deduction at 1¾ per cent, totaled $2.87 or 14½ per cent of the $19.55 selling price, leaving a net price of $16.68 to the rancher.

If, in 1968, our members receive a gross average (the same as last year's price) of $14.22, then the selling costs will be: $1.50 for dressing, 75 cents for auction fee at 5¼ per cent, and 32 cents for EMBA deduction at the new rate of 2¼ per cent, totaling $2.57 or 18 per cent of the $14.22 selling price, leaving a net price to the rancher of $11.65. This figure is below cost of production for all ranchers that I know.

THE BURDEN OF PROMOTION INCREASES

The National Board survey of February, mentioned earlier, shows that ranchers are pelting out or cutting back their herds so that the current domestic production is estimated at 20 per cent less than last year. At current price levels this trend will no doubt continue. As the volume of production shrinks, the association is faced with the problem of how to maintain adequate advertising and promotion funds. If we again raise the selling deduction, members may be forced out of business at a faster rate. If we do not raise the deduction, then the funds available may not be sufficient to keep mink fashionable, so that there is a market for our pelts. We do not think our members can stand an increase in selling costs.

EMBA PROMOTIONS HELP SELL ALL MINK

EMBA advertising and promotion, both here and abroad, over the past 25 years has created a demand for all mink, including the cheaper foreign pelts. The leap-frogging increase of foreign production calculated to take advantage of the demand we have created has resulted in a supply in our market which exceeds profitable demand, insofar as the U.S. rancher is concerned. This amounts to a free ride on our advertising when foreign pelts are sold in the U.S.

FOREIGN COSTS OF PRODUCTION LOWER

Because foreign costs are lower they have increased their production at a faster rate. According to the Tariff Commission, the production of the four Scandinavian countries now exceeds ours. The U.S. consumes 45 per cent of the world crop, while producing only 27 per cent. There are currently only 3,300 ranches in the U.S. against 17,000 in Scandinavia.

Imports account for over 50 per cent of the domestic consumption of mink pelts. In view of our higher costs of production and the current low price levels which continue to favor the foreign producer, to the disadvantage of the U.S. mink rancher, this trend to higher imports will continue. Unless something is done to prevent it, the U.S. mink rancher will eventually disappear from the scene entirely.

IMPORTS CONTROLS THE ANSWER

H.R. 6694 and the many similar bills pending before this Committee seek to control the imports of mink pelts while still sharing a substantial part of the market with our foreign friends. We think these bills are fair, and we in EMBA fully support the position of the National Board of Fur Farm Organizations in this matter. We ask that you give immediate and favorable consideration to these bills.

SUMMARY

Because of economic conditions in our industry, due mainly to excessive cheap foreign imports, EMBA membership has dropped from a peak of 5,623 in 1958 to about 2,800 at the present time. (The total number of ranches in the U.S. currently is 3,300, compared to 17,000 in Scandinavia).

This parallels and is the result of a general decline in pelt prices. Each time after a price crash, a new market level has been established that is lower than the previous price averages. The price average of $14.00 received by ranches in 1967 and the projected final average of $14.54 for 1968 is well below the cost of production for most U.S. ranches.

To create demand for members pelts, EMBA has spent millions of dollars on advertising and promotion. This created a demand for all mink, as well as those of EMBA members.

Foreign production, because of cheaper costs, has been expanded at a much faster rate than domestic production, forcing prices down and many domestic