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HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON
FARM PROGRAM ADMINISTRATION

OF THE

COMMITTEE ON
AGRICULTURE AND FORESTRY

UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

FOOD PRICES AND THEIR RELATIONSHIP TO
AGRICULTURAL PRODUCTION AND PRICES

JULY 5, 1972—TALLAHASSEE, FLA.

Printed for the use of the Committee on Agriculture and Forestry



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BEFORE THE

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COMMITTEE ON

COMMITTEE ON AGRICULTURE AND FORESTRY

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(II)



CONTENTS

Statements of—

	Page
Arnold, Jack, director, Division of Migrant Labor, Florida Department of Community Labor, Tallahassee, Fla.....	58
Barefield, Mrs. Emily, regional representative, American Association of Retired Persons and the National Retired Teachers Association, St. Petersburg, Fla.....	21
Bishop, W. E., chairman, Agriculture Committee, Florida State Senate, Lake City, Fla.....	108
Boardman, William, executive vice president, Dairy Farmers, Orlando, Fla.....	105
Bryan, Erwin, Jr., Center Hill, Fla.....	106
Cellon, Ralph, Gainesville, Fla.....	37
Conner, Doyle, commissioner, Florida Department of Agriculture and Consumer Services, Tallahassee, Fla.....	4
Council, Buford, president, Florida Fruit & Vegetable Association, Ruskin, Fla.....	103
Dickman, Lyle, Ruskin, Fla.....	100
Jones, Robert P., Tallahassee, Fla.....	54
Land, Henry, Apopka, Fla.....	33
Larson, Louis E., Okeechobee, Fla.....	43
Lee, Robert C., administrative assistant to the president, United States Sugar Corp., Clewiston, Fla.....	106
Lester, Dr. Bernard, economic research director, Florida Department of Citrus, Tallahassee, Fla.....	49
Lykes, Charles, Lykes Bros. Inc., Tampa, Fla.....	105
Mixson, Wayne, chairman, Agriculture Committee, Florida House of Representatives.....	109
Mohr, Dr. Lillian, School of Economics, Florida State University, Tallahassee, Fla.....	24
Price, E. H., chairman, Florida Citrus Commission, Tallahassee, Fla.....	36
Putnal, Ellis, Mayo, Fla.....	101
Terfertiller, Dr. Kenneth, director, Department of Agricultural Economics, University of Florida, Gainesville, Fla.....	13
Thompson, Lee, Florida Fruit & Vegetable Association, Orlando, Fla.....	62
Woodard, Glen, vice president, Winn-Dixie Stores, Jacksonville, Fla.....	28
York, Dr. E. T., provost, Institute of Food & Agricultural Sciences, University of Florida, Gainesville, Fla.....	13

CONTENTS

123

124

125

126

127

128

129

130

131

132

133

134

135

136

137

138

139

140

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199

200

FOOD PRICES

WEDNESDAY, JULY 5, 1972

U.S. SENATE,
AD HOC SUBCOMMITTEE ON FARM PROGRAM ADMINISTRATION
OF THE COMMITTEE ON AGRICULTURE AND FORESTRY,
Tallahassee, Fla.

The committee met in senate hearing room 31 of the Florida State Capitol, Hon. Lawton Chiles (chairman of the subcommittee) presiding.

Present: Senators Chiles and Bellmon.

Senator CHILES. I think we will open our hearing, and I want to express our appreciation for the attendance we have today and certainly for the arrangements that we have had in setting up our room from the legislature.

We are delighted to be able to hold our hearing today in the Capital room.

To say that the subject of food prices is a volatile one would be a classic understatement. The trip to the grocery store has become a very unpleasant task for thousands of Floridians who are on fixed incomes that do not move up with the inflationary spiral.

Even for those who are not hobbled by set incomes, the grocery store is the place where take-home pay most evidently and most often disappears.

Americans may go to an automobile showroom once every 3 years, to a furniture store perhaps every year, to a department store once every 2 months, but they go to the grocery store at least once a week and maybe two or three times a week, and I might add that food is still one of the things that most of us pay cash for.

Even though we are very conscious of how those food dollars are being spent, it is still a fact that Americans spend less of their take-home pay for food than do the people of any other nation, approximately 16 percent, and there is some evidence to indicate that despite the increases in food costs this year, we will still be spending less of our spendable dollars on food in 1972 than we did last year because the average each of us in taking home is more than it was the year before.

Of course, it is often cruel to speak about averages for those of us who are in the inflationary spiral and do get the raises when we think of the over 6 percent of our population that are unemployed, and we think of the thousands and thousands of people in Florida that live on every fixed incomes, and when prices go up a nickel in a store, they feel it, and when the price goes up \$12 a week, as a young couple told me last night that they noticed that their grocery bill was going up, then certainly it is going to be felt very severely by those people.

Today we are going to hear not only from the consumers that the prices are going up. We are also going to hear from the farmers that are in desperate trouble themselves, where they are getting about the same price for their product that they were getting 10 years ago and all of their costs are going up, and we will hear from poultrymen who are spending more to produce a dozen eggs than they receive in return and from representatives of Florida's hundreds of thousands of retired people.

There are certain elements within the media who would like to have us believe that the housewife and the farmer are enemies of each other.

I really don't think that is true. It looks like the farmers and the housewife are really in the same boat. We hope that maybe some of that is going to become clearer in the hearings that we have.

It is my belief that they really are natural allies, the housewife and the farmer, and although that food prices have increased, they have not gone up as quickly as other segments of the economy and I suspect that inflation in those other sectors forcing up the cost of food production may be the real problem.

All I have heard this far is really a lot of hearsay and not too many facts.

Our committee has to write a new farm bill next year which I hope will be as considerate of the needs and desires of the food buyer as it is of our farmers. For this reason I think our hearing today will add some valuable input toward our future deliberations on this legislation.

We come here today not to try to make any judgments about who is right or who is wrong, but really to try to listen to all sides of the question so that we can properly know how to write a new farm bill.

Before I call our first witness, the distinguished commissioner of agriculture of the State of Florida, Doyle Conner, I want to express my gratitude to my colleague, Senator Henry Bellmon, of Oklahoma, who inspired these hearings.

It was his idea that we should get in the field and listen to what people had to say in different areas of the Nation, farmers and other people that are affected by the food prices and other farm legislation, so that we would be better able to determine how we should write legislation next year.

Henry, I want to call on you for any statement you may have and welcome you to Florida. I am sorry you had a little misfortune on the way down.

Senator BELLMON. Thank you very much. It is a great pleasure for me to be in Florida. This is one of my favorite States. I have to admit this is the first time I have been to your capital, but as a former Governor I feel a little nostalgic in coming into the capital and I am very happy to be here at the hearing today.

I want to say to the Floridians who might be listening or watching that you made quite a sacrifice to make it possible for this hearing to take place.

Congress is in recess now and I think most of us know, and we tied a 2 week recess in with the 4th of July holiday and the Democratic Convention which Florida will be hosting next week and a lot of the

Members are preparing for that event and I am very glad that Senator Chiles is able to give his time for these hearings.

I notice from the witness list that we are going to be hearing today from people with many different points of view and that is a very good thing because certainly as members of the Senate Committee on Agriculture we need to know what people in all walks of life are thinking.

I must confess that when we start talking that I have some bias on this matter of food prices since I am a farmer and since I know some of the problems that farmers have in trying to make ends meet.

I was pleased to hear Senator Chiles say that he felt that farmers and housewives should be allies. I couldn't agree more if only because neither one has very much to say about how high food prices will be, the housewife in a way is able to control food prices perhaps more than the farmer because she is the one who sets the level of demand for a particular product.

The farmer, of course, can make a contribution by determining how much of any product he produces within the limits of weather and the other obstacles that he has to face.

In our time American farmers have been able to produce always more of about everything than the market demands, and as a result he operates always in a buyer's market. This circumstance has held farm prices down in this country compared to food prices in any other part of the world and it has caused farmers income to be lower than the average income of any other sector of the economy.

The last I checked farmers were getting about three-fourths on the average as much income as the average for the country at large. The law of supply and demand puts pressures on the market place of another kind.

For instance, take beef. I am a cattle raiser in Oklahoma and I know that beef right now, the demand for beef is at an all time high. I sold my steers on Monday, the 3d, and I realize that prices are good, but the fact is right now that even though prices are good and farmers are trying very hard to produce more, it takes a little time and the reason prices are good is because consumers are demanding more of this product.

The strong demand of American consumers for beef has created a shortage that has increased the competition among packinghouses that are bidding for animals and this has driven the prices up and these increases in price, of course, have to be passed on to the consumer.

However, in the long run these high prices are going to mean that there will be an expansion in our beef production which means that there will be an adequate supply to meet the demand and if history repeats itself it means that prices of beef will come down again before too long.

Beef production is bound to increase to meet this demand, but steers cannot be grown overnight. It is going to take several months, probably 18 months or 2 years before production can really catch up with the demand for high quality beef.

I notice someone has put some charts up here that show what has happened to prices over the years and it is going to be very interesting to hear the discussions that goes with it.

Meat production as these charts show is a cyclical thing. Last year about this time the Agriculture Committee held hearings in Iowa. We were on the farm of a hog producer and he told us there was no way he could remain in business as long as the price of hogs were at the level they were then, which at that time was about 16 cents a pound live weight.

