

We also find that the increase recently of the price support price for milk to \$4.28 has caused a severe increase in the costs of production for cheese makers and we find that the food and drug requirements which are quite stringent and in effect in the United States are not found in other countries, and as a result the American producer has an additional burden of meeting those requirements which are effective and useful but which are not found in other countries and as a result it makes it that much more difficult to compete with the foreign low-priced product.

We find that overall there has been some deterioration in the situation on Italian-type cheeses due to the increased imports from these European countries. We ask that these situations be analyzed by the Department of Agriculture and that it be taken into account in any legislation adopted.

We feel that a viable domestic Italian-type cheese industry is particularly important, for some unique reasons I feel.

First, this industry provides extensive existing rural employment which is one of the problems that the administration has pointed out.

The President in his February 1968 message indicated that there was a very great need for more rural jobs to relieve the urban crisis in America. We feel that our industry goes part way in providing those jobs in the rural areas. We feel these are important to maintain and that these jobs are helpful in relieving crisis wherever it might be.

Secondly, we feel that the balance of payments problem is reduced to the extent that foreign imports are reduced and the domestic product is sold.

For example, in 1967, imports of certain Italian-type cheeses under quota, cow's milk amounted to \$5,236,991, just the particular items under quota. These are the only ones we have statistics on.

We find that the cheese industry aids the price support program by providing a market for manufacturing milk and in this way the Department of Agriculture does not have to purchase that particular manufacturing milk since it is used in our cheese products and in this way we aid the Department's price support program in relieving the pressure.

We have gone into some other areas in our statement in a little more detail, but this is basically what we have to present. Thank you.

(Mr. Owen's prepared statement follows:)

STATEMENT OF STEPHEN F. OWEN, JR., COUNSEL, AMERICAN PRODUCERS OF ITALIAN-TYPE CHEESES ASSOCIATION AND STELLA CHEESE DIVISION, UNIVERSAL FOODS CORP.

INTRODUCTION

The domestic producers of Italian-type cheeses are extremely concerned about rapidly increasing imports of Italian-type cheese into the United States, particularly Provolone, Romano and Parmesan that are cut and grated to avoid the existing Section 22 quota, and Mozzarella cheese that is being imported in great quantities from Europe.

The American Producers of Italian-Type Cheeses Association is composed of 25 members specializing in producing Italian varieties of cheese, principally Mozzarella, Provolone, Romano and Parmesan, which are produced from cows' milk. Members of the Association account for practically the total production of Provolone, Romano and Parmesan in the United States.

The Italian-type cheese industry purchases over 2 billion pounds of fresh farm milk annually from over 6,000 farmers, and employs approximately 2,500 persons.