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# INSPECTION OF RABBITS SLAUGHTERED FOR HUMAN FOOD

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## HEARING

BEFORE THE

### SUBCOMMITTEE ON LIVESTOCK AND GRAINS

OF THE

### COMMITTEE ON AGRICULTURE

### HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

ON

### H.R. 8714 and S. 1943

MAY 4, 1972

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# INSPECTION OF RABBITS SLAUGHTERED FOR HUMAN FOOD

THURSDAY, MAY 4, 1972

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK AND GRAINS  
OF THE COMMITTEE OF AGRICULTURE,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 1301, Longworth House Office Building, the Honorable Graham Purcell (chairman of the subcommittee) presiding.

Present: Representatives Purcell, Abbitt, Foley, Jones, Melcher, Zwach, Sebelius, and Findley.

Staff: Mrs. Christine S. Gallagher, chief clerk; Lacey C. Sharp, general counsel; and L. T. Easley, staff consultant.

Mr. PURCELL. The subcommittee will please come to order.

Today we are here to continue hearings on a bill that Mr. Sebelius had introduced in regard to providing inspection for rabbits slaughtered for human food.

(H.R. 8714, introduced by Mr. Sebelius, the text of which follows, is similar to S. 1943, passed by the Senate and referred to this committee:)

## H.R. 8714 92D CONGRESS, 1ST SESSION

A bill to provide for the mandatory inspection of rabbits slaughtered for human food, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That except as provided in section 2 of this Act, all the penalties, terms, and other provisions in the Poultry Products Inspection Act (71 Stat. 441; 21 U.S.C. 451-470) are hereby made applicable (1) to domestic rabbits, the carcasses of such rabbits, and parts and products thereof, and to the establishments in which domestic rabbits are slaughtered or in which the carcasses, or parts or products thereof, are processed, (2) to all persons who slaughter domestic rabbits to prepare or handle the carcasses of such rabbits or parts or products thereof, and (3) to all other persons who perform any act relating to domestic rabbits or the carcasses of such rabbits or parts or products thereof, and who would be subject to such provisions if such acts related to poultry or the carcasses of poultry, or parts or products thereof; and such provisions shall apply in the same manner and to the same extent as such provisions apply with respect to poultry and the carcasses of poultry, and parts and products thereof, and to persons who perform acts relating to poultry, the carcasses of poultry, or parts or products thereof.

Sec. 2. (a) The provisions in paragraph (a) (4) of section 9, paragraph (a) (2) of section 15, and section 29 of the Poultry Products Inspection Act shall not apply with respect to domestic rabbits or the carcasses of such rabbits, or parts or products thereof. The two-year period specified in paragraph (c) (1) of section

5 of such Act and the periods contemplated by paragraph (c) (4) of such section shall commence upon the date of enactment hereof, with respect to domestic rabbits and the carcasses of such rabbits, and parts and products thereof; and in applying the volume provisions in paragraphs (c) (3) and (c) (4) of section 15 of such Act, the volume restrictions applicable to turkeys shall apply to rabbits.

(b) For purposes of this Act—

(1) wherever the term "poultry" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to domestic rabbits;

(2) wherever the term "poultry product" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to rabbit product; and

(3) the reference to domesticated bird in section 4(e) of the Poultry Products Inspection Act shall be deemed to refer to domestic rabbit.

SEC. 3. This Act shall become effective upon enactment, except that no person shall be subject to the provisions of this Act prior to January 1, 1972, unless such person after enactment of this Act applies for and receives inspection for the processing for commerce (as defined in the Poultry Products Inspection Act) of domestic rabbits or the carcasses of such rabbits, or parts or products thereof, in accordance with the provisions of this Act and pursuant to regulations promulgated by the Secretary of Agriculture under this Act. Any person who voluntarily applies for and receives such inspection after enactment hereof shall be subject, on and after the date he commences to receive such inspection, to all of the provisions (including penalties) of the Poultry Products Inspection Act as applied hereby in relation to domestic rabbits, the carcasses of such rabbits, and parts and products thereof.

SEC. 4. The provisions hereof shall not in any way affect the application of the Poultry Products Inspection Act in relation to poultry, poultry carcasses, and parts and products thereof.

Mr. PURCELL. Mr. Sebelius is our first one to be heard from. We will be glad to hear from you at this time.

#### **STATEMENT OF HON. KEITH G. SEBELIUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS**

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to discuss H.R. 8714 and Senate bill 1943, legislation to amend the Meat and Poultry Products Inspection Act to include rabbits. I would ask at this time that my entire statement be printed in the record and I will try to shorten this up.

Mr. PURCELL. That will be allowed.

Mr. SEBELIUS. The basic objective of the meat and poultry inspection program is to protect the public from death or illness caused by unwholesome meat and poultry products. This program has been quite successful in protecting the consumer from dangerous and unwholesome meat products. Consumers have shown their appreciation for this quality guarantee by demonstrating their growing preference for meat and meat byproducts covered by the act.

Since 1906 when the first Wholesome Meat Act was passed, beef consumption was 71.3 pounds/capita and in 1909, the first year when poultry consumption figures were calculated, 14.7 pounds of chicken were consumed per person. In 1971, beef consumption reached 113.1 pounds/capita and chicken consumption was 41.3 pounds/capita.

Of course, other variables such as income and demand influence these figures, but the protection afforded by the acts has made a significant contribution to the increase in meat consumption.

On the other hand, commercial rabbit meat consumption has stabilized at approximately 0.1 pound per capita. The 1971 census data indicates that commercial rabbit production totaled 18.5 million pounds with a farm value of \$4 million. I will be using some figures here and many of them can probably be disputed, because we have present Mr. Robert Dubbell of Pel-Freez, Rogers, Ark., whom I consider to be—I will give him this plug now—an authority on rabbits as far as processing and selling the meat and the byproducts are concerned. But in view of the skyrocketing demand for meat, I think USDA rabbit inspection and rabbit meat would help satisfy this demand in a most nutritious and efficient manner.

Rabbit meat is all white meat similar to the breast of chicken. The fact that rabbit meat is higher in protein and lower in cholesterol than other red meats underscores its dietary importance in our health-conscious society. Also, rabbit meat is 85 percent digestible—one of the highest for meat or meat products. There is a table here on nutritional value of rabbits. I only underscore that rabbit ranks right up with light meat of chicken for protein and it's low in fat content.

(The table referred to above follows:)

COMPOSITION OF FOODS—AGRICULTURE HANDBOOK NO. 8  
TABLE 1.—COMPOSITION OF FOODS, 100 GRAMS, EDIBLE PORTION

	Moisture percent	Food energy, calories	Protein, grams	Fat, grams
Fresh pork, medium fat.....	37.3	513	10.2	52.0
Beef, choice.....	56.7	301	17.4	25.1
Veal, medium fat.....	68	190	19.1	12
Lamb, choice.....	61	263	16.5	21.3
Turkey.....	64.2	218	20.1	14.7
Chicken:				
Light meat.....	73.7	117	23.4	1.9
Dark meat.....	73.7	130	20.6	4.7
Rabbit.....	70	162	21	8

Mr. SEBELIUS. To date, rabbit consumption has been limited, in part, due to the lack of consumer guarantees of wholesomeness and the retail price of rabbit which is inflated by the cost of inspection. This competitive disadvantage has overshadowed the dietary and economic benefits of rabbit consumption. Presently, Federal inspection costs in the Hill City, Kans., rabbit processing plant amount to about 4 to 4½ cents a pound. Monthly costs for Federal inspection range from \$1200-\$2000. The cost of production is 86 to 87 cents a pound. Presently frozen fryers are selling for 79 to 84 cents a pound and fresh fryers are selling for 82 cents a pound.

There is no question but that Federal meat inspection of rabbit processing would put rabbit processing on a sounder economic basis and would add stability to the rabbit processing industry.

There has been some concern that mandatory Federal inspection will eliminate the small rabbit processors. This is simply not the case.

There is more than adequate protection for the small processors through exemptions that are provided in the proposed legislation. The exemptions are as follows:

#### STATUS OF RABBIT EXEMPTIONS UNDER S-1943

##### *Section 15*

(a) (1) Retail Exemption—No numbers limit; maintain sanitary standards; must be inspected rabbits; fully labeled except no inspection mark.

(a) (3) Religious Exemption—No numbers limit. All requirements must be met except those that are specifically designated as in violation of specific religious dietary law. Must be requested by processor and certified by clerical official.

(b) Territory without organized Legislative Body—No numbers limit; healthy rabbits; maintain sanitary standards; fully labeled except no inspection legend; distributed within territory only.

(c) (1) (A) Personal Exemption—No numbers limit; maintain sanitary standards; producer's name and address; statement "Exempted 90-492."

(c) (1) (B) Custom Slaughter Exemption—No numbers limit; maintain sanitary standards; no buying or selling; owner's name and address; statement "Exempted 90-492."

(c) (1) (C) Producer Exemption—5,000 limit; maintain sanitary standards; handles no other rabbits; producer's name and address; statement "Exempted 90-492."

(c) (1) (D) Local Distribution Exemption for Meal Preparation (i.e., hotels, restaurants, boarding houses, etc.)—5,000 limit; maintain sanitary standards; handles no other rabbits; producer's name and address; statement "Exempted 90-492"; no commerce.

15(c) (2) Small Enterprise Exemption—5,000 limit; maintain sanitary standards; labeled except no inspection legend.

15(c) (4) Mini-producer Exemption—less than 250 rabbits; no other rabbits, no commerce.

In addition, processing plants marketing rabbit meat exclusively within the State where the meat was processed or exclusively intrastate commerce would not be subject to Federal meat inspection requirements. They would only be subject to State meat inspection requirements. This proposed legislation would apply to the large volume processors which market rabbit meat in interstate commerce.

In fact, the cost of Federal inspection has resulted in a near monopoly of the source of federally inspected rabbit meat for domestic consumption. In the period from 1911, when the rabbit processing industry was started, until 1972, it is estimated that about 2,000 or more processors have closed their plants. The cost figures mentioned earlier are evidence that the industry generally has been caught in a vicious circle.

To develop a retail market and outlet for commercial rabbit meat, plants were forced to incorporate a voluntary inspection program. But the cost of that inspection forced them to produce rabbit meat at a deficit or at a competitive disadvantage with substitute meats. Due to the rather limited market for by-products and additional returns, this has forced all but a very few of the Nation's plants out of business. As a matter of fact, there are only two that are voluntarily inspected, the one at Pel-Freez in Rogers, Ark., and one in Hill City, Kans., my district.

The byproduct market is expanding particularly in the area of pharmaceutical and biomedical research utilizing the blood serum, brains, and furs. This fact, in conjunction with increasing consumption, could lead to a very promising and profitable new industry for rural and smalltown America, if the Federal inspection was mandatory and the cost of inspection was paid for by the Federal Government similar to other types of meat covered by the acts.

Based on a recent USDA survey made by the Consumer and Marketing Service, a total of 29 plants could come under inspection provided for in the bill. Of these 29 plants, 17 (three having voluntary Federal inspection and 14 having State inspection) could probably qualify for the mandatory inspection program. The remaining 12 plants probably would meet the criteria for exemption as mentioned earlier.

A healthy rabbit processing industry could open new doors of economic opportunity for many citizens who are unemployed or underemployed in our rural, smalltown areas. Rabbit production has specific appeal to senior citizens, youth, and minority groups. I could underline that, Mr. Chairman, because I raised rabbits when I was a boy and I found out one thing: I could raise an awful lot of rabbits, but nobody wanted my rabbits, so I had no place to go with them. That seems to be a basic problem we have in management control and problems of meat prices and grain prices with overproduction.