There were too many hogs for the demand that existed for pork and as a result the price went down and as a result farmers cut back production and as a result hog prices have come back up somewhere around 30 cents a pound.

Perhaps those Iowa farmers cut back too far, but perhaps they were trying to guess what the consumer demand for pork was going to be and since in our business we cannot tell hog producers how many to raise, the only guidelines we have is based on price demand and this is the element that the housewife contributes.

At best it is an imperfect system, but it seems to be working better than any other way that has ever been devised to make certain that the people of the Nation are adequately fed the foods that they want all of the time, and this I think is one of the things that our agriculture, our farm law has contributed a great deal toward.

It seems to me that the point of these hearings should be how we can make our law better and our system work better for both the consumer and for the producers.

We are going to be, as Senator Chiles has said, working on a new farm program next year. We know from past experience at the time we started working on that program a lot of pressures were built up by both farm organizations and by other groups and the committee felt it would be well if we could get out in the country and talk to both consumers and producers and find out how our present program is working and this way we will be able to bring a better law this time.

It is good to be in your State and I am looking forward to hearing from your witnesses.

Senator CHILES. Commissioner Conner, we are delighted to hear from you now as Commissioner of Agriculture and Consumer Services and as a Cabinet member. We are delighted to have you here.

**STATEMENT OF DOYLE CONNER, COMMISSIONER, FLORIDA
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES,
TALLAHASSEE, FLA.**

Mr. CONNER. Senator Chiles, Senator Bellmon, members of the committee, ladies and gentlemen. Much is being said currently about the cost of food and especially meat and I commend you for your concern and efforts in looking into this situation.

I am especially pleased that you selected Florida as one of the States for the hearings because I am confident this cross-section of expert testimony you will be hearing today from these outstanding Floridians will be especially valuable to you.

The price of meat is not fixed by any controls. I would like to emphasize this point: livestock and meat prices are made in a national setting of intense competition culminating at the retail counter. The livestock industry in all its vastness and complexity is a modern miracle of efficiency. Yet, there is a continuing program by the researchers, producer, processor, wholesaler, and retailer to give the consumer more

for her money. In my opinion, inflation in our economy is our major concern. Inflation has hit every arterial point along the way, in land, housing, clothing, taxes, in cost of investment capital, cost of feed for animals, handling, shipping, processing, storing, wholesaling, and retailing.

Services rose 137 percent since 1947-49, nonfood items rose 79 percent and farm produced food rose only 39 percent. Until we are able to successfully control inflation and bring our economy into better balance we will not solve the rising food prices plaguing the consumer and neither will we solve the sky-rocketing production cost to the farmers who we must look to for the basic supply of food products.

The President's action in lifting import quotas on meat is not a solution and his placing of controls on shell eggs and vegetable products has further compounded the problems.

The administration has resorted to political expediency which may, though I doubt it, offer some modicum of relief by election time but it seems to me by his shortsighted actions the President has sacrificed the day to serve the hour.

Importing more meat from overseas, if in fact any imports are forthcoming, as a result of the President's action, will not help.

The demand for red meat in European countries and other markets is strong and we have no iron-clad guarantee that other countries will be willing to send larger quantities of meat to America. Even if they do, it will be of low quality and would cause no shift in domestic meat prices.

We must look in positive directions and not to the superficial action taken by the President to solve the problem of inflation and provide relief to producers and consumers.

If the President is concerned about the diet of Americans, why would he not encourage consumer's in this country to look to sources of high quality nutritious foods produced domestically rather than importation of low quality beef from overseas?

As an example, there is an abundant source of poultry and egg products. These charts which are a part of this testimony show quite clearly that poultry and egg products offer a real bargain for the consumer. Why did the administration fail to point out that the farmer or poultry and egg producer would be helped if the consumers turned their attention to this valuable source of quality nutritious high protein foods at a bargain price?

Another example of a dependable and stable source of domestically produced meat is pork. The attached chart shows the steady trend of hog prices since 1950.

If the President is concerned about the American farmer, rural America, and American workers why would he advocate the exportation of American dollars for foreign beef with the resultant loss of domestic sales, jobs, and the creation of further imbalance in our own domestic production processes? You will hear in more detail from the Florida Poultry Federation the plight of poultrymen and the poultry and egg industry. But in the egg industry during the month of April of this year, nationwide, producers suffered a 10.2 cents per dozen loss on eggs and hundreds of independent egg producers may be forced out of business because of the bankrupt condition of the market. It therefore is quite obvious the President's action of freezing the prices of shell eggs will not in any way help the consumer or producer.

I am surprised that my good friend Earl Butz, Secretary of Agriculture, whom I respect as an outstanding economist did not raise objections to this precipitant action. I am sure he is well versed in the overseas livestock situation and the poultry and egg products supply and price conditions domestically and foreign.

There is not one of us here today who does not sympathize with the housewife who must supply her family on a sometimes limited budget. At the same time, I'm sure that those of us who are familiar with farm production can also sympathize with the farmer who must battle with the ever-increasing cost of production over which he has no control. Food prices are historically highly volatile, being sensitive to such uncontrollable factors as weather, disease, and perishability. The farmer must face all these conditions to supply food for us. It is my opinion that mutual understanding on the part of the consumer, the farmer, and the middleman is necessary.

The housewife receives the greatest protection from her own ingenuity, her own knowledge of products, and careful shopping for nutritious foods at the very best bargains. The farmer likewise must take advantage of every opportunity to improve his own production by availing himself of research and recommendations from scientists and specialists in his field.

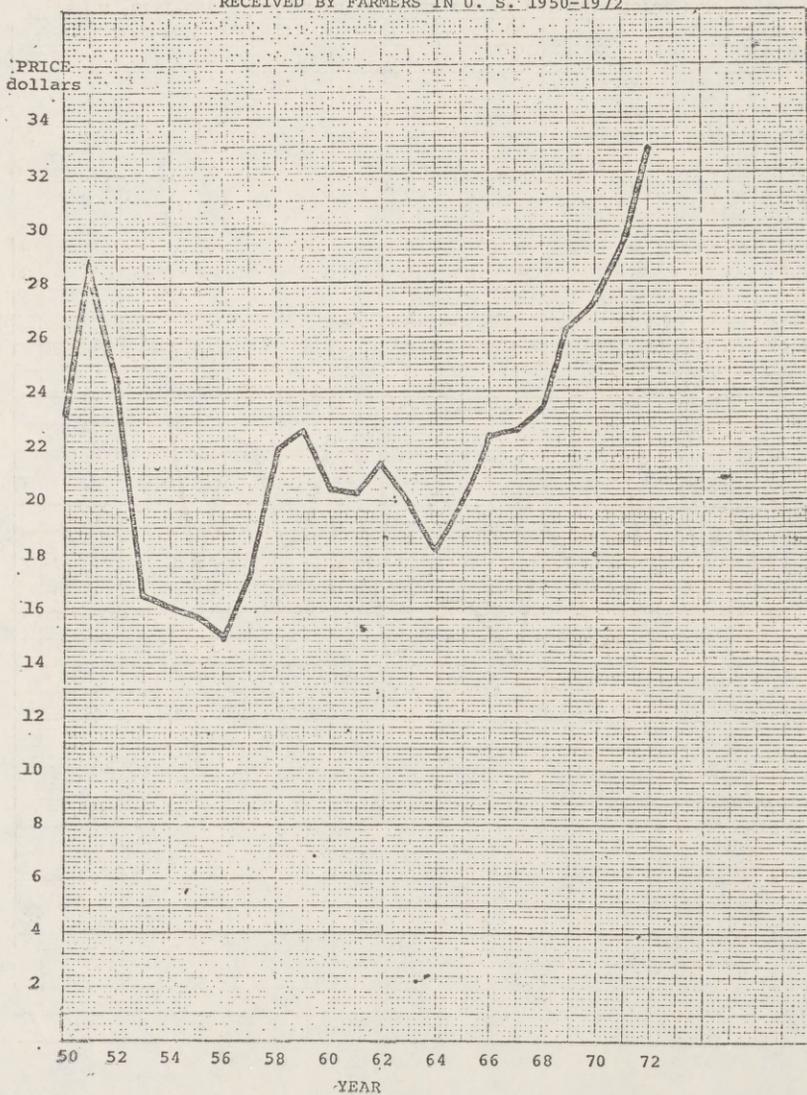
Government must be alert to the total problem and act as the catalyst through sound economic policies which will provide an atmosphere of fairness to the consumer in her grocery basket prices, a reasonable profit for the farmer and living wages for the laborer in the chain of processing.

Political expedience has no place in providing a solid basis for solving our inflation problems.

