CHEESE IMPORTS REPRESENT BUT A VERY MINUTE PART OF THE U.S. DAIRY INDUSTRY

As shown above, and by the tables of statistics, the amount of foreign cheese consumed in the U.S. is minute. This is especially so in a country that produces 120,000,000,000 lbs. of milk and consumes over 2.7 billion pounds of cheese, including cottage cheese. Imports of all cheese amount to as little as 0.2 of an ounce of cheese per capita, per week. The total amount of milk equivalent in all imported cheese represents only a very minute percentage of the total U.S. milk production. Based upon an importation of 135 million pounds of cheese, a substantial portion of which was made from partly skimmed milk, it is estimated that the milk equivalent required to manufacture said cheese is about one billion pounds. This compares with a total U.S. milk production in 1966 of about 120 billion pounds. The ratio of milk equivalent in imported cheese compared to U.S. milk production is less than nine-tenths of one percent (.9%). Although cheese imports increased in 1967, by reason of the imposition of quotas on colby and American-type cheese on July 1, 1967, the current volume of imports do not exceed and are even less than in 1966.

We note the following section from the report of Congressman Thomas B. Curtis, Congressional Delegate for Trade Negotiations, submitted to the House of Representatives on April 13, 1967:

"*Imports Not the Problem.*—But on the whole, and without the benefit of detailed study of this problem, the proposal that all dairy imports should without reference to further facts and argument be more strictly controlled lacks an element of good sense. A further sobering factor is that for the types of cheese under quota, imports in 1966 were actually less than imports in 1951, the year the quotas were imposed. Since 1951, U.S. production of the same cheeses increased from 1.2 billion pounds to 1.74 billion pounds. There has been no flexibility in the U.S. quota system, as there is in U.S. meat quotas, that would allow gradual increases in quotas in proportion with increased domestic consumption."

PROPOSED CUTBACK OF IMPORTS TO 1961–1965 ANNUAL AVERAGE

It has been proposed in pending legislation that dairy product imports be restricted to the average annual amount imported in the years 1961–1965. This loses sight of the fact that there has been a substantial increase in U.S. consumption and utilization of cheese in the last six years. Production has increased from 1,592,022,000 lbs. in 1962 to 1,873,595,000 lbs. in 1966, an increase of 270,573,000 lbs. *This increase in U.S. cheese production in four years alone is twice the volume of imports of all cheese in 1966.* There was a further increase in production to 1,897,325 lbs. in 1967. It also loses sight of the fact that imports of cheddar cheese, as well as specified other types of cheese, have been restricted and therefore always kept below the amount fixed by quota. The annual average of American cheese produced in this country (which term in the USDA tabulation of statistics includes cheddar cheese, washed curd cheese, granular cheese, jack cheese, and monterey cheese) for the years 1961 to 1965 inclusive is 1,133,339,000 lbs. In 1967, U.S. production of American cheese is estimated to amount to 1,271,460,000 lbs. I hear no proposal to cut U.S. production back by the 130 million pound increase over the annual average from 1961 to 1965, nor do we propose or want such a cut. I am only trying to demonstrate the unfairness of a proposal which would further unnecessarily restrict the business of United States cheese importers whom I represent, and the discrimination against the operations of an industry that makes a substantial contribution to the dairy industry as a whole, to the tastes of the American cheese consumer and to the economy of our country.

EFFECT OF ADDITIONAL RESTRICTIVE IMPORT LEGISLATION ON INTERNATIONAL TRADE

The imposition of restrictions against the import of cheese is contrary to the obligations undertaken by the United States under the General Agreement on Tariffs and Trade and is contrary to our best interests in international trade. The United States sought and secured under the General Agreement on Tariffs and Trade a waiver from its obligations so that Section 22 might be applied without conflicting with its international obligations. The United States delegation, in presenting the matter at the 1955 session of the Contracting Parties, stated:

"The mere fact that the price of a product is eligible for price support and that its price is higher than world prices does not mean that import controls will necessarily be imposed under Section 22. . . . Whether such interference (i.e.,