To date, rabbit production has been promoted primarily as a source of income for people with limited resources and as a part-time venture.

In a recent survey of 1,100 rabbit producers for Kansas Food Products, Inc., 58 percent of the respondents had a net income of less than \$5,000. Of the 231 who replied, about 59 percent started raising rabbits after the Hill City rabbit processing plant was built. Ninety-six percent of the producers operated a farm business, lived in a rural area or town less than 10,000, and, 64 percent raised rabbits for a main or supplemental income, the rest being hobby producers. The survey summary is attached for your information and reference.

Presently, the Hill City rabbit processing plant obtains rabbits from 1,057 producers (485 in Kansas, 462 in Texas, 63 in Nebraska, 35 in Oklahoma, and 12 in New Mexico). The plant processed 204,924 rabbits from January, 1971, to January 1, 1972.

Domestic rabbit raising goes hand-in-hand with many other projects. These include such things as truck gardening through the utilization of the manure for fertilizer, making houseplant potting soil,

the raising of earthworms for fish bait and other economically feasible projects. It is estimated that Kansas Food Products, Inc., contributes approximately \$2 million per year to the economy when the cost of installation of the modern domestic rabbitries, sales of food, hardware, medication, and transportation are computed.

The attached publication "Rabbit Production in Kansas" written by Frank L. Overley, area extension economist, Kansas State University cooperative extension service, does point out the limited investment and limited operating capital that is required for rabbit production and profit potential. The limited capital requirements and limited labor requirements make rabbit production a more promising source of income and meat production in the future. This could also result in contract production for processing plants; whereby, the plant furnishes the breeding stock, building, equipment, and the feed. And, the producer provides the land, labor, and management for a reasonable return.

It is a rather startling fact that three domestic rabbit does and one buck can produce more meat in 1 year than one cow, at less cost per pound of meat gained (approximately 16 cents a pound on rabbits and 22 cents a pound for beef).

I feel that it is time to include rabbit processing under the mandatory inspection provisions of the Meat and Poultry Inspection Acts. This would stabilize the rabbit processing industry without forcing undue costs on the smaller processor who would be exempt. This act would open new doors of opportunity for our senior citizens, our youth, handicapped, and others in search of gainful employment and economic returns. This could offer our rural and smalltown areas a new growth industry.

At the same time, the consumer would be guaranteed an increasing supply of a most nutritious and healthful food which is high in protein and low in fat, promising much to our health conscious society. As you know, the Senate has passed this legislation without dissent. I am hopeful that it will be possible to expedite consideration of this bill. Your kind consideration of this proposal and this testimony is most appreciated.

(The attachments referred to above follow:)

**SURVEY CONDUCTED BY MR. JIM SMITH, FARMERS AND MERCHANTS BANK IN 1970 FOR KANSAS FOOD PRODUCTS, INC. (RABBIT PROCESSORS)—1100 PRODUCERS WERE POLLED AND THERE WAS A 21 PERCENT RETURN**

Of The Respondents—53% finished grade school and high school; 58% had a net income of less than \$5,000; 96% operated farm business, lived in a rural area, or town less than 10,000; 64% raised rabbits for main or supplemental income.

<i>Age range:</i>	<i>Percent</i>
Less than 21-----	19
21-40-----	43
41-55-----	18
56-over 65-----	27

59% had been raising rabbits for less than 3 years. (The Hill City Rabbit Processing Plant was built approximately 2 years before this survey.)

## THE ECONOMIC POTENTIAL OF RABBIT PRODUCTION IN KANSAS

(By Frank L. Overley, area extension economist)

Economic growth seldom treats everyone alike. A concentration of resource use often accompanies agricultural development. As growth occurs some people find themselves in a different relative economic position. The resulting discomfort stimulates the search for new opportunities. The search for expanded opportunities is directed toward either migrating to other areas for better employment opportunities, or finding a new product for which the area has a comparative production advantage.

As a means of providing more job opportunities and economic activity, a Hill City, Kans., development group opened a domestic rabbit processing plant. Prior to the plant opening, domestic rabbit production was largely restricted to hobbies or youth projects. The transitional period of developing a commercial rabbit production industry, began with the plant opening. It is presently experiencing the problems associated with maturing into a stable industry.

Although the rabbit is widely recognized as being quite prolific, successful rabbit production requires production skills equal to or greater than those required for success in the production of other domesticated animals. The rabbit's usual response to adverse conditions is to halt production, rather than just reduce production. Their tolerance of environmental change is considerably less than that of most farm animals.

Expanded rabbit production has been promoted primarily as a source of income for people with limited resources and as a part-time venture. Some people have entered rabbit production with the anticipation of easy profits, only to emerge a bit wiser perhaps, but with less wealth. Others entering rabbit production lacked sufficient knowledge of the production skills to immediately cope with profit-limiting adversities. Those who are achieving success display considerable pride with their project.

The objectives of this report are to identify the needs of a developing rabbit industry and to assess the production systems that are likely to become the most prevalent.

Information for this report was gathered in visits to established producing areas in Colorado, Missouri, and Arkansas. Producers, feed and equipment suppliers, and cooperative extension service specialists were contacted. Although the conditions for rabbit production are somewhat different for these areas than in Kansas, many of the production costs and returns can be related to Kansas conditions.

Available literature on rabbit production is largely restricted to materials published by the American Rabbit Breeders Association, feed companies, private authors, and the USDA. The extent of knowledge gained from scientific investigations is probably best expressed by the following quote from Commercial Rabbit Raisers, published by the USDA, "Experimental evidence is lacking as to what effect rapid breeding may have on the reproductive life of the doe, fryer development, feed conversion . . . , mortality, and carcass quality."

Production techniques are largely developed from observations and judgments, rather than by controlled experiments. Without controlled experiments, precise measurements of production requirements and responses are not available. As might be expected under such circumstances, there is substantial dispute over the appropriate production techniques and attainable production goals.

A rabbit breeding program should be continuous throughout the year. Commercial breeds usually reach maturity between 5 and 6 months of age. The conventional production system is to rebreed 6 weeks after kindling. The doe is left with the litter until they weigh between 4 and 5 pounds, or until they are weaned at 8 to 9 weeks of age. This allows the doe 1 to 2 weeks rest between litters. It also offers the possibility of raising 5 litters per doe each year. Most producers like to breed several does on the same day. They then can equalize the size of the litters by adding more to some and taking away from those which might kindle too many. This assures more uniform litter sizes.

One question open for debate concerns appropriate housing and temperature control. In the absence of temperature control measures, the average conception rate drops to about 70 percent as the result of summer temperatures that exceed 85 degrees. An average conception rate of about 85 percent can be achieved with temperature control that does not fluctuate more than about 20 degrees. Some producers suggest that least-cost production can only be gained with rather elaborate environmental control. Other producers will argue that with appropriate management, minimum-cost housing and temperature control is the most efficient.

Although it is not the intent of this report to suggest the most appropriate housing, a brief description of a low-cost housing unit in Colorado may be of interest. These units were pole frame construction with a dirt floor. They were about 9 feet in width. The builder used 10-foot roofing materials which provided some overhang. The cages were decked along the sidewalls. Fiberglass "drainboards" under the cages were sloped to drain outside. This permitted the bulk of the cleaning to be done mechanically. The inside alleyway was wide enough for a three-wheeled feeding cart. Hinged sidewalls can be opened for ventilation or closed during inclement weather. The visit was made when weather conditions had prevented cleaning for at least 3 weeks. The ammonia odor, though detectable, was not offensive. In spite of the Colorado winter and the absence of supplemental heat, there was ample evidence that the does were maintaining a very respectable production performance.

The following table showing investment, returns, and cost analysis by selected herd sizes is derived from a consensus of information provided by producers using minimum temperature control housing.

TABLE 1.—INVESTMENT, RETURNS, AND COST ANALYSIS BY SELECTED HERD SIZES

Item	Working Does			
	200	300	400	500
<b>Investment:</b>				
Breeding stock <sup>1</sup> .....	\$1,052	\$1,578	\$2,104	\$2,630
Building and equipment.....	2,379	3,330	4,510	5,480
Hutch and facilities (116 holes per 100 breeders).....	2,088	3,132	4,176	5,220
Feed and supplies.....	128	192	256	320
Total investment.....	5,638	8,232	11,046	13,650
<b>Receipts:</b>				
5 Litters X 8 per litter X 4.5 lbs. X 70% average conception rate at 28¢ per lb.....	7,056	10,584	14,112	17,640
<b>Costs:</b>				
Animal cost—breeding stock <sup>2</sup> .....	79	118	159	197
Prorated cost—building and equipment <sup>3</sup> .....	423	595	805	983
Prorated cost—hutch and facilities <sup>4</sup> .....	373	560	747	933
Feed (4.25:1 feed conversion at \$4 cwt.).....	4,284	6,426	8,568	16,710
Veterinary, medication, and supplies.....	320	480	640	800
Total costs.....	5,479	8,179	10,919	13,623
Return to land, labor and management.....	1,577	2,405	3,193	4,017

<sup>1</sup> Stock per 100 breeders: 100 breeders at \$2.15, 14 junior does at \$4.00, 14 bucks at \$5.00.

<sup>2</sup> Interest 6%, taxes 3%, half value.

<sup>3</sup> Depreciation 10 years, interest at 6%, half purchase cost, Repairs 3%, new cost, Taxes 3%, half value.

<sup>4</sup> Insurance \$8 per \$1,000 half cost.

The following partial budget analysis indicates that under the assumed production costs and production responses the more elaborate environmental control is the most efficient for the 500 doe unit.

The estimated effect on annual net income by adding more elaborate environmental control to the 500 working doe unit:

Added costs:

Prorated Costs \$3,500 added investment:	
10-year depreciation.....	\$350
Interest on average investment.....	105
Repairs.....	105
Taxes.....	52
Insurance.....	24

Added receipts:	
Fryer Sales (Estimated 85% average conception rate)-----	\$3,780
Reduced costs-----	0
Total added receipts and reduced costs-----	3,780
Operating costs:	
Feed (4:1 feed conversion at \$4 cwt.)-----	1,530
Utilities-----	600
Reduced receipts-----	0
Total added costs and reduced receipts-----	2,766
Estimated added income-----	(1,014)

The above analysis represents a return to management, land, and labor use. With proper production management and environmental control it appears that one could reasonably expect an annual \$10 return per working doe. Presest production technology limits the number of does that one person can handle full-time to about 500.

As with most livestock projects, profit potential with rabbits is largely determined by the feed conversion ratio and the ratio of product price to feed costs. The assumed feed conversion ratio for the above analysis is 4.25:1 for the total herd. This ratio is improved to 4:1 with the 85 percent conception rate. The 7:1 product price feed cost ratio used (table 1), is being obtained by larger producers who are receiving bulk feed deliveries. However, the producers with smaller herds often have feed costs in excess of \$5 per hundredweight.

Government sponsored rabbit research to date has largely been restricted to disease problems. This has not been an extensive effort and the solutions to many disease problems are not yet available. However, most disease problems are associated with individual animals rather than with epidemics affecting most of the herd. Dr. L. J. Patterson, at the University of Arkansas Agricultural Experiment Station, reports that, "Common problems may be reduced significantly by the diligent application of established management procedures. These procedures involve, primarily, practicing good sanitation, introducing only healthy animals into the rabbitry, and providing adequate ventilation."