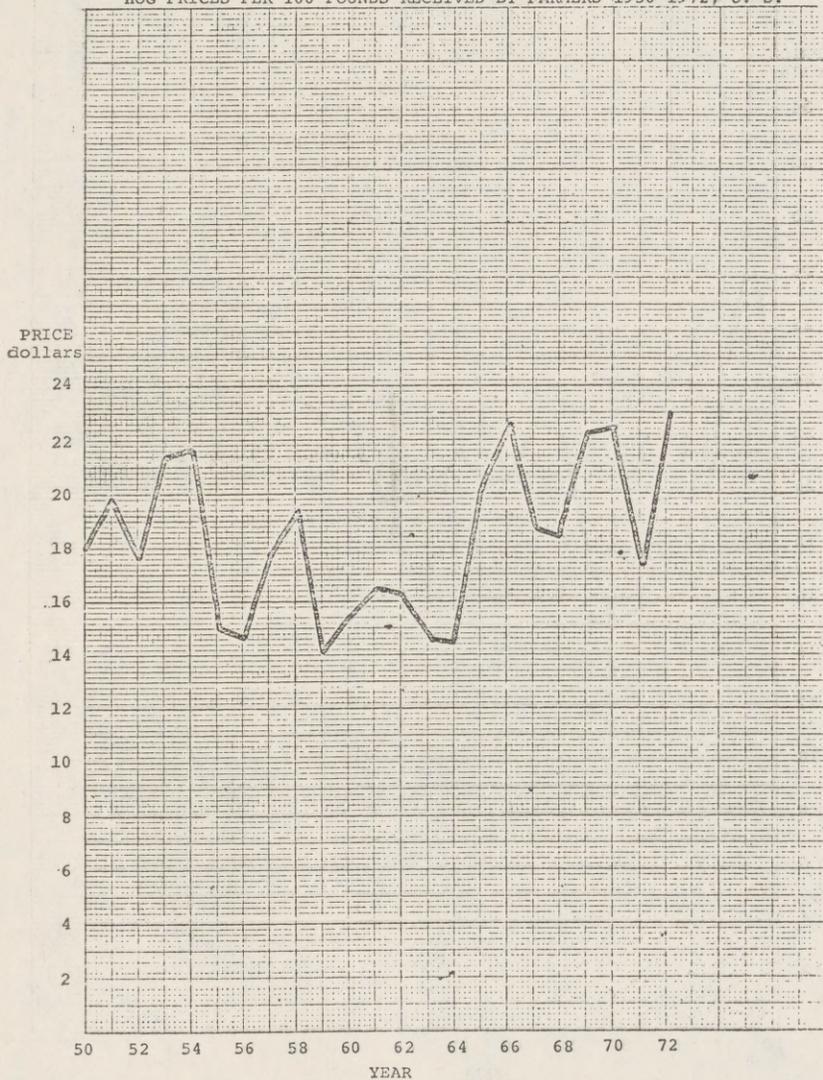
I urge the administration to take a careful look at their action on meat import restrictions and other recent actions directly affecting agricultural products.

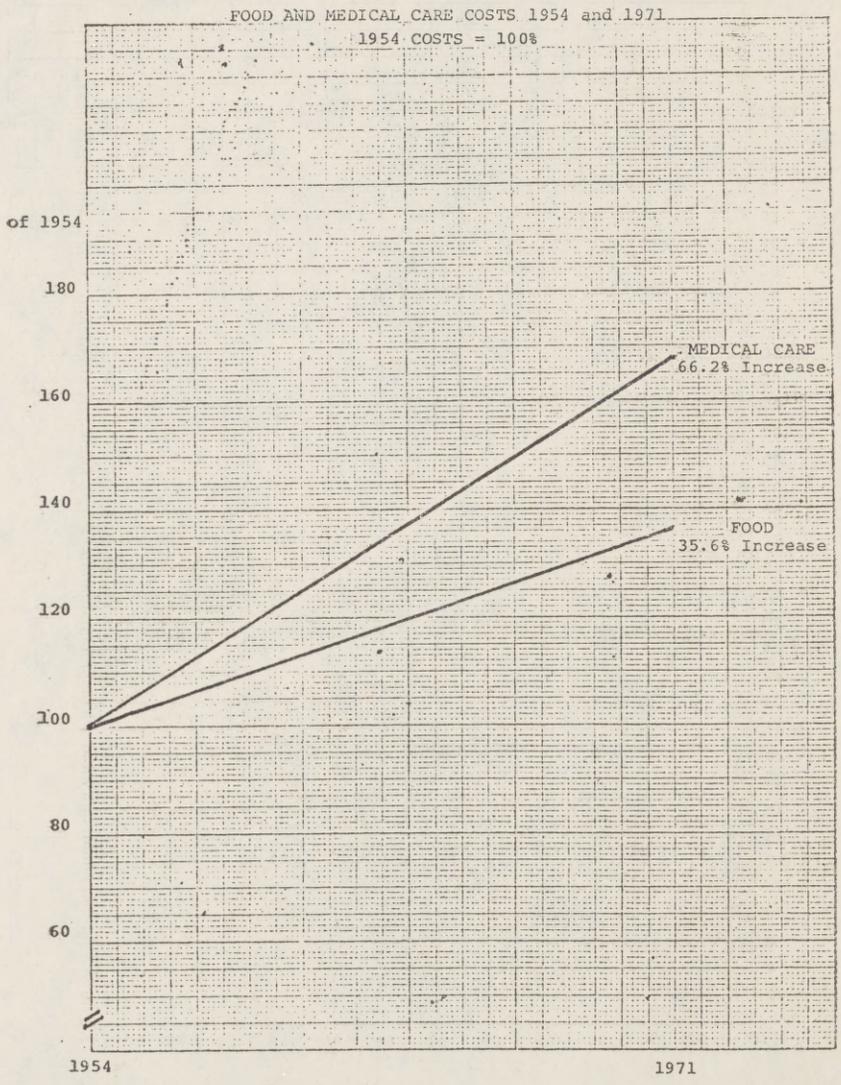
Again, I say let's not sacrifice the day to serve the hour.

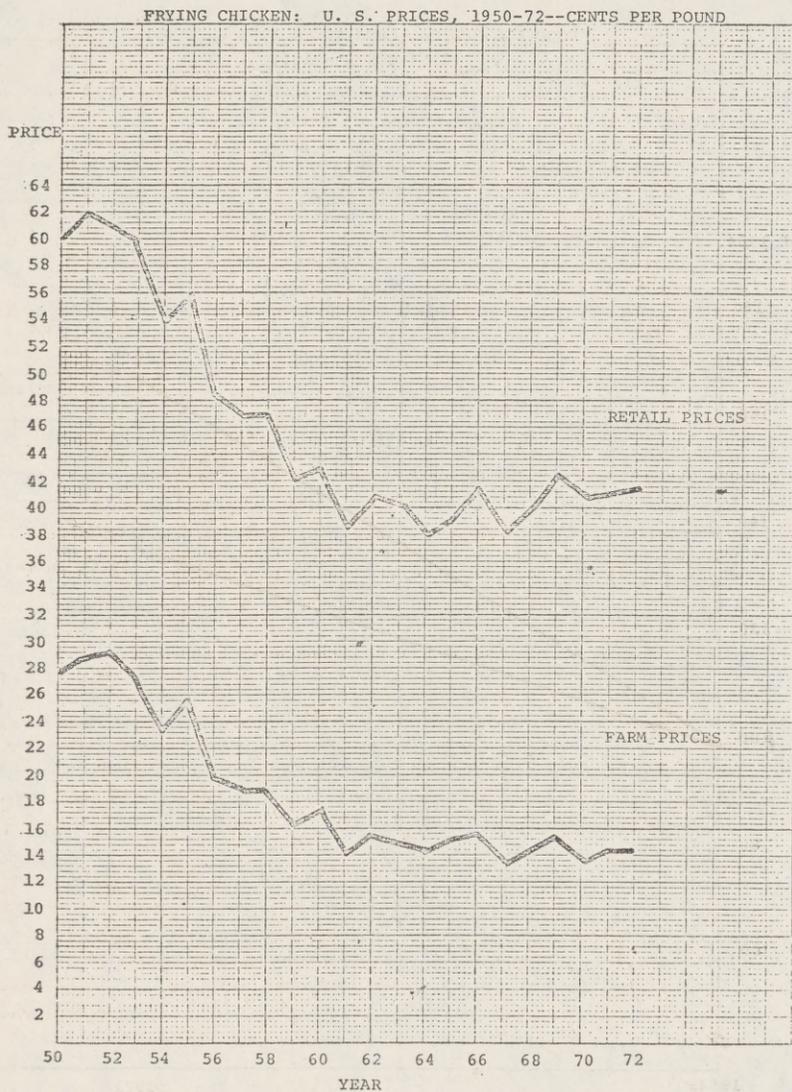
(The charts attached to Mr. Conner's statement are as follows:)

