

In closing, I would like to refer to this committee some of the facts that have recently been published by the U.S. Department of Agriculture in respect to import restrictions, tariffs, and other charges which are attached to our major statement as an appendix, and if I may have just a moment, Mr. Chairman, I could run through them very briefly.

Mr. HERLONG. We have a rollcall going on in the House right now. We are going to have to leave in a few minutes.

Mr. REED. I will be through in a few seconds.

This is the printed attachment to the major statement. It shows that 92 foreign countries impose duties on butter, and the average is 31.42 cents.

It shows that 94 out of a little more than 100 countries impose duties on Cheddar cheese of 25.40 cents per pound. Of course, they vary greatly within this range.

Eight-eight countries impose import duties on nonfat dry milk, 89 on dry whole milk, 91 on evaporated milk, and 92 on condensed milk.

I would hope that you gentlemen would have an opportunity to study these, because they show that really the import duty situation and barriers placed in the way of imports by many countries are very, very great, and as far as our operations are concerned, this quota system is a pretty reasonable way to go about it.

I want to thank you for your attention, Mr. Chairman. That concludes my statement.

(Mr. Reed's prepared statement follows:)

STATEMENT OF OTIE M. REED, DIRECTOR, MANUFACTURED DAIRY PRODUCTS
DIVISION, NATIONAL MILK PRODUCERS FEDERATION

Mr. Chairman and Members of the Committee: Our discussion will deal primarily with our proposal for up-dating and improving the quota system for dairy products, and the relevancy of the proposal to certain other subjects covered in the press release announcing these hearings.

My name is Otie M. Reed, director of the Manufactured Dairy Products Division, National Milk Producers Federation.

The Federation, with offices at 30 F Street, N.W., Washington, D.C., is composed of dairy cooperative associations which are owned and operated by dairy farmers. We have members in all of the states of continental United States and our membership handles and markets a complete line of milk and dairy products for their farmer members.

Inasmuch as the current system of import quotas is related to the price support program for milk, a few brief remarks concerning such program are in order.

THE PRICE SUPPORT PROGRAM

The Federation assisted in the development and adoption of that part of the Agricultural Act of 1949 which authorizes programs for milk and dairy products.

We participated also in the development and adoption of Section 22 of the Agricultural Adjustment Act, which was designed to prevent imports from impairing the agricultural programs authorized by Congress.

Briefly, the 1949 Act requires that prices to dairy farmers be supported within a range of 75-90 percent of parity, at such level as the Secretary of Agriculture determines necessary to assure an adequate supply.

The announced price support levels are implemented by the removal of surplus supplies from the market through purchases of dairy products by the Commodity Credit Corporation.

The current CCC purchase price for Grade A butter in New York is 67.25 cents per pound. The purchase price for cheddar cheese is 47.0 cents per pound, and for spray process nonfat dry milk is 23.1 cents per pound.

These prices are estimated to reflect a general level of prices to farmers of \$4.28 cents per hundredweight of manufacturing milk—90 percent of parity.