

3. The present volume of importations relative to past importation is as follows:

1965 Imports: 2,000,000 Lbs. (Figure published in the U.S. Tariff Commission's Report of June, 1967)

1967 Imports: 21,500,000 Lbs. (Figure published by the U.S. Tariff Commission in January, 1968)

These increases take on even greater significance when it is remembered that crumb is used in only *one* industry for only *one* product (i.e., chocolate industry for milk chocolate coatings.)

4. Other pertinent information:

(a) One major chocolate manufacturer has already closed its domestic plant which produced milk crumb and is purchasing their requirements overseas.

(b) The effect of the devaluation of the British Pound of 20 percent and the most recent increase in the domestic support level on milk has not yet had its effect on import figures as the additional price advantages are just becoming apparent.

(c) If the price advantage of foreign crumb continues it is likely that milk crumb will no longer be produced domestically.

(d) In the near future many milk chocolate coatings which previously were manufactured using whole milk powder and dry sugar will in the future be produced using milk crumb. This, in fact, has already taken place to some degree as there is no other explanation for the dramatic rise in the usage of crumb since 1965.

(e) On February 21, 1968, the Department of Agriculture found reasons to amend the Sugar Act and place under quota all sugar-butterfat mixtures containing less than 5.5 percent butterfat. Since justification was found for placing sugar-butterfat mixtures under quota which are not even coming into this country *political integrity* demands that another sugar-butterfat mixture which in 1967 came in at the rate of 21,500,000 pounds be placed under quota immediately.

STATEMENT OF FRED J. GREINER, EXECUTIVE VICE PRESIDENT,
EVAPORATED MILK ASSOCIATION

Mr. Chairman and gentlemen of the Committee, my name is Fred J. Greiner and I am Executive Vice President of the Evaporated Milk Association, a non-profit corporation organized and existing under the laws of the State of Illinois with offices and principal place of business at 910 Seventeenth Street, N. W., in Washington, D. C.

The Association is organized for the purpose, among others, of promoting the use and consumption of domestically produced canned milk and to undertake and engage in any or all of the specific activities of a trade association for that industry. The Association renders its service to companies producing canned milk in hermetically sealed containers in the United States in approximately fifty plants.

SIZE AND IMPORTANCE OF THE INDUSTRY

Canned milk in hermetically sealed containers in the United States consists primarily of evaporated milk and sweetened condensed milk. Both of these products are major products of the dairy industry in the United States. USDA statistics indicate that 63,700,000 pounds of sweetened condensed milk and approximately 1,500,000,000 pounds of evaporated milk were produced in 1967. Other indications of the size of the canned milk industry can be determined from the fact that over 3,300,000 base boxes (106,375 tons) of metal were consumed in 1967 in the manufacture of cans for the packaging of these products. (A base box is an area of 31,360 square inches, equivalent to 212 sheets, 14 inches times 20 inches in size.)

There are approximately 4500 direct employees and milk haulers engaged in the day to day operation of bringing milk from the farm and processing it into the products involved. There are approximately 105 milk plants and receiving stations in the United States receiving milk from approximately 36,000 farmers, which is processed into evaporated milk or sweetened condensed milk.