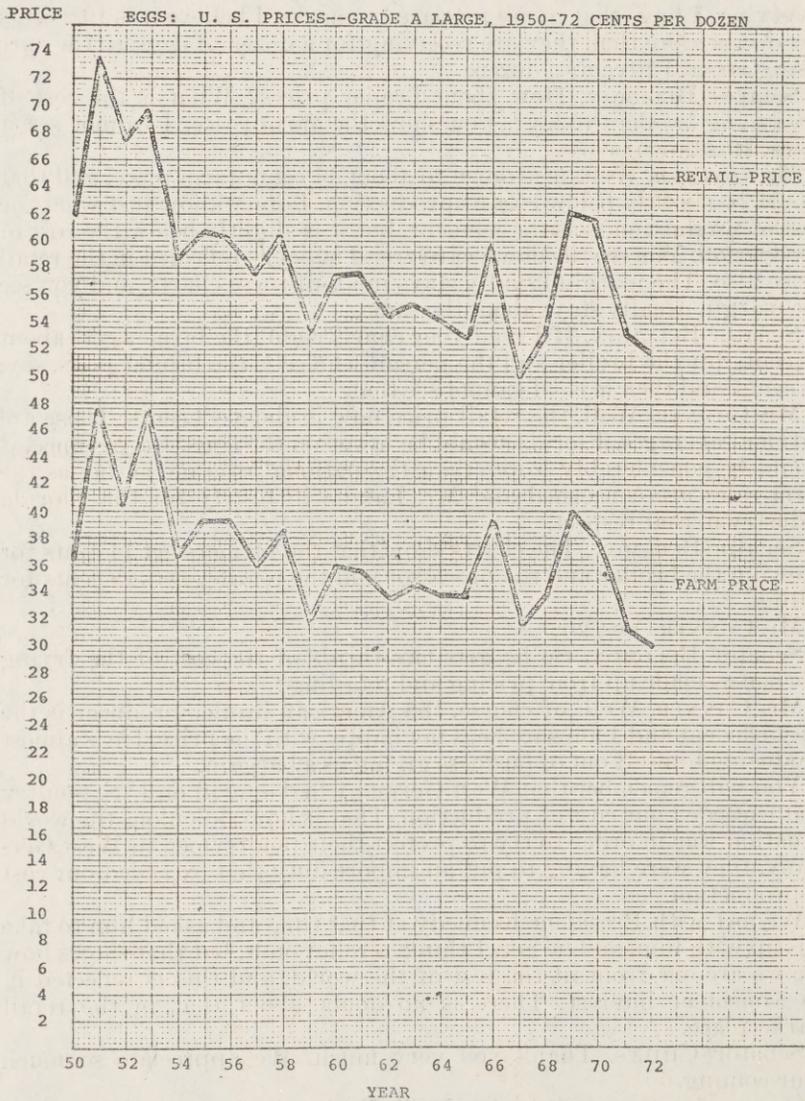
CATTLE & CALVES PRICES PER 100 POUNDS
RECEIVED BY FARMERS IN U. S., 1950-1972

HOG PRICES PER 100 POUNDS RECEIVED BY FARMERS 1950-1972, U. S.









Senator CHILES. Thank you very much. Senator Bellmon, do you have any questions?

Senator BELLMON. Only one. You don't have a line on the charts showing what the cost of producing a dozen eggs or a pound of poultry. How much is a farmer losing today?

Mr. CONNER. Well, it is 10.2 cents per dozen above the price they are receiving. I have that in my prepared remarks. I believe it is 10.2 cents per dozen more than they are receiving for a dozen of eggs, so they are losing around 10 cents a dozen.

Senator BELLMON. How about broiler prices? What is the cost of producing broilers today? You show the farm price. I cannot see it there. It is down below.

Mr. CONNER. Well, it is down to about 14 cents farm price, and that would be slightly below cost of production. I don't know just what the cost of production is at the moment, but it is slightly below the cost of production. You see the downward trend which is reflected in the retail price also. The margin usually stays in all of these charts, and you see the margin usually stays about the same.

Senator BELLMON. If I read your charts right, the farmer gets about 14 cents for the broiler and the person who sells the broiler pays, say, 14 cents, and then it is—I cannot see that.

Mr. CONNER. Well, the retail price now is about 42 cents. These are national averages. Florida would be lower on the eggs, for instance, it would be considerably lower than the national average as far as the farm sales are concerned and Mr. Land will testify for the Florida industry in that respect.

Senator BELLMON. The charts show that the farmers get 14 cents for growing the broiler and the processor and the retailer gets 28 cents for selling.

Mr. CONNER. Yes, sir.

Senator BELLMON. So he gets two-thirds of the cost of the frying chicken as made up from pricing and retailing?

Mr. CONNER. Well, of course, the American broiler producer is the most efficient and I am sure he is not happy with the price. He is almost producing himself out of business giving us a bargain.

You will remember that West Germany had a tariff on U.S. poultry that exceeded our cost of production. That is how ridiculous the world situation was in order to try to protect their poultrymen in West Germany, they were having to put an import duty that exceeded our cost of production.

We met with President Kennedy at that time and asked him to take this up with him, and he got, I think, a relief on it, but that shows how far we are out front of the rest of the world, and this is reflected in the consumer interest. There is no doubt about that in the retail marketplace.

Senator CHILES. Thank you very much. We appreciate so much your coming.

Our next witness will be Dr. E. T. York, who is the provost of the Institute of Food and Agricultural Sciences at the University of Florida.

We are going to ask because of our time constraints that witnesses do hold their formal testimony to 10 minutes. We will accept any statements that they have into the record, but we want a chance to try

to hear from everyone and to also get an opportunity to ask some questions where we have an opportunity.

Dr. York, we appreciate so much your being here.

STATEMENT OF DR. E. T. YORK, PROVOST, INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES, UNIVERSITY OF FLORIDA, GAINESVILLE, FLA.

Mr. YORK. Thank you, Senator Chiles, Senator Bellmon. I am here mainly to listen today. I am delighted to have one of my colleagues, Dr. Kenneth Terfertiller, who is the chairman of our agricultural economics department to discuss briefly some of the economics of food prices and perhaps give a little insight into why and how food prices have changed. Senator Bellmon, Dr. Terfertiller is a native of Oklahoma, a graduate of Oklahoma State.

We are delighted to have him with us here in Florida. He is doing a great job as head of our food and resource economics department.

Senator CHILES. Good morning, Dr. Terfertiller. We are delighted to have you here.

STATEMENT OF DR. KENNETH TERFERTILLER, DIRECTOR, DEPARTMENT OF AGRICULTURAL ECONOMICS, UNIVERSITY OF FLORIDA, GAINESVILLE, FLA.

Mr. TERFERTILLER. Senator Chiles, Senator Bellmon, I appreciate this opportunity to come and be a part of this hearing today.

I do have a copy of all of the things I say here in writing. I think the spotlight as we know today is really literally on food prices here and around the country, and I would like to talk mainly on that. I have been asked all about the economics of the food prices, itself, and even though, as Commissioner Conner said, it is pretty hard to look at this entirely economically, because there seems to be some political parts in it, too, I will try to limit my remarks to more the economic analysis of it.

I will not be getting into all of the commodity areas. This will fall later as Commissioner Conner testified.

I would like to talk just about a broad economic trend and areas that affects this and before I get into an outline of the economic statements I make I would like to say that I also appreciate the people on low incomes particularly.

I have a wife and children and my mother is on a fixed income and I particularly appreciate her problems of low-income people, particularly in fixed income people of the food prices.

I also appreciate, Senator Bellmon, the other side of it, the small farmer to get from one year to the next. I say that in the background as you get in the economics seems impersonal. I have this feeling, and I will try to keep that out of it and try to keep also some of the statements that might appear on the political side and let someone else worry about this.

Just in summary, the things I would like to cover are essentially three prices and this is why food prices have gone up, was the relative position of food prices as compared to other things and again, even though we are concerned about them being too high, I think you have to look about how they compare to something else.

There is nothing you can compare high or low unless you compare it to something. Also look at the prices of the producer and consumer from the changes we have seen in food prices. How does the consumer fair and how does the producer fair in this area, and I think from this I might just talk about the major sources of why first and this has basically been a part of increased demand that has been very strong as referred to by Commissioner Conner around the world in beef.

Beef itself has increased about 3 percent. That is within the same class of beef. You have almost a 3-percent increase in beef with about 1 percent of that is because the new population and about 2 percent of it was because increased per capita consumption from existing population.

It simply means more people and more money that the people have in their pockets due to inflation, and it is simply the real strong side of the coin of high food prices, demand, itself, and anything that will feed stronger demand is a feed to higher food prices.

The other side of the cost side is a very important part and this is the part I would like to spend some time on with charts to talk about how the cost side has affected this.

This has taken as given that the demand is at least half of the problem. First I think our basic chart that one can look at give a rather broad picture, is this one of farm prices.

You cannot look at this chart without being impressed with the problem the farmers have. The consumer obviously has a problem and so does the farmer in facing a situation like that. The prices paid, these are the prices actually paid by farmers that has increased at this rate, something like 60 percent over the last 20 years, the prices received by farmers, more at this rate, and very few of you can think of a business that would be operating most of the year since 1950 receiving a price for his product less than what it received in 1950 and basically this is the type of situation that has been dealt the farmer. He has had no influence on this price or this price.

This is something that is dealt for him to deal with. The only thing he can do is to be more efficient and close this gap. I don't think you need a ratio to see there is a problem to see a gap this wide. I think this has not been well depicted throughout the news media.

I was interested 2 years ago in a major Jacksonville paper saying farm prices in June break all time mark set in 1951. This is an interesting headline that since any other commodity you have been writing about, and you can now get prices for as cheap as you could in 1951, so only in food you can see a headline like this.

In this article they mentioned that the June of this year the prices of what farmers had to pay was 5 percent higher than what they had the year before, so the untold story every year 5 percent it adds up and we are used to escalation, war, and prices, and so forth, but we are not used to having little peaks along the way even though you are getting a bargain some of the time.

This increase creeps up all of the time, but it is something the farmer cannot ignore, the fact that it doesn't make news doesn't mean that it doesn't go away.

I think the spotlight at this time is on food prices and we will have an opportunity to make this story known. We will go over quite a list of prices 20 years ago.

Senator CHILES. What makes up your second line, your prices paid? That is cost, now. What makes that up?

Mr. TERFERTILLER. I will talk about this, but most of this has simply been made up of things that he has to buy off the farm, again produced by people who have some control over the prices and their product. All of the inputs that he buys essentially is what this is made up of.