Some of the more experienced breeders are currently experimenting with an accelerated breeding program. With this system the doe is rebred 21 days after kindling and the litter is weaned and placed in different cages about 42 days after kindling. The advantage of this system is that it permits a potential of 7 litters per doe per year, rather than 5 for the conventional system. The disadvantages are that it requires about twice the cages of the conventional system and special formulated feeds for the litter at weaning until they are sold. A partial budget analysis of this system follows:

The estimated effect on annual net income by converting a 500-doe rabbitry using the conventional production system to a 270-doe rabbitry with accelerated breeding.

Added costs-----	0
Reduced Receipts:	
Rabbit sales-----	\$5,228
Total added costs and reduced sales-----	5,228
Added Receipts-----	0
Reduced costs:	
Interest and taxes on breeding stock-----	79
Supplies and medications-----	400
Feed-----	3,600
Total added receipts and reduced costs-----	4,079
Estimated effect on annual net income-----	(1,119)

This analysis indicates that the two additional litters of accelerated breeding do not adequately compensate for the loss in working doe numbers, to provide the needed cages for early weaning.

In many respects the resource combinations for raising hogs in confinement are similar to the requirements of rabbits. The labor requirement of 40 sows

farrowing twice each year about equals the labor requirement of a 500 working doe rabbitry. The following total budget analysis of a 40 sow hog project indicates that hogs provide a superior labor return.

TABLE 2.—INVESTMENT, RETURNS, AND COSTS ANALYSIS—40 BREEDING SOWS  
PRODUCING MARKET PIGS

Investment:	
Breeding stock.....	\$3,500
Building and facilities.....	23,050
Equipment.....	3,500
Feed and supplies.....	600
Total.....	30,650
Receipts:	
Fat hogs—135,000 lbs. @ 20¢.....	27,000
Culled sows—15,680 lbs. @ 16¢.....	2,508
Less Marketing costs.....	800
Gross Sales.....	27,708
Costs:	
Annual cost breeding stock.....	263
Prorated cost building and equipment.....	4,125
Prorated cost crates and facilities.....	628
Feed.....	15,228
Veterinary, medication, and supplies.....	1,040
Total.....	21,284
Returns to management, land, and labor.....	(7,424)

Although hogs appear to offer the superior returns to labor and capital when compared to possible rabbit production, rabbits may be the preferred alternative, because of either location limitations or the difference in labor requirements. When a \$4,500 labor charge is made the residual returns as a percent return to capital investment is greater for hogs than for rabbits.

#### WILL THE KANSAS RABBIT INDUSTRY GROW?

The domestic rabbit has the genetic capacity to produce about 25 times its weight in fryer offspring each year. Poultry is the only successful challenger to the rabbit's feed conversion efficiency. But, as yet, the industry has not been bidding substantial resources away from alternative uses.

Before the industry can achieve prominence, strong leadership must emerge. The special interests now trying to provide leadership are not being challenged, nor are they gaining special recognition. Compared to other livestock producers, rabbit producers are at a distinct disadvantage because they lack the benefits of extensive research and developing technology. Active leadership could play a vital role in obtaining unbiased research and demonstration rabbitries. A demonstration rabbitry has been proposed; but the production systems that should be encouraged are yet to be identified.

Apparently the market will absorb current production at favorable prices, but the effect of increased production is essentially unknown. The demand for rabbits is presumed to be inelastic. That is, a slight change in supply substantially alters the market price. It is suggested that expansion of the rabbit industry should be geared to what the market will absorb, at favorable prices, rather than what the plant may be capable of processing. To learn the optimum production volume for the total industry by trial and error techniques could prove to be exceedingly expensive, if not a total disaster. A study of demand elasticities would facilitate an accurate prediction of the industry's optimum production volume.

Yes, the rabbit industry does have the potential of gaining more prominence. But it will only be achieved with persistent efforts to overcome retarded development.

Mr. PURCELL. Thank you, Mr. Sebelius.

Before we call the next witness, we have a group of people with us this morning and I think their schedule requires that they go to another appointment. I would like all of us, the members of the committee as well as those in the audience, to realize that there is a group of legislators here from Colombia. Each of these gentlemen is a member of the Senate. One of them is a former Minister of Agriculture. If they would please stand, we would be glad to see them at this time. [Applause.]

Mr. PURCELL. Thank you very much.

Our next witness, then, is Dr. M. R. Humphrey. I wish all of you would listen to this. He is Chief, Poultry Group, Inspection Standards and Regulation Staff, Technical Services, Animal and Plant Health Inspection Service, with the U.S. Department of Agriculture.

If you have a door big enough to put that on, we will be glad to hear you. We welcome you at this time.

**STATEMENT OF DR. M. R. HUMPHREY, CHIEF, POULTRY GROUP, INSPECTION STANDARDS AND REGULATION STAFF, TECHNICAL SERVICES, ANIMAL PLANT HEALTH INSPECTION SERVICE, USDA**

Dr. HUMPHREY. Thank you, Mr. Chairman.

I am Dr. M. R. Humphrey of the meat and poultry inspection program of the Animal and Plant Health Inspection Service. That allows us to have a smaller door.

We appreciate this opportunity to give the Department's views on S. 1943 and H.R. 8714, bills to provide for the mandatory inspection of rabbits slaughtered for human food.

The Department has no objection to the enactment of these bills.

The raising and processing of domestic rabbits as an added source of meat in the diet is a growing industry. Consumers of this product do not always have assurance that it is wholesome, unadulterated and correctly labeled, as they presently do on meat and poultry products.

At the present time inspection is available for the processing of rabbits under a voluntary program in which the processors pay for the inspection services provided. These bills would make the inspection of rabbit processing mandatory and assure the uniform certification of the wholesomeness of all rabbit products offered the consumer by applying the provisions of the Poultry Products Inspection Act to domestic rabbits.

This concludes our statement, and we shall be glad to answer any questions the subcommittee might have.

Mr. PURCELL. Thank you, Dr. Humphrey. If it is agreeable, what we have been doing lately so to have all the witnesses interested in a particular bill in a logical sequence or group to testify. Then we question everyone en bloc, and it seems to save some time. So if that is agreeable, if you will remain available, we will proceed with the next witness.

Dr. HUMPHREY. Thank you, Mr. Chairman.

Mr. PURCELL. Our next witness is Mr. Robert W. Dubbell, general manager of the Pel-Freez Rabbit Meat, Inc., Rogers, Ark.

Now, Congressman Bill Alexander wished to be here, but it was impossible for him to come. He wanted to present Mr. Dubbell. Since he is not here, he cannot do that.

Mr. Clyde Ellis, is well familiar with all of us and we with him, because for so many years he has devoted his entire being to rural electrification activity. So we welcome you gentlemen in whatever way you wish to proceed.

**STATEMENT OF CLYDE ELLIS, PROFESSIONAL STAFF MEMBER,  
SENATOR McCLELLAN OF ARKANSAS**

Mr. ELLIS. Mr. Chairman, very briefly, having represented the district in which Mr. Dubbell lives and in which the industry, the plant, is located. I am here only to introduce to you Mr. Robert Dubbell, general manager and sales manager of Pel-Freez Rabbit Meat, Inc., Rogers, Ark. The Pel-Freez Co. has enabled many small farmers of Arkansas, Missouri, Oklahoma and adjacent States to stay on the land by providing them a market for something they could grow.

Mr. Dubbell is an outstanding citizen in the State.

Mr. PURCELL. Thank you very much, sir. We will be glad to hear from you at this time.

**STATEMENT OF ROBERT W. DUBBELL, GENERAL MANAGER, PEL-FREEZ RABBIT MEAT, INC., ROGERS, ARK., ACCOMPANIED BY  
MRS. NORMAN McCURDY, NORTH CAROLINA**

Mr. DUBBELL. Mr. Chairman, at this time on my right, I have sitting Mrs. Norman McCurdy, who is from North Carolina. I would like to have her—though she was not scheduled to appear before the committee—I would like to have her at least made available for questioning in case she is needed.

Mr. PURCELL. We appreciate your being here, Mrs. McCurdy.

Mr. DUBBELL. Mrs. McCurdy has been appointed by the American Rabbit Breeders Association to the Washington committee to help represent the many thousands of rabbit producers who belong to the American Rabbit Breeders Association. That will give you some of her background. In addition, she is a rabbit processor, a rabbit producer, a laboratory animal producer.

I have previously prepared a written test that I would like to follow quite closely, but as no text is ever really complete, I would like to add a few things once in a while and be subject to questioning, because many of the things that have already been said are in agreement with my own thoughts. In fact, I could not have put it any better in most cases.

On the first page on the written text, I have indicated my qualifications. I do not know if you want me to go over that, it is a whole page.

Mr. PURCELL. All of this will be in the record.

Mr. DUBBELL. There is no need of going through all of this.

Mr. PURCELL. We certainly recognize you are an authority in your field.

Mr. DUBBELL. Well, I have been in it 31 years, working now for a company that has been in it for 60 years.

(The information referred to above follows:)

QUALIFICATION INFORMATION ON ROBERT W. DUBBELL, GENERAL MANAGER OF  
PEL-FREEZ RABBIT MEAT, INC., ROGERS, ARK.

Robert W. Dubbell, Box 68, Rogers, Ark., 72756, Pel-Freez Rabbit Meat, Inc., Rogers, Ark. (founded 1911).

Qualifications—31 years experience in the domestic rabbit industry, 10 years as a buyer and field production supervisor, and 21 years as general manager and sales manager of a USDA inspected rabbit processing plant, No. 202.

During the 1940's acted as a spokesman for the rabbit industry in an appeal before the OPA to obtain relief from price control on live rabbits during a period when the OPA allowed feed prices to increase over 50 percent. This appeal was for more than 20 processors in the Southern California area, and was handled from our Los Angeles, Calif., office.

In 1951 moved to Rogers, Ark., to establish a new rabbit industry. Starting from scratch, the Rogers plant built the same volume within 7 months that was developed by our Los Angeles plant over a period of 20 years.

During the 1950's and 1960's, appeared four times before Members of the House and Senate, and before all branches of the Armed Forces, to solve marketing problems which resulted from unwise and improper action by the various military management offices, which had stopped military procurement of rabbit meat.

During the early 1960's appeared before 41 Members of Congress to assure continuation of rabbit research when the U.S. Rabbit Experiment Station in Fontana, Calif. was phased out.

In 1966, appeared before Members of Congress and the Office of the Administrator, USDA appealing for help to our industry to solve a serious abortion problem that affected rabbits in about one-third of the Nation.

During 1970 and 1971 I have appealed for protection from the low-priced rabbits being imported from Poland and certain other countries, and especially trying to prevent a flood of low-priced rabbits from the Peoples Republic of China which would ruin our domestic industry.

Today, I am appearing for our own company, and also as a spokesman for the rabbit industry to explain our position on H.R. 8714 and S. 1943 (which was passed by the Senate on April 11, 1972). Our company services, and represents about 1,500 rabbit producers in nine States: Arkansas, Missouri, Iowa, Nebraska, Kansas, Oklahoma, Texas, Louisiana, and Tennessee.

Mr. DUBBELL. As Mr. Sebelius said, we have had many, many thousands of rabbit producers come and go over the years and the figure 2,000 was the figure that we had given to the people at Hill City as being proper. This is purely a guess, but in 30 years, it is probably true.

In regard to bill 8714 in the House and Senate bill 1943, I would like first of all to explain the position of the lack of communication of these bills to the rabbit industry. Both bills have just recently been brought to our attention and not even yet to the entire rabbit industry.

