imports entering the United States markets, the price that the domestic producers can expect to receive for their product is set and governed by these huge stocks and their flow into our market.