Senator CHILES. The tractor?

Mr. TERFERTILLER. Everything enters into it.

Senator CHILES. Labor, feed, fertilizer?

Mr. TERFERTILLER. Which all of the rest of our economies organize, more control over prices and supply, and it tends to have to fit economy, and Commissioner Conner says there is a very efficient thing, but a highly present market. This is the one that is much more oriented.

Some of the prices mentioned here are the same price 20 years ago as today.

Corn, \$1.22 now, eggs, 42 cents then and below 35 cents now.

You can go on and get actual commodities if you want to. This is a very meaningful thing. It represents all of the commodities, what the farmer receives from his farm.

We might move to, Senator Chiles, about what prices we are talking about when we talk about prices paid. We cannot get all of them on here, but I thought I would mention a few of them. The kind of thing a farmer has had to do is more to move inputs brought off the farm. The only way to close the gap is to use more technology, better management, and the things he had to buy were going up the fastest, of course, labor, machinery, and taxes he had no control over and the community he got very little back from.

The taxes have gone up and he had to pay more of them because he had to own property to make anything out of the interest. Interest has been the most astounding one.

To start with, interest rates have gone up. Secondly, it takes a tremendous amount of more capital to stay in the farm business, not getting bigger, it just takes a little more capital, plus the fact that he hasn't been able to accumulate much more, and consequently he has had to borrow more and he has had a higher percent of that capital borrowed and this is not often thought of, but the Price Commission doesn't worry a whole lot about controlling.

Senator CHILES. Why would he have to have a lot more capital?

Mr. TERFERTILLER. Simply because he has to be bigger and produce more product to be able to make the same amount of income. He simply has to be bigger to make the same.

Senator CHILES. More expensive equipment?

Mr. TERFERTILLER. Right, where 600 acres in one point in time or only 200 acres is only big enough to make an income for one family, and it might be well to mention what this means and how to adjust it and the real story I think is here. He has had to get bigger and farmers as a whole have essentially produced more income because the only way to get gross income to go up with declining prices like this, the prices received, the only way gross income goes up, since the way to make gross income is because he had to produce a lot more product, but basically gross income has gone up, but due to operating expenses and production expenses, this is what he spends out of the year, feed, fertilizer, and this includes all of the other costs.

But this has gone up at a much faster rate than gross income, even though he has produced a great deal more, and particularly since the inflation started here you find an increasing amount of this and throughout this year will see that even though the spotlight now is on food prices that the food prices as the Commissioner said a few minutes ago is the result of inflation and it is not the cause of inflation.

The interesting point on this chart is about all he has been able to do with net farming income, you think of that as solely being able to keep the dollars the same salary now as he had back here in 1950 and how many people do you know here or anywhere else would be satisfied with the salary essentially equaling what they had in 1950.

This is not a salary that is even the same dollars, but he just barely held on if you had to look at 1972 dollars. I deflated this to give you, if you want to take a look at why it lost out, if you take the inflation part out of it, if we talk about taking the top part off for inflation, this is all he has here. This is how he came out as compared to here if you put it down into inflated dollars.

Farmers I think have done a tremendous job in trying to adjust this, and there is only one way he could adjust and that is trying to be more efficient, essentially like the consumer, both have not done too well in the prices.

Senator BELLMON. Doctor, before leaving that chart, the net farm income has stayed almost constant, but the number of farmers has gone down, so the income per farmer is somewhat better.

Mr. TERFERTILLER. Right, but basically the income per farm, he has had to get much bigger to hang onto his operation.

Senator CHILES. So we run that man to the city that we ran off the farm and he is part of our problem that we have in the city.

Mr. TERFERTILLER. Yes, sir; and quite often the guy is out there buying because someone else is in the city, and people come in the city because the opportunity was better than out there, and you find that happens during the time of greatest amount of opportunity in the city.

Another chart just to indicate what the farmer and how he has responded to this, and he has been able to hold on. I put per man-hour has essentially gone up. The only way he knew how, and consequently he has less because there is less man-hours, and this simply means that is the way he can survive, but it has other means that the consumer I think is quite often overlooking. This looks like a farmer's chart. It is a consumer's chart in another sense, because not this kind of increase if not the farmer adopted technology, ways in operating back in 1940, that type of technology it would cost \$16 billion a year more money to buy the food basket than it does today, \$16 billion more based on a \$100 million budget, which means each week if a housewife goes to the grocery store she would be spending 16 percent more income for food, even though the income is high, the facts are that the adjustment in technology has been a tremendous boom to what might have been and as you know many industries here and around the world has not made that change in technology in the last 20 years due to productions one may have and other things, and they have not had to, but here is a case I think that is much a consumer's story as there is a farmer's story.

Let me move on to the marketing firms just briefly and just say that marketing firms in general are not maybe as bad off as farmers, but they have been looked at rather closely as you know.

I think in general the food market services in this country are efficient, changes being made and trying to adjust to this, but this again is the kind of thing they are facing, 60 percent of the consumer dollar goes to marketing firms and about 60 percent of the labor is marketing firms and there is no way the marketing firms have a way for the farmer to pass on to this and due to the demand they do not face the same kind of demand on the farmers.

They have been able to keep a little more fair share, but I think they sometimes also are very competitive, but if anyone looks at this very carefully it will be a difficult thing to try to compute with the marketing system we have today.

There is always room for improvement. What does this mean in terms of income? This is an often talked about figure, but I think it tells a lot in a sense that in 1947 about 27 percent of the food expenditure, about 27 percent of the income, and it has dropped today in 1972 to 15.5.

There is no other commodity in the United States or any other food commodity around the world that has a somewhat fixed income, but this is the average.

Another thing not told is the amount of services coupled with this. If the amount of services, you had the amount of services in 1947 now, you would be spending only about 11 percent of your income, but much of this is services, convenience foods, all of the things associated with food that you buy these days that really wasn't a part of 1947, so this is really more drastic than just the curve itself.

Senator BELLMON. Doctor, this just happens to be a pet peeve of mine, but your chart is really misleading. You start off with your baseline, 15 percent, and it goes up to 25. You show a much more dramatic result than the facts really testify.

Mr. TERFERTILLER. Yes, you could expand this and perhaps by just a matter of trying to keep the scale so you could read a little better, so if you want to read 27 percent against 15.5 to make sure you are talking about more than a 10 percent drop, the chart is not approaching zero, it is approaching 15.5. That is a good point. We made these up over the 4th, too, and I didn't see these until they were put together. It would have been better to have these all of the way down.

We hear so much around the world about food prices and how the imports on beef and other things, how they have given the impression that somehow food prices around the world may be cheaper.

In the United States we have expensive food prices. If you take the imports off it would be different. We don't seem likely to have a great deal of change in the beef situation, but what you see here is 1960, around 20 percent, and I didn't get the income. I come away from income and talked about total expenditures because it varies so much around the world.

The food share of this in the United States is around 20 cents, as contrasted, for instance, to Russia, 60 cents, and countries like Japan, how we compete with, we find in agriculture we compete rather well.

In France, West Germany, all of them we compare rather well. Moving up to 1968 and look at the same pattern, it is an interesting story, more of the same, but for the first time the United States and Canada have gotten below 20 percent on food, as contrasted to other countries we have West Germany and Japan almost at 30 or 35.

Russia is not on this chart simply because in 1960 Russia has only given 2 years of what their food share was of total expenditures and that went up and they didn't show this after that.

It would be my guess there would be some drop but perhaps very little.

Only 2 years we had it showed an increase. I think since 1968 what has happened is there have been increases of the prices in the United States, but it might be well to look at prices around the world but not because the rest of the world eats better than the United States.

They spend more for their money. The prices have gone up. To give you some countries that have increased faster, France, the United Kingdom, they have all had a higher increase in food prices.

I guess simply to say that food demand, food prices in general is not tied to the United States and I think if you start checking import quotas and this type of thing it does not have a great effect on it.

To look at the European Common Market they have taken off some of their duty and tried to pull some of our beef because one reason is the beef is too high in the Common Market. They are not going to solve the problem by manipulating the import.

This is some of the chart to use to look at all services, everything that someone buys versus all items, all items that people buy, goods, anything you can think of, including food is in this, in this average.

Retail food costs is well below the average, and I think you get some idea of what the inflation would be today if we had a cost like this versus an average, and to have an average you have to have many of them up in this area and if you find something like automobiles that have been built with a lot of high-priced labor as well as steel, and other items that have been inflationary, it is much above this average; and, in fact, you get a better view if you don't appreciate charts. A good buy in food is hard to sell and if someone came up to you today and said I will sell you a new Impala for \$900, the first thing you would say is that is a good buy.

That is basically what an Impala would cost today if the automobile industry increased the same rate as the retail food cost itself.

It is a difficult thing, I think, particularly to get over that, somehow the food cost is causing inflation, but I think much of the inflation we have is not in food cost itself. If you look here, 1965, 1966, 1967 is a result of inflation itself, and not because of the food industry.

I would like to talk just a little bit about Florida commodities in closing. I think one of the things that we get the impression, as the Commissioner said that these commodities that are basically an uncontrolled supply, demand type of operation, which Florida has a big stake in, eggs, poultry, livestock, some of the fruits and vegetables, they tend to quite often have some of the real headlines in terms of being expensive commodities, just the fact that if all of American agriculture is made up of the uncontrolled agriculture, you really find a line below this and not above this, because it is impossible for those type of commodities to drop and keep anything yourself for the reward.