Our industry is not even aware that action taken here today might force thousands of rabbit producers and many processors out of business, thus the industry has not been alerted to this threat to its well-being. We realize, of course, that is our responsibility to read the Federal Register and to know what takes place in Washington. However, even though the bill by the Honorable Mr. Sebelius was introduced on May 25, 1971, it was not until March 10, 1972, that this was even made aware in our own office. Prior to that, I had a conversation with Senator Dole about a year ago and he wanted to know if the industry would support mandatory inspection at this time. After discussion of about 30 minutes, we felt that it was rather the consensus

that it would be very damaging to the overall industry while it would be very beneficial to one or two people. It was felt that no further action was being taken.

It was not until the night of April 4, in Philadelphia, last week, that I had a phone call advising us that the Senate had actually passed 1943 and we did not even know the bill existed. There was no comment on 1943, there was no objection to 1943. We do not know why. It so happened that apparently, we can only assume that the U.S. mails did not get the mail through, because I had at least written personal letters to Senators Dole, McClellan, and Fulbright expressing our opinion on 8714, making no reference to 1943 in the Senate, because we did not even know the bill existed. Apparently, the mail had never arrived, and therefore, the Senators had no reason to question any statements that had been presented in 1943, which is the same as 8714—I believe that is correct.

Before the mandatory inspection of poultry became law, the USDA carefully prepared a full draft of the proposed rules and presented this information to the poultry industry at the Poultry Fact Finding Conference in Kansas City in early 1957. Congress then passed the Poultry Products Inspection Act on August 28, 1957, after the industry had been consulted. At this point, I would like to advise that the rabbit industry at that time was given the opportunity to have mandatory free rabbit inspection at the same time that it was offered to the poultry industry. Of course, at that particular time, our company was the only one that had mandatory—not mandatory inspection, but voluntary USDA inspection. And while it would have put many thousands of dollars into our pocket to replace the charges that we were paying to the USDA, after serious consideration and consultation with the industry, it was the unanimous decision that it would be very, very detrimental to the future growth of the entire rabbit industry to have mandatory poultry inspection that would have benefited Pel-Freez and basically not have benefited anybody else in the industry, and in fact, would have actually put out of business, without any question, many processors that were in existence at that time.

The rabbit industry has not yet been consulted on this bill that would require mandatory inspection of rabbits. Without more information and discussion, it becomes impossible for the many thousands of rabbit producers and hundreds of rabbit processors to properly study the proposal and to let their congressional representative know what effect the bill will have upon the rabbit industry. Fairness and justice can only be obtained by more time being given to the industry to know what H.R. 8714 and S. 1943 will actually do to this infant and growing industry.

The Senate passed S. 1943 on April 11, 1972, by unanimous consent. No one spoke against the bill, primarily because no one knew the bill was being considered. Even though our office mailed letters to Senators Dole, Fulbright, and McClellan, for some unknown reason the mail did not arrive, thus the Senators did not have our thoughts about the dangers in H.R. 8714 and S. 1943.

Our office has contacted approximately 40 processors and not one of these processors has heard of S. 1943, or H.R. 8714. They do not know what the bills will require, and cannot make a full and accurate evaluation of the effects of these bills until they obtain more information.

In order to understand S. 1943 and H.R. 8714, it is necessary to also have at hand a copy of the Poultry Products Inspection Act (71 Stat. 441; 21 U.S.C. 451-470), a total of 22 pages; a copy of the USDA Regulations Governing the Inspection of Poultry and Poultry Products (7 CFR-Part 813 dated July 14, 1968, a total of 25 more pages; and also a copy of the new USDA proposed regulations for Inspection of Poultry and Poultry Products, dated May 27, 1971, published in the Federal Register, vol. 36, No. 103, another 38 pages of information.

The rabbit producers and rabbit processors must have all of this information available to determine just what would be required of them to operate within the USDA regulations as would be written as a result of S. 1943 and H.R. 8714. This definitely requires much additional time to properly inform as many as 200,000 or more rabbit producers and the estimated hundreds of rabbit processors.

I feel sure that our industry agrees with the goals of the Poultry Product Inspection Act to assure high quality rabbit meat to reach the market, to be sure that it is wholesome, that it is not adulterated, and that it is properly labeled.

At present, USDA inspection of rabbit meat is made available to the rabbit processors by the voluntary inspection program. In addition, many States have laws providing for inspection of rabbit meat, and even some cities or counties also have regulations covering the slaughtering of domestic rabbits. These laws are all good.

The Poultry Products Inspection Act also provides that all poultry, and rabbits under S. 1943 and H.R. 8714, would have to be imported under regulations established by the USDA and the imported rabbit meat would have to be equal in quality to rabbits processed in U.S. plants. This is also good, especially if it will assure that rabbit meat from the Peoples Republic of China will be given the same type of inspection in China at time of processing that would be required of our own domestic rabbits. At the present time, this would appear to be a very difficult task for the USDA to perform, since China has not yet opened its doors to outsiders such as our meat inspectors. I would like to interject at this point.

As a result of the President's reclamation of trade within the last year, basically—in fact, I was in Hong Kong in June of last year, at the time that the President announced the reclamation of trade on certain commodities. When I got home at the end of June, I had two offers of rabbits from—at that time, we called it Red China; we will now call it the Peoples Republic of China. We had two offers of rabbit meat from China in quantities of approximately 2½ million pounds a year which, in my opinion, is equal to basically 50 percent of the entire rabbit production of all of the commercial producers

in the United States. And certainly, at the very minimum, at least 25 percent of this production—I use a variable of 25 to 50 percent, because to the best of my knowledge, at no time has there ever been a census made in the United States of who produces rabbits, where they are, how many people there are, what the volume is. And in fact, under normal circumstances, our office receives several phone calls a year from the Department of Agriculture and others in Government asking us to give them this information, since it is not available in any other place. Red China practically ruined the rabbit industry in Great Britain by supplying these rabbits from Red China to the British Market at prices that actually were ruinous to competition. In fact, these two importers who have offered the supply to us, have advised us that price is no object and they were willing to sell rabbits today from Red China to the United States at any price.

Now, this cannot legally be done. But to circumvent the law, these rabbits are, first of all, exported from Red China to Europe and then are exported from Europe or made available from Europe to the United States. This gets around the regulations.

In addition to the rabbits from the Peoples Republic of China, I might add that in the last few years, there has been quite a flood of rabbits in from Poland who, even though it is behind the Iron Curtain, has received the status of Most Favored Nation. Therefore, the rabbits from Poland come in at a very minimum duty.

In addition to these, our company has been offered rabbits in the last year from 22 countries overseas. All of these countries have been led to believe by someone in our Government, through one of the agencies in our Government, that the United States has a tremendous need for additional rabbits and they have been encouraged to produce rabbits for us and to please contact the Pel-Freez Rabbit Meat Co., who will be ready and willing buyers at all times. This week, we received two more such inquiries, one from Costa Rica and the other from a country in South America; I do not remember which one it was.

Continuing point 4. In overall objectives, no one can be against S. 1943 and H.R. 8714, as our industry has always tried to process a quality meat product.

First, one needs to obtain accurate information about the size of the rabbit industry, where it is located, how many persons are rabbit producers, how many are processors, and what are the economies of the industry.

No census of the industry has ever been taken. All figures relating to the size of the industry are estimates. The USDA has quoted figures of 200,000 to 250,000 rabbit producers. The most recent information on this has come to me through the American Rabbit Breeders Association, Mr. Robert Bennett, who is on the publicity committee of the ARBA. He advises that the USDA informed him there are now as many as 250,000 rabbit producers. The last point in testimony an official of Government that I know of was a few years ago, when the Secretary of Agriculture stated before the Senate Appropriations Committee that there were in excess of 200,000 rabbit producers.

At least, this gives some idea of what Government may think is true. We do not think there are that many.

A recent letter from the USDA to the Honorable W. R. Poage stated that there were 29 processing plants recently surveyed, but we believe that there are many more than 29 plants today. I might add at this point that we have a list indicating at least 50 to 55 that we know of. However, since the life of a rabbit processor, by historic case, has already been indicated, is apparently rather short—they come in and they go out right fast—the list of 50 to 55 that we have today, I feel sure that some of those are out of business, but in place of those, there are others undoubtedly in business. In addition to these 55 names, all of which are listed in the various trade journals of the industry today as being rabbit buyers, it leads us to wonder why the USDA indicated that they surveyed only 29 plants.

In addition to the list of 55, I feel certain that there are scores of additional rabbit processing plants that would be subject to mandatory inspection, either under the Federal or under the State programs, since they would exceed the exemption figure of 5,000 rabbits per year, which is only 97 rabbits per week.

In reading the Poultry Products Inspection Act as it will be amended to cover rabbits, it will bring under the act all rabbit producers who slaughter five rabbits a week, and all processors who slaughter 97 rabbits a week. This could require thousands of trained inspectors to provide the producers and processors with the type of inspection that will be required under S. 1943 and H.R. 8714.

One of the effects of these bills will thus be to expend great sums of money for inspectors, their travel to the thousands of locations requiring inspection, and constant moving of inspectors since the proven normal life of a rabbit processor is usually about 3 years or less, with only a very small percent of the processors being able to remain in the business due to the unprofitable economics of the business. If I may interject at this point, most of these rabbit processors are one-man operators. They will buy rabbits on Monday, and this will be anything from a few hundred, maybe, to a thousand, but it is entirely the normal buying capacity of a man in a day. This man on Tuesday processes these animals, which he can easily do because anyone with any ability can process from 75 to 100 rabbits per hour.

On Wednesday and Thursday, he markets the product. Therefore, he becomes a very sizable factor upon the entire production capacity of the United States. He performs an excellent function in the development and growth of the business, because he is in every small hamlet throughout the United States.

Now, he may only do a hundred a week, but a hundred rabbits a week will service a lot of small producers who only have 10 or 20 producing does in operation. This man is necessary to remain in business, because he is the man who introduces people in the minority groups, in the youth classes Mr. Sebelius has mentioned, and in the retired persons. These people start small. In all of our experience in the rabbit business, no one should ever start large. They should always start with 10 to not over 25 producing does. We do not recommend

other than this. Our experience has been that normally people who start very large fail within a year. So these small people—particularly youth and retired people; after all, the retired person is not interested basically in making a living; he wants something to do. Fishing every day is just not that exciting for most people. So the small man must be kept in business.

Point 5. If all of these thousands of producers and many processors are required to have inspectors, will such inspectors be available in the many, many out-of-the-way locations throughout the entire Nation, especially when the great majority of processors, or producers, will normally only slaughter rabbits 1 or 2 days a week, perhaps for only a few hours a week?

It is my belief, and this is confirmed by almost all processors I have talked with, that the effect of these bills will be to seriously hamper, if not stop, the growth of the rabbit industry. I want to underline that very, very definitely. It would be rather like imposing mandatory poultry inspection in the 1920's when most poultry was the pinmoney enterprise by the farmers' wives, and young poultry was called spring chicken. To impose mandatory inspection on the rabbit industry at this time would make it very difficult for the small processors to get started. They would have a problem building plants that would pass inspection due to the fact that most plants operate without enough capital to build the type of plants needed, equip it with a conveyor system, and add sufficient personnel to operate the plant. We have already heard that the small man would not be forced to abandon his business, that he would not be required to come under mandatory inspection. I think this is one of the points that needs to be really cleared up. I am not sure that we know, that our company knows, that our industry knows, that the people in Government that I have talked to even know; in fact, they cannot even answer the questions I have asked. But since, under inspection, rabbits must be killed and skinned in one room and then eviscerated in another room, it becomes very difficult for the one-man operator to operate in two rooms at the same time. This almost requires him to add at least one more man to his payroll, which then comes to place him under the burdens of the economic problems that our industry has.

