

At the end of February, I submitted a bill which I think would help the dairy industry to overcome this promotional handicap. H.R. 6269 provides for a marketwide promotion program, establishing marketing research and development projects, advertising, and sales promotional and educational programs in Federal milk marketing orders. Under my bill, dairy farmers will be permitted to utilize their own money to sell their own product provided the program is first approved by two-thirds of the producers in the marketing order voting in a referendum on this issue.

By providing the guidance and cooperation inherent in my bill, I believe we can put the dairy industry in a more advantageous position vis-a-vis its competitors in the food industry. The Federal Government has long sought to cure the economic illness of this industry. The two bills I propose are tailored to meet specific and identifiable problems which are faced by American dairying—the problems of import flooding and product promotion and development.

There are reasons for the present unrest and attrition in American dairying. Some of the reasons are economic factors outside the area of possible or desirable control by Government. The two difficulties which I am seeking to alleviate, however, are crystallized and curable. I am confident that my colleagues in the House will help me to administer the carefully measured legislative medication which I have proposed to strengthen this large and important segment of our economy.

PARITY PRICES AND PRICES RECEIVED AND PAID BY FARMER, 1940-65

Year	All milk, wholesale price ¹			Ratio used in determining parity equivalent price of manufacturing milk	Index numbers (1910-14=100)		
	Parity ² (dollars per hundred-weight)	Received by farmers (dollars per hundred-weight)	Percent ³ of parity		Prices paid by farmers for commodities, interest, taxes, and wage rates	Prices received by farmers	Parity ratio
1940.....	2.18	1.82	84	-----	124	100	81
1945.....	3.30	3.70	113	-----	190	207	109
1950.....	4.42	3.89	89	88.5	256	258	101
1955.....	4.67	4.01	87	83.7	276	232	84
1960.....	4.99	4.21	85	80.0	300	238	80
1961.....	5.12	4.22	83	79.7	302	240	79
1962.....	5.26	4.10	78	79.1	307	244	80
1963.....	5.35	4.11	77	78.4	312	242	78
1964.....	5.38	4.16	77	78.1	313	236	76
1965.....	5.59	4.25	76	77.9	321	248	77

¹ Includes production payments, 1945.

² Calculated on basis of 1950 law.

³ 12-month simple average prices as percentage of annual parity prices.

⁴ Percentage for 1966 is 78.

It must be remembered that immediately after World War II, Europe was unable to produce enough dairy and other farm products to feed itself. Thus, much of American milk and dairy production was exported. In the above table, this fact is reflected by parity ratios above 100 percent for the years 1945 to 1950. Some of the shrinkage and attrition from the dairy industry in the last 20 years can be attributed to the disappearance of this lucrative export market. Today, in fact, one of the major problems faced by dairymen is a steady erosion of the domestic market by imports from Western Europe and elsewhere. In 1965 and 1966, and again this year, dairy farmers are leaving the industry at an almost blinding rate. At the same time, dairy imports in 1966 were more than triple what they were in 1965. Again in 1967, total dairy imports at the current rate will be 20 percent higher than last year, and almost 400 percent of the 1965 rate. The