The only allotment and some kind of support prices can benefit in technology, basically because of the industry, and the old story that is difficult to get through is the fact that these type of commodities that they do have a control over their supply, there is no way to keep

anything from them in terms of part of their benefits of technology, and this is much because there are many producers and they don't control supply.

In addition, in areas where there is a rapid change in technology, and there is capital and know-how in this country to put that to use that to use that you just saw in the chart, you have to put it to use to survive, and if you put those three things together you are basically going to have a tendency to overproduce and put that with the fact that the consumer demand for food in this country tends to be of a nature if there is a small amount of excess supply that the price is going to be depressed much more than the supply.

The old notion of a farmer, vegetable farmer recently said there seems to be one boxcar of lettuce that if somebody finds out about it, it breaks the market; so I think if the notion of that type is there it is very difficult to be able to, even though you have the swings up and down, it is very difficult to be able to control and for the consumer not to get a good deal out of this thing.

What the people should be concerned about is anyone has the ability to control the supply, whether automobiles or what, and you have a control about something not to control it.

You talk about selling; you talk about selling eggs. The same week we are talking about raising the ceiling on the national debt and everyone knows whether it is eggs or the national debt that increases, the whole fire is inflation, and I think that is a real problem when you start talking about eggs, now, this is a real buy.

I think if you look at this and you see the uncontrolled side of agriculture that is one thing that is quite often the biggest contribution in it.

Someone recently said why is it you can have a boxcar or carload of lettuce and it breaks the market as compared to a car dealer which may have a whole lot of cars at the end of the year right out on Main Street that you can see, and why doesn't this break the market.

The real difference is there has been a national demand, and planners to determine exactly how many cars you need.

It is a matter of distributing around the country.

Let me just close in saying that it is basically an increased demand from inflation and increased cost, the relative prices of food, and I think you can see this is relatively cheap compared to most other items here around the world and the last point, more producers or consumers have gotten a good deal. The producer has not and at least the average consumer has less of a bad deal than most other sources of inflation, and I think the spotlight may remain on this side and I say this in closing and perhaps it is at this point in time to have an opportunity to talk about it, but I think it kind of reminds you a little bit about a fellow walking through town and he saw a drunk underneath a street light that seemed to be looking for something, and he asked him what was wrong, and he said he lost his watch, and he asked him where did you lose your watch, and he said down here somewhere.

He said why are you looking here if you lost your watch down there. He said I am looking here because this is where the light is at. That is like we are here. The light is on food now, but it doesn't mean you are going to find your problem because you are looking where the light is. It is a real problem somewhere else and the spotlight needs to be shifted to find the real problem on inflation.

Senator CHILES. Thank you, Doctor. Any questions, Senator Bellmon?

Senator BELLMON. Doctor, most of the interest in meat is on beef, and I think some people may feel that somehow or other the beef producer isn't doing his job because the prices of beef admittedly have gone up.

My information is, and I just want you to check me if maybe you would know, that since 1960 we have had an increase in population of about 26 million people in the country, and yet beef production beef consumption per capita during this same period of time has gone up about 25 percent, so the producer has been producing a greatly expanded supply of beef and the consumption has gone up.

Now, what is likely to happen, prices have gone up, if you were to project into the future, will consumers shift over to broilers or some other type beef, or will the producer be able to continue expanding his output so that again people will be able to have all of the beef they want at a more moderate cost? Have you studied it enough to know?

Mr. TERFERTILLER. Basically, I think you are right in a sense the demand for beef, the biggest strongest thing in this, has increased even for the same prices, if you change the prices, and it is because population and more money that the consumer has.

Senator BELLMON. The people make more money and the one thing they want is beef.

Mr. TERFERTILLER. Beef and fruit and vegetables, these are the kind of things that are elastic. The more income you have you buy those kind of things. It is part of the consumers' choice to spend more in this area and the other thing is the supply and we did have the corn blight and out of this the price of corn and there was a problem of feeding the cattle.

This has changed over and I think we are in the area where we are increasing again and, over a period of time, there will be much greater supply and there will be some change, but I think this demand for beef is going to continue and there will be some people that will sit out and I think there will be a great number of people that will continue to pay for what they want in beef and I think there is no way, of course, as you know as a cattleman yourself, you can move up that fast to control anything else and something like the corn blight, a freeze on the citrus, these are the things that are a part of average and average is not a factor here, particularly in the livestock industry, and I think the demand for beef is—I am not pretty sure they are going to hold because the demand for beef is strong enough that it may even upset some of the basic cycles.

Senator BELLMON. One other question. Is the removal of the beef import quota going to cause a big surge of imports into this country?

Mr. TERFERTILLER. I don't think so. A lot of people look more carefully in this than I have, but the beef around the world is expensive, but I think there is a danger in the long run. In the short run it is not likely. In the long run it is, because you may end up depending on the beef supply, and in the long run we will have some problems, but in the short run there is a strong demand all around the world for beef now.

Senator BELLMON. Well, is there a big supply of beef waiting trying to get into this country?

Mr. TERFERTILLER. I don't know at this point in time, but by the indication that I get is we are liable not to see any immediate shift because there is a high price of beef and Europe right now is looking for ways to lower their beef prices. I don't think there is an immediate.

Senator CHILES. Doctor, thank you very much for your testimony. We are delighted to have you here.

As our next witness we will call to give us some testimony from consumers, Mrs. Emily Barefield of St. Petersburg who is representing the American Association of Retired Persons and Dr. Lillian Mohr, the immediate past president of the American Council of Consumer Concern.

We are delighted to have you all with us today.

Mrs. BAREFIELD. Do you have any preference as to which of us goes first?

Senator CHILES. No, I haven't.

STATEMENT OF MRS. EMILY BAREFIELD, REGIONAL REPRESENTATIVE, AMERICAN ASSOCIATION OF RETIRED PERSONS AND THE NATIONAL RETIRED TEACHERS ASSOCIATION, ST. PETERSBURG, FLA.

Mrs. BAREFIELD. I am Emily Barefield of the American Association of Retired Persons and the National Retired Teachers Association.

I am their regional representative for Florida. This is a national organization, voluntary, with a membership of over 4 million.

I am the only regional representative of our national staff assigned to only one State, and my other nine counterparts are assigned to groups of States.

Therefore, we feel it is obvious there is something special about the State of Florida when it comes to retired persons. About 14.5 percent of the population of Florida is made up of people over 65.

My two associations have a combined membership in Florida of over 300,000, so that we really have rather special problems in this State in this area. These are the people to whom all of you people, the two Senators, and all of the witnesses have referred as those people on fixed incomes. These are the people whose incomes do not go up with the inflationary spiral. We felt it was a major victory last week when we got this 20 percent increase in social security through, but we are rather feeling like the red queen in Alice in Wonderland. It takes all of the running we can do to stay in one place and now we have only caught up to where the prices have already passed—as far as this goes.

The members of my particular associations are not the very poor. They are the people for whom social security was really designed so that social security would be a supplement to the incomes of people who have been able to save and put aside small amounts for their retirement years.

They, therefore, are not suffering quite as badly as the very poor. However, in our associations, although our membership is fairly comfortably off, they are not rich and the associations, themselves, pride themselves on their motto which is "To serve, not to be served."

Therefore, we work diligently on the problems of all of the older people. We feel strongly about the very poor among the old. There is double jeopardy, of course, when you are old and poor at the same time.

Here in the State of Florida we have so many poverty areas where the poor are so particularly uncomfortable, in the larger areas like Jacksonville, Tampa, Miami, and some of the ghetto areas, some of those people are not necessarily aware of. There are a couple of all black communities in the State, a little town called Harlem adjacent to Clewiston where there are poor people in an all black community; a little town of Gifford near Ft. Pierce and a most particularly heart rendering, perhaps, section which is on South Miami Beach.

We think of Miami Beach as the Carillon Hotel, the Fontainebleau, and right in the shadows of these beautiful structures where people are lolling on their chaise lounge pads enjoying the pool, are these very poor people. These are retired people who were union members and wives of union members, and they are living exclusively on their social security.

There is sort of a ghetto within a ghetto down there on the South Beach, and this is a very sad state of affairs.

As inflation goes up and as we look at the relative economic status of retired people, it is easy to say, well, so the poor people live in less affluent surroundings and their needs need not be as great as those of the wealthier retired people, and it is all very well for most of our retirees to live happily in mobile parks and trailers in relatively low-income areas, but their nutritional requirements are exactly the same as the gentleman who lives on a yacht off Miami Beach.

This you just cannot change and this is why this inflationary spiral and the cost of food is such a terribly important thing for us. In the White House Conference on Aging last December, one entire section was given to the problems of nutrition for the elderly.

People cannot live comfortable, happy, meaningful lives in their later years without proper nutrition and an extremely high percentage of old people are not properly nourished.

This is partly through ignorance, partly because of the sadness of eating alone. So many older people live alone and in their loneliness it is so much easier to grab a doughnut and cup of coffee than to fix yourself a well balanced meal, but you all are aware of the good nutritional values there are in your meats, your high proteins and these are the things that have always been expensive and which have gone up proportionately.

The carbohydrates are the things they need least and are the things they can afford and are more likely to eat. We feel it is most important to keep down the cost of food for our people.