In fact, he cannot even operate with two people, because he also has to have someone taking the rabbits out of the cooling tanks because, under inspection, the rabbit is allowed to remain in the cooling tanks for a maximum of 1 hour. Therefore, this one man, this business today that may handle as many as 1,000 rabbits a week at a one-man operation, 50,000 or more per year, which is a sizable operation, could no longer continue to do this, because it is impossible to do three jobs at one time. This has to be done under the regulations as written by the Secretary of Agriculture, that this bill that we are considering today would provide the enabling force for the Secretary to write the regulations.

Most small rabbit processors are one- or two-man plants. It will require more persons to operate a plant under USDA regulations, yet the bills as they are now written will bring almost all small plants

under the act. These small plants perform a necessary function in the development of the rabbit industry. They serve new areas of small rabbit producers. It is our opinion that great damage will result to our rabbit industry if the small producer and processor is eliminated.

At this time, it appears that only two plants in the Nation would have any possible benefits, both of these plants now operating under the voluntary inspection program of the USDA. Mandatory inspection would provide free inspection, and this monetary saving would thus only benefit these two processors while penalizing the rest of the industry.

As I have outlined above, the rabbit industry agrees that good, wholesome, unadulterated, properly labeled rabbit meat should reach the consumer.

Present inspection programs, plus the many new State programs now being considered or being developed, can best provide for the objectives of good products as outlined in item No. 1 above. Testimony this morning has indicated that the cost of inspection in one plant runs 4 to 4½ cents a pound. According to statements that I have recently read, published by this particular company, this is the cost of the rabbits rejected and did not include the cost of the inspection. Now, perhaps it did, but it was not clear in the brochure. In our own plant, the cost of rejection is not 4 to 4½ cents a pound per rabbit; in fact, I just ran figures yesterday for the entire year of 1971, and the amount of rabbits rejected was .237 percent of all the rabbits purchased. That is less than one quarter of 1 percent of the rabbits that we purchased that were rejected.

Now, one might assume that this is due to knowing how to operate a business as compared, maybe, with improper buying, improper handling, improper transportation, causing severe stress on the animals at the time of ante-mortem inspection, causing extreme amounts of death upon hauling of the animals, which should never happen on a truck and rarely does under a proper system. But the total cost of inspection should be far, far less than has been indicated, and basically will be somewhere around 1 cent a pound to 1½ cents a pound and no more. This hardly puts a real burden upon any consumer in today's meat market, a cent or a cent and a half a pound.

At this point, I would also like to state that rabbit in no way is competitive with poultry. It is not poultry, it has never been poultry. It is not red meat; it is not fish. And it is very difficult to try to take a Poultry Inspection Act or any other set of regulations and cross out the word "poultry" and insert the word "rabbit" and make it make sense. The USDA has attempted to do this for at least 22 years and I have been closely involved in the office of the USDA upon each of these occasions when a revision regulation was being considered, that the new person that was sitting at a desk with a job to do would take the poultry regulations and substitute the word "rabbit" and it just does not read right.

As a result, we find that the industry is being neglected and overlooked. In fact, it is a rare case if you contact all of the people on the Hill, in excess of 600 people, to find anyone who really knows that there is a rabbit industry or anything about it. And this is one of the

biggest problems that we have. This is, I think, our point that we would like to make today, that the action that this committee is being asked to take or to approve seems to assume that these hundreds of thousands of people know what is going on, and they do not.

Point 3. The rabbit industry has not been informed of the ramifications of the regulations under which it would have to operate if mandatory inspection is imposed at this time. Greater dissemination of information needs to be made to the entire industry, hopefully reaching the estimated more than 200,000 rabbit producers and hundreds of rabbit processors.

It is our belief that a much greater financial cost would be involved in supplying inspection service than has already been estimated, thus affecting the feasibility and priority of incurring possible substantial additional costs at this time.

There are certain sections of the Poultry Inspection Act that need to be clarified as they might apply to the rabbit industry, and this needs to be done by further study and in cooperation with the industry.

Therefore, Mr. Chairman, and members of this committee, I request at this time that the bill, H.R. 8714, be tabled for further study and possible revision, so that the rabbit industry can be more fully heard, protected against damage that will almost surely result if this bill is approved by this committee, and that every effort be made to arrive at a better, and more equitable manner of providing top quality rabbit products to the Nation's consumers.

That is the end of my statement as prepared. I would like to say one thing at this point.

I have in my file, all of which have been obtained just within the last few days, comments from several of the processors around the United States. These are available and I can give them to the committee to be included in the record and almost without exception, they indicate that it would literally force them to stop business.

Mr. PURCELL. Mr. Dubbell, are these letters that you have received from producers of rabbits?

Mr. DUBBELL. These are letters or copies of telegrams to Members of Congress.

Mr. PURCELL. They are not some document that was prepared for some other purpose that happens to relate to this subject?

Mr. DUBBELL. No, Mr. Chairman.

Mr. PURCELL. They will be received as a part of the record after your testimony. Give them to the clerk now and they will be received.

(The letters referred to above follow :)

INDEPENDENT RABBIT CO.,  
Castro Valley, Calif., April 27, 1972.

HEARING CLERK,  
U.S. Congress,  
Subcommittee on Agriculture,  
Washington, D.C.

SIR: It is my understanding that S. 1943 providing for mandatory inspection for rabbits will be heard on May 4, 1972.

We would like to express our protest to this bill because it will eliminate our small business which has been operating for 30 years due to unrealistic requirements facilities and restrictions on the hours of operations.

We are now under the State of California Department of Agriculture Inspections Service and have no intentions of ever shipping our product inter-state.

The rabbit industry is also experiencing a severe depressed market for skins, plus a shortage of rabbits for slaughter due to forcing of the small rabbitry's out of business because of local public health restrictions.

We cannot see where such a bill will benefit the consuming public in any manner and can only force the smaller plants out of operations.

I would like to suggest that the other States adopt the California code as it pertains to rabbits and let the local inspectional services and Public Health Agencies be responsible for the wholesomeness of rabbit meat.

Respectfully yours,

ARTHUR MEDEIROS,  
*Independent Rabbit Co.*

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NORTHWEST FLA. RABBIT PROCESSING PLANT,  
*Caryville, Fla., April 27, 1972.*

CONGRESSMAN ROBERT SIKES.

Mr. SIKES: There is a bill coming up, which has been passed by the U.S. Senate. The bill S. 1943 for mandatory inspection of rabbits of processing plants.

I am State inspected at my plant and if this should be passed by House of Representatives on May 4, I wouldn't be able to continue, as there is not enough rabbits being produced in this area to pay us to be USDA inspected.

This plant is my only means of support as well as it might be for others just starting. Rabbit meat is one of the best on the market when we can get it.

Please help us and vote against this bill on May 4.

Thank you,

Mrs. BERT FRAVEZZI.

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OHIO RABBIT PROCESSORS, INC.,  
*April 28, 1972.*

Congressman JOHN ASHBROOK,  
*206 Cannon Office Bldg.  
Washington, D.C.*

DEAR SIR: In our telegram today we asked you to vote against the bill S. 1943 which provides mandatory inspection for rabbits due to the fact that if this bill is passed it will cause many small rabbit processors to quit business due to USDA plant requirements.

There is no known disease in domestic rabbit that can be transmitted to humans through consumption. To our knowledge, at this time there are but two processing plants in the United States that have Federal inspection on rabbits.

There are several small processing plants scattered throughout the United States that are processing domestic rabbits and we feel that if this bill passes, 90 percent or better of these small organizations will be out of business due to the volume of their business.

Rabbit processing is a growing industry that is providing added income to thousands of rabbit breeders throughout the United States. If we are forced out of business by this law these rabbit breeders will also be forced out of business and we feel that this could be a tremendous loss to the economy of this country. This bill not only affects the rabbit processor and the rabbit breeder, it also affects every feed manufacturer, rabbit equipment manufacturer and dealer and the many supermarkets across the country that are selling our product.

Thank you for any assistance you can render us in this matter.

Sincerely yours,

FRANKLIN HOFFMAN,  
*President.*

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CLAY GRAVES RABBITRY,  
*Corryton, Tenn., April 28, 1972.*

Hon. JOHN J. DUNCAN,  
*1782 Cannon House Office Building  
Washington, D.C.*

DEAR CONGRESSMAN DUNCAN: On May 4, 1972, a hearing is scheduled before the House Subcommittee on bill S. 1943, recently passed by the U.S. Senate. This bill has to do with mandatory inspection of domestic rabbits.

Will you please get the details on this bill and study them and send me a copy or full details at once? If we small processors of rabbits are to continue to operate we need this bill to be soundly defeated.

Will you please work to this end for us?

Here's wishing you continued health and success in the future.

Sincerely,

CLAY GRAVES, *Owner.*

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AMERICA'S RABBIT BREEDERS ASSN.,  
April 28, 1972.

Hon. WILLIAM COLMER,  
*House of Representatives,*  
Washington, D.C.

DEAR SIR: Calling your attention to bill S. 1943. I represent over 100 rabbit growers in the south Mississippi Rabbit Breeders Association. A large majority of semi-retired people and young 4-H rabbit growers, who, if this bill is passed will be forced out of business completely.

May we urge that you vote against and speak out against said bill on the House floor. These growers use their rabbit money as a supplement income.

Thank you,

HOWARD MAYS, *Mississippi Representative.*

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GENE'S RABBIT RANCH, TOLLESON, ARIZ.

DEAR SIR: If bill No. S. 1943 regarding mandatory Federal inspection of rabbits goes through it will put every processor in the country out of the business of raising, processing, and delivering rabbits on their local level. I have been supplying Bayless for some 10 years and have adequate local inspection.

Am in process of building a new plant but have halted proceedings pending the outcome of this thing.

These rabbits are needed and in great demand in the Phoenix and Tucson area. It would be a shame to have to bootleg them. Please help defeat this stupid thing.

Sincerely,

GENE'S RABBIT RANCH.

MR. PURCELL. Is that all that you have, Mr. Dubbell?

MR. DUBBELL. That is all I have. I would like to have Mrs. McCurdy have an opportunity to express herself.

MR. PURCELL. Mrs. McCurdy, do you have something to add to what Mr. Dubbell has already said? We do not want to duplicate things. We will be glad to hear from you if you have additional matters that have not been covered by these other people.

MRS. MCCURDY. My husband and I own and operate the Adams Rabbit Farm.

MR. PURCELL. First, do you have information other than what has been covered by Mr. Dubbell?

MRS. MCCURDY. Yes sir. We are State inspected. We have 200 suppliers, approximately. These people will be forced to lose a considerable investment should this bill be enacted at the present time.

I will stop right there.

MR. PURCELL. I did not mean to intimidate you completely. I wanted to just slow you down a little bit.

We will be glad to hear from you.

MRS. MCCURDY. You may ask me questions later, Mr. Chairman.

MR. PURCELL. Are there questions of any of these people?

MR. SEBELIUS. I would think, Mr. Chairman, to make myself available and the two gentlemen from USDA. I have some questions.

Mr. PURCELL. Then if the two gentlemen from USDA will locate yourselves at the table, and answer questions, Mr. Sebelius, I recognize you at this time.

Mr. SEBELIUS. I would say as an ad lib to my first remarks, I respect Mr. Dubbell's knowledge of the rabbit industry. It is such that except for the one plant I mentioned in my district, he has what you might call a monopoly in the USDA inspected meat. He is big enough to do it.

Mr. Dubbell, do you have a copy of your catalog with you?

Mr. DUBBELL. No sir; I do not.

Mr. SEBELIUS. Would you be kind enough to supply it to this committee for the record?

Mr. DUBBELL. Yes sir.

Mr. SEBELIUS. How many pages is it?

Mr. DUBBELL. I do not honestly know. There are 64 pages, I believe.

May I ask a question? Are you referring now to a rabbit product catalog or a rabbit biological catalog?

Mr. SEBELIUS. You have several, I understand.

Mr. DUBBELL. Well, Mr. Sebelius, we have six companies.

Mr. SEBELIUS. All of them related to your Pel-Freez Co.?

Mr. DUBBELL. I do not know exactly which one you are relating to. We are here speaking for the rabbit meat industry.

Mr. SEBELIUS. I was thinking of your catalog for the Pel-Freez Co. and the many byproducts you have for sale.

Mr. DUBBELL. That is another company, that has nothing to do with this company. However, the catalog does relate to the product from 16 different species of animal.

Mr. SEBELIUS. They are a subsidiary of that company?

Mr. DUBBELL. They are a part of this operation, of this area of biological products. In addition to that, we have a farm operation. In addition to that, we have a laboratory animals business. And in addition to that, we are now developing two additional new companies in the fur business.

Mr. SEBELIUS. You are Mr. Big in the rabbit industry, is that correct?

Mr. DUBBELL. We have never been Mr. Big, but I think we are approaching that. The Elmonte Rabbit Co. in California has always been far bigger than we are. Many people do not know this, but the Elmonte Rabbit Co., until just recently, has normally processed two to four times the volume of rabbits that has been processed by our plant. I rather think that the idea of having a monopoly is a little bit overstated.

Mr. SEBELIUS. I did not say monopoly. I just say that you are considered out in my country as Mr. Rabbit.

Mr. DUBBELL. I appreciate that. That is the effort we are trying to make and I think in over 60 years in our business, we have been favorably successful in attaining that.

Mr. SEBELIUS. And the Elmonte Co. has discontinued Federal inspection?

Mr. DUBBELL. The Elmonte Co. only had Federal inspection for a period of 10 months during its entire life. This was approximately

1953-54. And after 10 months of Federal inspection, due to the numerous additional people that had to be put on their plant and the harassment—I am using these words, you might say, under the discussion that the management has told me—they found it advisable to discontinue Federal inspection. However, under the new act, they would be forced back into it the way the law reads.

Mr. SEBELIUS. You found out about this by Congressman John Paul Hammerschmidt writing you, didn't you?

Mr. DUBBELL. That is correct.

Mr. SEBELIUS. He told you I was the one who advised him and asked him to get your feelings on it?

Mr. DUBBELL. No; I do not believe that is the letter. I have a copy of the letter here.

Mr. SEBELIUS. I have a copy of your March 18 letter which you sent me a copy of.

Mr. DUBBELL. Yes; which is in answer to John Paul Hammerschmidt's letter to me. But I do not believe that he indicated that you had asked him.

Mr. SEBELIUS. I went to John after the bill was making some progress, and I said, look, Pel-Freez, I think, is in your district, if I look at it on my map. He said, "Yes; Rogers is in my district." I said I would like you to advise the management out there that we would like to know something about it. So you sent me a copy, along with Chairman Poage, of your feelings about it.

Mr. DUBBELL. That is correct, sir.

Mr. SEBELIUS. In that letter on page 3, you stated, No. 6 under the history of the domestic rabbit industry, "Unless a rabbit packer can subsidize his rabbit meat with outside income, most packers close their doors. Today, for example, Pel-Freez has 23 sources of outside subsidy income and it takes all of this income to cover the average loss of rabbit meat packed of between 16 and 22 cents per pound."

Mr. DUBBELL. That is correct.

Mr. SEBELIUS. And you are big enough that you can supply from your catalog and so forth these byproducts so you can subsidize this meat you put on the market?

Mr. DUBBELL. This is incorrect, sir.

Mr. SEBELIUS. You said its supplies you a 16 to 22 cents per pound subsidy.

Mr. DUBBELL. If I understand you, Mr. Sebelius, you said that we supply these products from the catalog to cover this loss of 16 to 22 cents per pound.

Mr. SEBELIUS. Maybe not necessarily cover it, but it permits you to do that.

Mr. DUBBELL. It permits us to recover a few cents a pound, but not 16 to 22 cents a pound. That is a portion of where we obtain subsidiary income. But nowhere near 16 to 22 cents a pound.

Mr. SEBELIUS. You have the furs and other things?

Mr. DUBBELL. We have many other factors. We are in the fishbait business, we are in the animal feed business, we are in the mink feed business. We are in many other businesses, plus investment income, of which there is a very sizable portion of subsidized income.

Mr. SEBELIUS. I mean you supply the little rabbit man with various types of supplies and so forth, do you not, one of your companies?

Mr. DUBBELL. We supply a very, very nominal amount of material and we sell them at cost. We do not make any money on this operation.

Mr. SEBELIUS. And you supply breeding stock?

Mr. DUBBELL. No sir; we do not supply breeding stock and never have.

Mr. SEBELIUS. I want to go back to this because you said in this letter: "Today, for example, Pel-Freez has 23 sources of outside subsidy income and it takes all of this income to recover the average loss of rabbit meat packed of between 16 and 22 cents per pound."

Is that correct?

Mr. DUBBELL. It takes all of the income from all of our sources to try to keep our head above water, this is true. That is your question?

Mr. SEBELIUS. In the Washington, D.C. area, Pel-Freez and Hillcrest are available in the supermarkets. To the best of my knowledge, they are the only two rabbit meats supplied in any place where the ordinary citizen goes to buy his groceries.

Mr. DUBBELL. In addition to rabbits from Elmonte, Calif.

Mr. SEBELIUS. Perhaps it could be, but I have only seen Pel-Freez and Hillcrest.

Mr. DUBBELL. I can only say that Elmonte, Calif., supplies rabbits to the Kroger Stores, as well as to the National Tea Co., as well as to several poultry distributors, and these rabbits are available on the east coast. I believe Mrs. McCurdy has them in her backyard as well.

Mr. SEBELIUS. Well, doubtless, but the consumer looking for the USDA inspection label, it is only on the two products, yours and Hillcrest, correct?

Mr. DUBBELL. I am not sure that that is a valid suggestion, that the consumer is looking for USDA inspection label.

Mr. SEBELIUS. I do not want to nitpick with you.

Mr. DUBBELL. I am not sure that is a valid assumption.

Mr. SEBELIUS. Do you feel that the USDA seal is a guide to the consumer?

Mr. DUBBELL. We went into the USDA on a voluntary program—

Mr. SEBELIUS. Well, just—

Mr. DUBBELL. May I answer this the way I would like to, or do I have to answer it your way?

Mr. SEBELIUS. You proceed in any way you see fit.

Mr. DUBBELL. The only reason we were compelled to incur the cost of inspection was not upon the request of the consumer in any way or any store or any chain or any restaurant. None of the consumers of our products had any request for inspection except the U.S. Government through the Armed Forces.

Now, at the time that we decided to see if we could expand the growth of our industry and to make it more stable throughout a 12-month period, which was a very, very vital factor to understand in our industry—because rabbit production varies. It increases 100 to 200 percent in volume during the periods of sometime in May to Septem-

ber, and then it decreases suddenly again during the rest of the year. In order to stabilize the industry—at this time, we had been in business for almost 40 years, from 1911 until about 1949 or thereabouts, and in order to find an additional market that would help to stabilize and absorb this tremendous flood of production that hits the industry every summer, we needed to find a way of marketing it that would not disrupt the industry as it was then known at that time almost exclusively in southern California.

We approached the military and the military required inspection. There was no inspection. So due to the fact that we had just built a brand new plant and based upon observation of the military, the veterinary inspectors, they came and sat on the line and they could see that we were doing an inspection job on Pel-Freez rabbits ourselves, which satisfied the military that it would be—well, maybe not equal to USDA, but at least it was removing any bad items from the marketplace.

As a result of that, they authorized our plant, uninspected, to sell the military.

However, as in all cases, there are loopholes, many loopholes. It was only just a matter of a very few months before the inspected poultry plants of southern California found that all they had to do was bring in rabbits to their inspected plants from uninspected slaughterers, make bids to the military, and they soon were able to bid and take this. The military discovered this shenanigan at this point, stopped all military procurement.

There was only one solution to solve the problem. This was done at the request of the Pentagon, that if you want to continue to sell the military, you will be forced to put in USDA inspection. And that and that alone is the only reason we went in.

Mr. SEBELIUS. Would this bill not be the mechanism to stop these kinds of shenanigans and assure this Nation of wholesale and pure food?

Mr. DUBBELL. I am sure that type of thing was long ago stopped—long ago stopped, in 1950.

Mr. SEBELIUS. I never did find out about what you thought the consumer felt about the U.S. inspected seal on your product. Can you give me an opinion?

Mr. DUBBELL. I would like to know. We have it.

Mrs. McCurdy, can you answer it? Does this stop your sale of rabbits?

Mr. SEBELIUS. I will ask Mrs. McCurdy in a second. We only have limited time and every time I try to get one answer, I get a nice speech. That is all right, because you are an authority in your field and I can understand it if one story reminds you of another. But I will not even ask your opinion of what the USDA inspected seal means, but it has become a hallmark in the Nation.

Are you selling meat to the Defense Department at the present time?

Mr. DUBBELL. We are selling it along with Hill City, along with plants from other places.

Mr. SEBELIUS. But they are taking other than USDA inspected now?

Mr. DUBBELL. This is correct and have been since August 2, 1971. Inspection is not required for the military to have it under USDA inspection.

Mr. SEBELIUS. If it is not classified information, how many rabbits did you slaughter last year?

Mr. DUBBELL. 608,653, which is basically less than three times what you had in your plant. So that really is not tremendously different since we have been trying to build it for 60 years and you have been trying to build it for three.

Mr. SEBELIUS. And in your letter that you referred to, the letter of March 18, to Mr. Hammerschmidt, which you sent a copy of to myself and to Mr. Poage, the chairman of the full committee, in the page called "History of USDA Inspection," did you not state the latest plant to open is Hill City, Kans., where they are still operating at reportedly a substantial financial loss? And you went into statistics about their SBA loans and otherwise.

Mr. DUBBELL. This is correct, sir.

Mr. SEBELIUS. And if this plant goes under, you will again be the only man who has USDA meat?

Mr. DUBBELL. I would say that could possibly be true for a period of a short time, because there have recently been several other plants, too.

Mr. SEBELIUS. Well, I would like to ask Dr. Humphrey.

The Department did some surveying, did they not, concerning rabbit inspection when this bill was sent up for reply?

Dr. HUMPHREY. The Department did some surveying to the extent that we have been requested to give drafting assistance for legislation back early in 1971.

Mr. SEBELIUS. Now, these plants that are not federally inspected, you say they have State inspection. Could you give me some reading as to what kind of inspection we are talking about?

Dr. HUMPHREY. If I could clarify one word here, that is "survey." The gentleman from Pel-Freez has made it amply clear that nobody in the United States knows the size or the scope or even the location of the rabbit industry. In order for us to give what aid we could in drafting assistance on a bill, we had to find out ourselves. The survey did not involve going into individual plants. We had to go to our regional offices and, through our field force, try to find the location of as many rabbit processing plants as we possibly could and get a reading on their production rate, principally because we needed these type figures in order to put out cost estimates on manpower.

Mr. SEBELIUS. Now, as I understand the bill, the States would have 2 years from date of enactment to develop a State inspection system equal to the Federal program for rabbits before the Federal program would be imposed on that State.

Dr. HUMPHREY. That is correct.