We feel strongly the people who have worked all of their lives should be able to retire and live out their lives in comfort and independence and with dignity. Whenever a person retires, his financial situation, whatever it is, is less than it was when he was in a productive state of his life and to think that so many of our retired people become poor for the first times in their lives when they retire. So these are the people for whom we are speaking, and whom we feel are the hardest hit—and the prices continue to go up, particularly in this area. We do hope that your committee will come up with some recommendations to help make the lives of these people easier and so that they can live out their lives in dignity and independence.

Thank you.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Mrs. Barefield, just first I would like to make one point and secondly I would like to ask you a question.

The Government, the Committee on Aging is concerned about the problems of people on fixed incomes and low incomes.

For instance, we have more than doubled the amount of food stamps available just during the last 4 years and this should be a real help to the people in the ghettos as you mentioned.

Mrs. BAREFIELD. It is. It is much more effective.

Senator BELLMON. We are now spending \$2 billion a year for food stamps. The question I would like to ask you is you are a former teacher?

Mrs. BAREFIELD. No. One of my associations is the National Retired Teachers Association, but I am not retired.

Senator BELLMON. Let me ask you, do you know of any work, any effective work that the U.S. Department of Agriculture does with retired people or with students, children in the field of nutrition, education or with helping low income or retired people stretch their food dollar by teaching them how to make wise purchases?

Mrs. BAREFIELD. I know there are many programs and I wouldn't say whether they are U.S. Department of Agriculture sponsored or not. There have been many programs Government-sponsored in the field of nutrition, some by HEW and some by Department of Labor in terms of using senior aides in this connection, and so on.

Many of them, of course, are directly under the Administration on Aging. There is a good bit of education on the subject of nutrition. In connection with any of these meals programs, such as when they arrange to have one hot meal served per day at various senior centers, there is usually a nutritional program thrown in for people who are interested in taking it and, of course, they do try in these programs to provide the minimum basic nutritional requirements for people so if they eat anything else during their other two meals they come out all right.

We have tried—I was connected with a federally sponsored project in the Miami area a few years ago in which we did attempt to do a good bit of education among people who are members of senior citizens.

It is a difficult thing, however, to reach the very poor who are not members of any association with this type of information.

Senator BELLMON. That is all, Mr. Chairman.

Senator CHILES. What do you think the results of a hot lunch program has been, if it has?

Mrs. BAREFIELD. I think it is excellent. I think we have demonstrated very thoroughly that this is a very good thing for the people that it is able to reach, and unfortunately it is a program which keeps coming and going. I mean, you get it built up and established and prove its worth, hopefully your local community can then pick up the tab on it—but the community is not able to, and it falls by the wayside again. I think it is very beneficial.

Senator CHILES. Do you think with the hot lunch program that we are actually going to be able to keep many of our older citizens out of nursing homes and out of rest homes and out of other programs of the State or the Federal Government because they could get one hot nutritional meal a day, or two, that they would be able to live in their own surroundings?

Mrs. BAREFIELD. Yes, sir; I feel strongly about that. I feel that this is one of the requirements to keep them independently living. Of course, there again, you have this problem of transportation, how do you get the people to the meals, and vice versa, and there are various means of delivery, such as the meals on wheels program, and this type of thing.

I think they are very meaningful and then you get concerned if you deliver them a meal on wheels, and they eat it alone in their home. It does not have the same value as when there is sociability thrown in with meals. And you are constantly fighting the transportation problem in connection with it.

Senator CHILES. Thank you. Dr. Mohr?

**STATEMENT OF DR. LILLIAN MOHR, SCHOOL OF HOME ECONOMICS,
FLORIDA STATE UNIVERSITY, TALLAHASSEE, FLA.**

Mrs. MOHR. I am going to talk primarily in terms of consumer education, but first a word about the 16 percent food budget figure mentioned by the previous gentlemen because this is a very misleading figure.

When we talk about averages, we are not talking about representative or typical people at all. Sixteen percent actually applies to people who earned over \$15,000 a year. They are not the average consumers with whom we are concerned, as that is not an average income in this country.

Senator CHILES. Excuse me; I need an explanation on that. Do you mean the 16 percent figure does not relate to total average income or it only relates to people who are earning \$15,000 or more, or are you saying that many of those people make up the average?

Mrs. MOHR. Oh, they make up the average, certainly, but we have 20 percent of our population earning or sharing 44 percent of our national income. These people do not spend a large percentage of their incomes on food.

Senator CHILES. I understand that, but just the 16 percent average?

Mrs. MOHR. That applies only to people who are earning over \$15,000 a year. Those earning less are spending more than 16 percent.

Senator CHILES. I would like to get that cleared up right now because I have been using a misleading figure.

Mrs. MOHR. That is an arithmetic average. That is the point I am making.

Senator CHILES. What I am trying to determine is the 16 figure. Is that only made up—is it 16 percent of people whose income is \$15,000 a year average?

Mrs. MOHR. No, that is still an average figure.

Senator CHILES. That is an average figure.

Mrs. MOHR. Right.

Senator CHILES. Fine.

Mrs. MOHR. As a matter of fact, this figure came out in 1970, as you know, which happens to be the year when we had an additional 1.7 million people on the poverty roles. For most of these low-income people it takes between 35 and 50 percent of income to provide for food. That is much the same as in the underdeveloped countries shown on these various charts. Our increasing food prices certainly have the greatest adverse impact on the poor, as has been pointed

out. And for most middle-income families, for young couples trying to get started, food costs are significant factors in their budgets as they represent about one-quarter of this take home pay.

For this reason there is a great deal of concern about food prices when they go up, particularly meat prices which represent roughly one-quarter of the family food budget. When two-thirds of the increase in a single month in the Consumer Price Index is attributable to one category, namely food, then middle-income consumers are bound to react as they did a few years ago.

Back in the fall of 1966, around 1,000 consumers across the country launched a protest movement against the sudden rise in supermarket prices.

Their boycotts and demonstrations received widespread coverage by the new media and for a brief spell prices were rolled back.

Now, consumers I might add are not against farmers. These protesters' activities were directed at the elimination of trading stamps and the reduction of supermarket advertising expenditures.

The poor people, those most affected, were not involved with these protests. As a matter of fact, there was an interesting study on these consumers made by Dr. Friedman of Eastern Michigan University, who found that as a group they were young, 61 percent between the ages of 21 and 35; they were married, 95 percent; they were homemakers, 61 percent; and 59 percent had attended college for 1 or more years.

They were either very old or very new residents of their communities and they tended to hold leadership positions in social, civic, and educational groups.

In his article that appeared in the *Journal of Consumer Affairs* put out by the American Council on Consumer Interests last summer, Dr. Friedman predicted that a viable protest movement at the grassroots level may materialize in the years ahead if there is a critical issue to unite consumer activists, and some of us think that the issue may well be the problem of getting honest, unadulterated information about the foods that we buy.

In other words, we are getting quite fed up with the Mickey Mouse pizzaz in the food marketing field claiming this is a new and better product in the half empty package we get and the subterfuge in hiding price increases.

What has happened to honesty was asked me by one of the members of the Tallahassee Federated Women's Club who found that the coffee she used for years no longer provided her with the flavor and the strength she was accustomed to. The price of the product remained unchanged, but she is paying more for it because she is using a greater quantity to get the strength of coffee she wants.

She wants to know what kind of filler the producer is using. Many consumers are asking what will unit pricing actually mean. It is supposed to solve so many problems but is it going to mean that our marketers are going to be using other methods to make it look as though we are getting more product for our money than is actually the case.

Now, as consumers we recognize that we are very vulnerable. We pay high prices simply because we don't know the facts. For example, Michael Jacobson of the Center for Science in the Public Interest points out that Wheaties and Total, made by General Mills, have basically the same ingredients, but Total has 100 percent of the "mini-

mum daily requirements" of nine vitamins and one mineral. They are synthetic vitamins that add about one-half cent per package to the cost of producing Total. Wheaties are enriched with one-third as many additional vitamins and costs about 18 cents less. Do people who pay the premium price for half a cent worth of synthetic vitamins really need them in this form and would they, if they knew, pay 18 cents for a half-cent worth of synthetic vitamins?

I think most of us attempt to provide our families with the best foods we possibly can and in general we think nutritional labeling may be the answer. At a recent meeting of the American Council on Consumer Interests, a Cornell University professor pointed out that consumers are willing to pay extra for this information even though they don't make use of it, largely because they don't know how to do so.

Some of us are asked if nutritional labeling really means that we will end up paying premium prices for fortified gravy, water, and sugar. Of course, these will be in the form of high-priced convenience foods that supposedly fill the needs of the consumers.

Now, consumers do expect to pay more for convenience. The U.S. Department of Agriculture tells us that homemakers are buying more foods that are prewashed, prepeeled, precooked, premixed and prepackaged. These convenience foods save time in the kitchen. One big reason for the demand, for example, is that 45 percent of the American women with school-age children are employed outside of the home. (It often takes two earners today to provide for a satisfactory standard of living.) Consumers are happy about some convenience foods, although we have to dress them up in our own kitchens to suit our family's taste.

We also like a great deal of variety and in answer to this 1,500 new food items are made available to us every single year. About 500 of these products survive for more than a year. Presumably these fill consumer needs, but the cost of developing, testing and advertising these new products certainly adds considerably to food costs and these additional costs we expect to pay.