Mr. SEBELIUS. And these plants had State inspection. Does that mean that we get the same type of inspection we get federally, where there is a prekill or postmortem examination of the carcass?

Dr. HUMPHREY. In the event of passage, the bill is a companion bill to the Poultry Products Inspection Act. This is, of course, where the 2 years come in. What this states, in effect—and I am sure you gentlemen all know this—is a State will have 2 years to develop State rabbit inspection program comparable to the Federal inspection program.

Mr. SEBELIUS. You were listening when Mr. Dubbell testified about the one-man operation, if the Federal bill went into effect, he would have to have a separate room to eviscerate separate from the killing and so forth. Are we talking about basement or garage type operations, do you know?

Dr. HUMPHREY. Well, if it is a one-man operation, it would have to be something like this, or one building out back, somewhere.

Mr. SEBELIUS. Well, these States, instead of having USDA inspection, would have just general coverage under the State board of health, and somebody may show up there one year and may not the next?

Dr. HUMPHREY. This is what we believe. When we made this survey and found the plants, the 29 we listed, it was mentioned that a certain number had State inspection. Some of this inspection is under the State public health laws, a sort of basket law, we feel, that is probably the same thing under which they inspect hospitals, boardinghouses, and restaurants and everything else. To our knowledge, the State does not have a statute specifically as a rabbit inspection law.

Mr. SEBELIUS. Well, I think you were probably listening when I mentioned that the increase in the consumption of chicken and beef after the consumer was assured of their inspection and wholesomeness. Do you feel that that can improve the same as far as rabbits are concerned if the consumer had that Federal inspection stamp and assurance?

Dr. HUMPHREY. I have no opinion on that. We are just strictly the inspection agency charged to do the job if we have to.

Mr. SEBELIUS. Mr. Dubbell, I am going to try to speed this up. Approximately, what does your plant pay in the cost of inspection annually?

Mr. DUBBELL. Well, under today's billing system, I wish I knew. I do not know, because this billing system is so completely fouled up, to be honest about it, on the computer system, we do not know. It ranges someplace between \$14,000 and \$16,000 a year. This includes overtime and grading, but we cannot tell anymore. We used to be able to tell very easily until the bills began to come from Chicago. Now we do not know what it is.

Mr. SEBELIUS. In other words, your plant can, with one inspector, handle as many as Hill City with one inspector? In other words, that is why you say your cost is one penny, when I testified 4 to 4½ cents for inspection, that would relate to your 1 cent if you were getting four times as many rabbits inspected with the same inspector as they are?

Mr. DUBBELL. That is not basically correct. That is correct so far as the relationship to the charge for the inspector. But that is only a small portion of the cost of operating an inspected plant. So that is not true.

Now, we also operated for many years at a range of 200 to 300,000 rabbits, just the same as Hill City, with the inspector being paid the same thing.

I might also say that our volume today is strangely lower than it was in 1953, 1954, 1955, and 1956, because since that time, the majority of the rabbit processors, as the various States began to tighten up certain laws and regulations, the production of rabbits in California, for example, has decreased in excess of 80 percent within the last 20 years. And our own volume is down, too.

Mr. SEBELIUS. What was bothering me was you were talking about we should not do this for this growing industry, but all the testimony is it is not going anywhere.

Mr. DUBBELL. The rabbit industry, I think—and first of all, you need to understand who is a rabbit producer. A rabbit producer is someone who, in my own opinion, has to have a rather independent desire; his personality requires that he be noncommunicative. That is one reason why nobody in Congress hears from many.

Mr. SEBELIUS. I raised rabbits for 5 years and I found out I was not making any money if nobody wanted to buy my rabbits.

Mr. DUBBELL. This is the important factor that I believe why, and only why, we think that before action is taken on this bill, those how many thousands—we do not know, but all of the tens of scores of thousands of people should be informed of this bill. Because the only way that the rabbit industry grows—it is growing in certain areas, it is decreasing in certain areas. Now, you are growing very substantially in your area; you just indicated that. We are starting to recover in our area.

Just a year ago, we were down to 480,000 rabbits. That is a long way from 604. We showed a growth last year of 21.9 percent. For the first 3 months of this year, we are 24.8 percent ahead of last year in growth at the production level. But this is due to people that are moving into our production area from all over the United States, where their local processor has been forced to go out of business. Without any doubt and any question, if we had those people available, these people are moving from California, from other States all over the Nation, because we have something that is still going and they are being forced out of these other places.

Now, this is why I say that the industry must—in the State of Wyoming or Montana, I am assuming there is no processor; I do not know. But if there is, or there are rabbit producers, if these people decide they would like to increase and grow, they are almost in your backyard and they will move closer to your plant to process rabbits or they will move closer to ours—not process, to produce rabbits—and they will move closer to ours.

This is why we have always felt that the foundation of our industry, even as shaky, I guess is the word, as it is, that we are based upon having thousands of small, small people as the foundation. We do not have large producers. These people learn their business all over the United States. We want that to be kept in operation. And this bill, in my opinion, without any further knowledge that they have, needs to be studied by the industry.

Mr. SEBELIUS. Is it not true that one of your many companies buys the by-products from some of these other producers when you go into your mink feed and that sort of thing?

Mr. DUBBELL. Go into our mink feed?

Mr. SEBELIUS. Yes; do you not buy products from other processors that you can resell in various types of feeds and otherwise?

Mr. DUBBELL. If you are referring to the fact that if I sell mouse and rat and guinea pigs, yes. Is that what you are referring to?

Mr. SEBELIUS. You buy from other people. Some of the letters you have there are from people you either sell things to or buy things from?

Mr. DUBBELL. No; these letters I put in testimony?

Mr. SEBELIUS. Yes.

Mr. DUBBELL. No; absolutely not. These are strictly people who have expressed an opinion because they said until we sent a telegram to 40 people last week when we learned—as I said, we sent a telegram to 40 people, are you aware that this bill exists. And they say without exception, we were never informed, we do not know anything about it, it will put us out of business.

Mr. SEBELIUS. Well, you found out in early March.

Mr. DUBBELL. I found out on March 5. You asked a question a while ago. Mr. Hammerschmidt, you said, wrote to me and asked for information.

Mr. SEBELIUS. I know he wrote you. I advised him of the bill and asked him to contact you.

Mr. DUBBELL. We appreciate that advice very much, because otherwise, we probably would not have known. He did not ask for information at your request.

Mr. SEBELIUS. I do not know what he wrote you.

Mr. DUBBELL. If you would like to hear it, I would read it in the testimony.

Mr. SEBELIUS. Mr. Chairman, I would like to make part of this subcommittee record the letter that Mr. Dubbell sent to John Paul Hammerschmidt, dated March 18, 1972, which the chairman of the full committee was supplied a copy of.

Mr. PURCELL. Without objection, it is so ordered.

PEL-FREEZ RABBIT MEAT, INC.,  
Rogers, Ark., March 18, 1972.

Re H.R. 8714, Mandatory Rabbit Inspection

HON. JOHN PAUL HAMMERSCHMIDT,  
437 Cannon Building,  
Washington, D.C.

DEAR JOHN PAUL: Your letter of the 10th asking for our comments on H.R. 8714 was quite surprising since we had no idea such a bill had been dropped into the hopper almost one year ago. We are naturally concerned and involved.

I have spent about 2 full days trying to come up with information that I think will be helpful to you, to the Committee on Agriculture, and to the USDA. From the information contained in Under Secretary of Agriculture Campbell's letter of February 25, 1972 to the Honorable W. R. Poage, we feel that there are very great differences of opinion between segments of Government, and the persons in the domestic rabbit industry, if one can really say that there is really a rabbit "industry."

In addition to discussing H.R. 8714 and Secretary Campbell's letter here in our office, we have discussed it with other persons in our business, some of whom

have been rabbit processors, and also have contacted by phone most of larger rabbit processors in the Nation this week. Their opinions and reactions are all about the same, and the general consensus is that mandatory inspection at this time can have the effect of stopping the growth of our rabbit industry, and can only have a detrimental effect. All agree, however, that there is a need for safe meat products and that there needs to be better control of butchering, especially home butchering.

Present, there are uninspected home butchers; uninspected small commercial plants; approved plants operating under State, county, or city inspection insofar as sanitary facilities are concerned; then some State inspected plants that operate basically under approved sanitary arrangements with the plantowner, or his own employees, acting as the actual on-line inspector of the rabbits; other State inspected plants that have a qualified lay inspector on the line; and finally, the full USDA Inspected plants that cannot do any work without the full-time supervision of a trained meat or poultry inspector.

Since the adoption of the Wholesome Meat Inspection Act, some States have also adopted legislation that provide for on-line inspection of the rabbits, or at least we have been led to so believe. Other States have had State inspection for many years, but these States often do not provide on-line qualified inspectors, but permit the actual plantowner or his own employees to act as the inspector. We do not feel that proper inspection can be obtained when the owner of the plant is inspecting the rabbits he has purchased, as there just almost has to be a tendency to pass a questionable rabbit instead of rejecting it. This is not good inspection, yet one of the largest rabbit producing States permits such inspection today, and the owner of one plant told me this week that the qualified State supervisor might spend as long as 5 minutes a day in his plant!

Fortunately, the health of domestic rabbits is relatively good. Very few rabbits with any illness can survive the trip to the processing plant. Thus, the rabbits actually cull themselves by the bad rabbits dying prior to arrival at the plant, or prior to processing the next day. In this regard, rabbits are far superior to poultry when rejections run 40 percent or more on some days. The average total rejection percentage in our USDA inspected plant for the last 5 years has been .962 percent of the live weight purchased, or 1.85 percent of the dressed weight passing by the USDA inspector. As you can see, and you represent one of the largest poultry processing areas of the Nation, this rejection percentage on rabbits is practically nil compared to the rejection percentage on poultry. This has the basic effect of meaning that very few rabbits ever get to the consumer even without any inspection!

It might be helpful to you to have some figures on the background of the rabbit industry. Since no agency in the Government has ever taken a census of the industry, most figures coming out of Washington really are only estimates based upon information that was obtained from various sources. Keep this in mind, because this lack of accurate information has, and still is, one of the major problems facing the rabbit industry. Government just does not have the facts and cannot make wise decisions affecting the rabbit business. As you know, I have been involved very closely with many offices in Washington for many years, dating all the way back to the early 1940's. I have tried to present accurate information, or estimates based on the most reliable information I could gather from all 50 States, and since I have rather good connections and acquaintances in most States, I do feel that our office pretty well can speak for the industry.

There are five areas of information on the rabbit industry that I want to present in outline form. These areas are: Industry History, Industry Size, Number of Processors, History of USDA Inspection, and the Estimated Effect of Mandatory Rabbit Inspection.

#### HISTORY OF THE DOMESTIC RABBIT INDUSTRY IN THE UNITED STATES

1. It was basically started in 1911 by H. F. Pelphrey in Inglewood, Calif.
2. The growth of the business was very slow until the World War II period.
3. Peak production came in the mid-to-late 1940's.
4. It started to decline in 1949 due to the collapse of the fur market, when the total gross income from furs dropped from an average of 16 percent of the packers return, to 6 percent.
5. In the period of 1953-54, the vertical integration of the poultry industry caused the failure of most rabbit packers as they could no longer be competitive in the market place.

6. Unless a rabbit packer could subsidize his rabbit meat with outside income, most packers closed their doors. Today, for example, Pel-Freez has 23 sources of outside subsidy income and it takes all of this income to cover the average loss per pound of rabbit meat packed of between 16 cents and 22 cents per pound.

7. A few years ago, the policy of our Government encouraged, and still does, the importation of meat from foreign nations. The effects of the slave labor produced Polish rabbit have seriously damaged the domestic rabbit industry.

8. In recent years, the United States is also importing rabbit furs from more and more nations, and now even the Peoples Republic of China are sending in their low-cost rabbit furs, which has helped lower the price of domestic rabbit furs.

9. The current ecology philosophy has done further damage to the rabbit industry.

#### SIZE OF THE DOMESTIC RABBIT INDUSTRY IN THE UNITED STATES

1. No one knows the size, as no accurate census has been taken.

2. Recent USDA figures appear to be greatly overstated. For example, Secretary Campbell's letter says that about 4 million rabbits are processed commercially, and 4 to 8 million more are produced by hobby producers. Most rabbits dress about 2½ lbs. of meat, so this means the commercial processors pack about 10 million pounds, and another 10 to 20 million pounds probably are home produced. This means that each State has an average hobby production of 200,000 pounds assuming that all 50 States produce equal volume. This production is equal to 80,000 rabbits per State per year, or 6,600 rabbits per State per week. This just is not the way it appears to be in the field. It appears to be overstated by 50 to 75 percent.

3. In 1965, Secretary Orville Freeman testified before the Senate Appropriations Committee on March 3, in the afternoon session, that there were approximately 200,000 rabbit producers. We believe the true figure would have been less than 100,000. An editor of one of the Nation's magazines advised me a week ago that the USDA now estimates there are 250,000 rabbit producers of all categories. We estimate 50 to 75,000.

#### NUMBER OF RABBIT MEAT PROCESSORS IN THE UNITED STATES

1. Here again, no one knows, as they come and fail so fast that a list today is actually out of date tomorrow.

2. Secretary Campbell lists in his letter of Feb. 25, 1972, 29 plants that were recently surveyed. Our latest list shows 55 plants. We know that our list includes some plants that are closed as of today, but it also fails to include other processors who have started up in recent weeks or months. Where are the 29 plants included in Secretary Campbell's list?

3. In 1951 there were 43 plants in California, but only five today. Most of the industry was located in California at that time, but there were still about 100 operating plants in the early 1950's and I was in constant touch with each of them. Most all have failed by 1972.

4. In the period 1911, when we started, to 1972, we estimate that about 2,000 or more processors have closed their plants.

#### HISTORY OF USDA INSPECTED RABBIT MEAT PLANTS IN THE UNITED STATES

1. Only going back to 1950, when the current rabbit processing regulations were written, and since revised, only one plant has been in continuous operation, and that is the Pel-Freez plant.

2. In 1953, or 1954, El Monte Rabbit Co., El Monte, Calif., had USDA inspection for 10 months but discontinued it due to the high cost of the inspection fee, plus the added cost of using more men in the plant, plus the cost of plant modification.

3. The next plant operating under USDA inspection opened in Houston in the 1960's and lasted 11 months before failing.

4. In about 2 more years, this same plant opened under different management and it operated for 20 months before failing.

5. While this was not a USDA plant, the Small Business Administration financed a plant in Delta, Colo., and it failed. The Government took over the

plant and inventory, and sold the dressed rabbit meat on the market for 50 cents on the dollar.

6. The latest plant to open is in Hill City, Kans., and they are still operating, but reportedly at a substantial financial loss. The SBA and the Kansas Development Credit Corp. have loaned a total of about \$500,000 to this operation and its local community backers to date, the most recent loan being in early February 1972. To date the plant has not made a profit and it appears doubtful if the plant can continue much longer, and that there might be a substantial loss of SBA funds.

7. We understand another plant has applied for inspection but it is not yet operating under USDA inspection.

#### ESTIMATED EFFECTS OF MANDATORY RABBIT MEAT INSPECTION

1. To obtain reliable information on this matter, I contacted most of the large rabbit packers in the Nation on March 16, 1972.

2. One large plant said he favored mandatory inspection as it would help close up the small plants, but he also said that his plant could not pass inspection without expensive remodeling.

3. Most packers felt they could not afford to remodel plants to meet inspection requirements as outlined in the Regulations for Poultry Processing, and most packers felt their present plants could not meet the requirements. This is contrary to the information in Secretary Campbell's letter of Feb. 25, 1972 wherein he advised that 17 of the 29 plants surveyed probably could qualify for the mandatory inspection program, and that 12 plants probably would be exempt due to processing less than 97 rabbits per week.

4. One of the reasons many plants fail is due to lack of rabbit production. A farmer must have a processing plant, and the plant must have adequate production. It takes 3 to 5 years for any rabbit producer to get into satisfactory production by building his production capacity of his herd. This means that a plant cannot start small and operate under mandatory inspection as the plant has to grow quickly. It is like a baby trying to run before learning to crawl and walk!

5. Some States have a rabbit inspection program that is good, but to say that one must have mandatory State inspection that does not really provide for trained inspection of the Rabbits, or by inspection by the plantowner, is to pass a law that is meaningless and of little value in attaining the desired goal.

6. Basically, the opinion of all processors contacted was that mandatory inspection would curtail the future development of the rabbit industry, the rabbit farmers, the rabbit processors, and would definitely reduce employment in the industry. This is contrary to current Administration goals, and thus we feel as a group of processors that the proposed legislation is not currently desirable.

Mr. Hammerschmidt, we appreciate this opportunity to present you with the facts as seen by experienced rabbit people. I hope that this information will be valuable to your office, and to the other offices involved.

If we can provide additional information, please call on us at any time. We cannot ask you to back H.R. 8714 as it is written.

Respectfully yours,

PEL-FREEZ RABBIT MEAT, INC.  
ROBERT W. DUBBELL, *General Manager.*

Mr. SEBELIUS. Does Pel-Freez have any producers as such? Do you operate a rabbit raising business, too?

Mr. DUBBELL. No, sir; not in any way as far as rabbit meat is concerned.

Mr. SEBELIUS. Any subsidiaries—

Mr. DUBBELL. Do not use the word "subsidiary," please, because there is no common ownership.

Mr. SEBELIUS. There is no common ownership at all?

Mr. DUBBELL. There is no common ownership at all. There is one of the companies that started 4 years ago to produce laboratory quality rabbits, not meat rabbits.

Mr. SEBELIUS. Mr. Chairman, I would ask permission that Mr. Dubbell furnish the committee for the record income sources of the

commonly owned companies, cost of production, and the wholesale price of rabbit meat.

Mr. DUBBELL. I did not understand the question.

Mr. SEBELIUS. I would like to know also the amount of your military defense sales last year, for the record.

Mr. DUBBELL. Well, I do not have the figures at hand, sir.

Mr. SEBELIUS. You can furnish them at your convenience.

Mr. DUBBELL. I do not even know what you have asked for sure. I understand one thing. You want to know how many pounds we bid to the military last year. Is that the type of information that is given? Part of these rabbits came from Hill City rabbit plant. After all, we bought a lot of these rabbits from Hill City.

Mr. SEBELIUS. Did you send a letter to these various individuals that prompted these letters that you are turning into the secretary for the record?

Mr. DUBBELL. We sent a telegram on the—

Mr. SEBELIUS. Do you have a copy of the telegram you sent? We would like that for the record.

Mr. DUBBELL. Yes; I have a telegram that was sent on the night of the 26th advising these people that there was a hearing and asking them to—here is the telegram that Mrs. McCurdy received:

The United States Senate has passed Bill S. 1943, which provides Mandatory Inspection for rabbits. If bill is passed by the House of Representatives, it will cause many small processors to quit due to USDA plant requirement. The hearing is scheduled on May 4th by the House Subcommittee in Washington. R. W. Dubbell of Pel-Freez will testify against enactment of bill. Your support is needed. Urge you contact your representatives by telegram or airmail letter today asking them to vote against the bill. Please send copy of your message to Pel-Freeze, Post Office Box 68, Rogers, Arkansas, 72756. Repeat, if you do not want Mandatory Inspection of Rabbits, contact your representative in Washington today via wire or airmail and ask him to speak against this bill. Please send copy to us. Urgent. Thank you.

Mr. SEBELIUS. In other words, you inserted your conclusions telling them what it was going to do to them and requesting them to concur with you.

Mr. DUBBELL. We gave them our opinion, if you put it that way, that we believe what will happen. We definitely believe it and with my experience, I can assure you that without any question, it will happen.

I think also this is the reason why in 1957, we did not feel it was proper to force all the rabbit producers out of business in 1957.

Mr. SEBELIUS. Mr. Chairman, I have no further questions.

Mr. PURCELL. Mr. Zwach?

Mr. ZWACH. I have no further questions.

Mr. PURCELL. I was surprised, Mr. Dubbell, at your comment that the USDA inspection seal did not, in your judgment, amount to anything. I just observed that on your business card that was handed to me by someone, the very top line says "USDA Inspected Domestic Farm Raised Rabbits."

I notice that on your stationery at the bottom of the page, it has "USDA graded." Then the inspection seal in the other bottom corner. And then printed on the letterhead at the bottom is "Featuring the seal that sells, including Good Housekeeping." What is the seal that sells?

Mr. DUBBELL. This is what we wish we knew.

Mr. PURCELL. What are you talking about when you say on here "The seal that sells?"

Mr. DUBBELL. Do I say the seal or seals that sell?

Mr. PURCELL. It says "seals," plural. Are you talking about USDA graded?

Mr. DUBBELL. Remember, first of all——

Mr. PURCELL. Well, would you just——

Mr. DUBBELL. I am answering your question. We are trying to——

Mr. PURCELL. Mr. Dubbell, I chair this subcommittee and you should try to answer my questions directly. Now, are you talking about the seals that are on here from USDA graded and USDA inspected? You can answer that yes or no?

Mr. DUBBELL. I am talking about all three seals.

Mr. PURCELL. What is the third one?

Mr. DUBBELL. The Good Housekeeping Seal.

Mr. PURCELL. All right. Thank you very much.

Any other questions?

Mr. SEBELIUS. No; I do not have any further questions.

Mr. PURCELL. Thank you very much. You may be excused at this time.

(Mr. Alexander subsequently submitted the following letter to the subcommittee:)

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., May 4, 1972.

HON. GRAHAM PURCELL,  
Chairman, Livestock and Grains Subcommittee,  
House Committee on Agriculture.

DEAR GRAHAM: This week Mr. Robert W. Dubbell of Rogers, Ark., appeared before your subcommittee to testify on the above referenced matter which is pending for consideration. I had hoped to appear with Mr. Dubbell and to introduce him in person but due to a conflict in my schedule, I was unable to attend.

I wish to endorse in full the statement which he made before the committee.

It is my understanding that Mr. Dubbell does not object to inspection of the rabbit industry per se. However, he is concerned about the timing of this bill inasmuch as most producers are very small and further, because the industry is not organized by way of association. Accordingly, the rabbit industry has no lobbyist in Washington; has no national meetings; has no knowledge of this procedure; and we are fearful that premature action on this bill without due notice to the industry at large, would produce results which may not be intended by the House Agriculture Committee.

Therefore, I respectfully request that hearings on this bill remain open for the duration of the 92d Congress, and that the matter be reconsidered at a point during the 93d Congress when a full representation of the industry may have ample opportunity to come before the committee.

Thanking you for your consideration in this matter, I am

Sincerely yours,

BILL ALEXANDER,  
Congressman from Arkansas,  
(1st District).

Mr. PURCELL. If there are no further witnesses who wish to testify on this matter of rabbit inspection, we will proceed to other business.

(Whereupon, at 11:30 a.m., the hearing was closed and the subcommittee proceeded to other business.)