Sometimes we don't fully understand where our dollar goes in the supermarket. A great deal of money goes to nonfood items. The Department of Agriculture points out that out of every dollar that we spend in the grocery store, only 77 cents goes for food, while 23 cents covers cleaning products, cosmetics, clothing, even encyclopedias, many of these bought on impulse. What some of us are objecting to is that every professional device is used to distract the consumer's mind from regard for sound nutrition for the family at the most reasonable price, to less significant considerations.

Through effective consumer education, we would avoid blaming all of consumers' problems on food prices, which are only one significant portion of the total picture. The problem with higher food prices is the higher prices of everything else. Before the freeze, every other type of expenditure, particularly in the area of services, soared.

One area where I feel consumers hold some misleading expectations is in connection with inflation. At the White House Conference of Consumer Specialists last October, Dr. Paul McCracken stated that President Nixon's economic policy was only intended to curb inflation. I find from discussion with homemakers and their husbands that they actually expected not only an absolute lid on prices, but that prices

would go down. The last time that happened was in 1948. Not many of us actually accept inflation as a way of life and plan our personal finances taking this into consideration.

As a matter of fact, many consumers don't plan their finances very effectively. Studies show that as other relatively fixed commitments are increased, food is the variable that suffers from budgetary constraints. Research conducted by the College of Home Economics, Oklahoma State University, indicated that installment buying was one reason for the decline in the dietary levels of U.S. families. (As a consumer economist I am just amazed that there isn't more reaction against the 18-percent interest charge on revolving charge accounts, yet consumers raise a storm over an increase in food prices.) The study showed that around 7 percent of debt payment was financed at the expense of the food budget. Most of the families studied never realized that their increased debt would mandate a cut in funds for food in order to meet other financial commitments. Besides, most consumers don't know how to cut down on food expenditures without cutting down on nutrition. It can be done.

For example, we can get the protein we need with a smaller expenditure of money by being aware of alternatives. Beef at 42 cents, and even frankfurters and bologna aren't such bargains at 31 cents and 42 cents for equivalent amounts of protein that can be obtained for 19 cents in the form of American cheese, 12 cents as eggs or whole chicken, 10 cents as peanut butter and 4 cents as dried beans. This is the sort of information that our low-income consumers need but rarely get.

We didn't get the food stamp program in Leon County until April 1. This enables eligible, mobile low-income families to increase their food buying power by investing their money in Federal food programs.

But we have no way of determining how effectively these are being used in terms of purchasing sound nutrition. Responsible agencies in the community admit that they cannot begin to provide the supportive nutritional education that might help increase the mileage that recipients get from these food stamps.

It is not only the poor who need information on nutrition for their families; \$100,000 has been allocated for a brochure to be put out by the Department of Agriculture as part of the nutrition awareness campaign this fall, but that is insignificant compared with the size of producers' advertising budgets. Food producers do provide us with a good deal of information, largely biased. We are looking to people like you to see that Government budgets for much-needed educational programs are increased.

I think I have run over my time. I will not cover some things that I was going to, but would rather answer questions.

Senator CHILES. Thank you, Henry, do you have any questions?

Senator BELLMON. Dr. Mohr, thank you very much. I thought you were perhaps a medical doctor. You must be an economist.

Mrs. MOHR. Yes, sir; I teach consumer economics in the School of Home Economics at Florida State University.

Senator BELLMON. Certainly you would have occasion to observe the efforts made by the U.S. Department of Agriculture in the field of nutrition education.

Mrs. MOHR. Observe them on what level? They don't come into my school. I've asked people in the Family Services Division and the ex-

tension services about them. I am not aware of an extensive program in this area.

Senator CHILES. Do you know of any efforts being made under a program called—I believe it is called the Outer Reach to help the people who get food stamps to use them more efficiently?

Mrs. MOHR. I noticed on April 1 we had people validating people who are eligible for this program.

Senator CHILES. Henry, Florida had some 50 counties or 38 counties maybe that qualified for food stamps and then the freeze went on and we couldn't get those food stamps and then finally when the freeze was lifted we were able to have our counties opened up. We are probably just finding that most of the areas are getting this.

Senator BELLMON. You mentioned one program is going to cost \$100,000.

Mrs. MOHR. Yes, sir; \$100,000. I should add that the Grocery Association of America is going to add some money to this Health, Education, and Welfare program. It will mean \$200,000 to provide nutrition education in our 50 States.

Senator BELLMON. But you said they are not doing that in this area?

Mrs. MOHR. Not to my knowledge, sir.

Senator CHILES. How about the nutritional aid program of the extension services?

Mrs. MOHR. The Department of Agriculture here has five people, paraprofessionals working full- and part-time. They cannot begin to cover the low-income areas in this county and admit this.

We tried to get some of our home economics students to do some volunteer work, but, of course, they have commitments and some of them have financial problems and have to work for money, so we have been very limited in terms of what we have been able to do.

Senator CHILES. Dr. Mohr, what would your advice be to us in writing next years' agricultural bill? Would it be in these areas you are just talking about in trying to provide—

Mrs. MOHR. Well, you are concerned with the feeling of ill-will toward farmers and food processors, judging from what you said.

Senator CHILES. That is a portion of it, but really it is trying to write an agricultural bill, a farm policy bill for the Congress, and in that and in the Department of Agriculture that falls, of course, the food-stamp program, and much of the school-lunch program, the hot-lunch program, the breakfast program, all of these are part of what we will be dealing with.

Mrs. MOHR. Well, I would like to see support for consumer education programs particularly for low-income people who need them the most so they can overcome the poor-pay-more poverty syndrome.

Senator CHILES. Thank you. Thank you very much.

Now, we will hear a representative from the Florida retail grocery industry, Mr. Glen Woodard.

STATEMENT OF GLEN WOODARD, VICE PRESIDENT, WINN-DIXIE STORES, JACKSONVILLE, FLA.

Mr. WOODARD. Good morning, sir.

Gentlemen, my name is Glen Woodard. I am vice president of Winn-Dixie Stores, a supermarket chain operating in the State of Florida.

I want to say, Senator, it seems like old times to be testifying before you in room 31. Welcome home.

At this time I think I am going to try to avoid any repetition, but I think it might be well to put some of the basics of the American food industry in perspective and without oversimplification.

The American food industry, be it producer or retailer, is engaged in the enterprise of filling up a 20-ounce bucket three times a day. The bucket is a human stomach. Some of us here have a little larger bucket than others. It is real interesting for me to note that from 1934, in the depths of the depression up to the present time, that the per capita consumption of food has remained relatively constant.

In fact, I believe last year it was a little less than 1,500 pounds per person. In the depths of the depression, the per capita consumption of food ran around 1,550 or 1,560 pounds. Probably the reasons for that decline are lighter foods, emphasizing on more vegetables, less potatoes, less heavier meals consumed, and this is especially true in the South.

Now, this miracle of mass distribution that we have in this country in the American food industry, the processors, the producers, and the retailers is built on an entire new concept of mass distribution. In the early days of the food industry a person went into a store and there they had a face-to-face confrontation with someone making an effort to sell them on a particular item.

They would say, "Mrs. Chiles, this is a good consumer value. It is a good price this week. It is a new product, won't you try it?" The consumer made the ultimate decision.

There are over 7,000 items in a supermarket, and the people come in and through their impulse and desire, they make the final decision that I want to buy this or I want to buy that. I was so appreciative of the doctor's comment on the charge made about food being high. Incidentally, doctor, I see that my nonfood sales are not up with the national average. I intend to do a little more promoting to try to get that extra profit.

I really get upset sometimes when I hear a housewife come through one of my checkout lines and she has a can of hair spray, a can opener, a magazine, a six-pack of beer, and a TV dinner and say, "God, ain't groceries high." This isn't an exaggeration. It happens a number of times.

To make this system of mass distribution work where the consumer makes the ultimate decision you have to have three factors present.

You must have consistency of the product. If she comes in and buys a chuck roast today, and that chuck roast is good and she comes in tomorrow or next week, next month, or 6 months from now, she wants the same consistency.

She demands quality. She has been educated on quality and I couldn't agree more that we do need a great deal of work done in the field of consumer education.

The third factor which must be present to make this system of mass distribution work is that you must have a quantity of supply. If that housewife comes in and corn is 10 ears for 59 cents and she is the first customer in that store on Saturday morning, or she is the last customer at 9 o'clock on Saturday night, she wants a selection. She wants to go through and pick it out and she wants to have an adequate supply there. To make this system work has been a partnership of the pro-

ducers, the processors, and the retailer. She wants quality, she wants consistency in her product, and she wants sufficient quantity to fulfill her needs, and to give her a selection.

I think the charge that food prices are high is brought about by the fact that this is an item that they buy every day.

As an example, I built a new home, and you don't do that but once or twice in a lifetime. When I sat down and figured the cost of the new home which wasn't appreciably larger than the one from which I moved, I was absolutely astounded at the increased cost.

Food is a tremendous bargain in America. The real basis of the problem is the inflationary spiral with which we are faced today.

I think probably one of the most oversimplifications I ever heard was at a party the other night. Some financial leaders were standing around and were dissertating on the problems of inflation when one of the wives at the party said there isn't anything to inflation. She was told, you don't know what you are talking about; you don't understand economics.

She said, "Yes, I do. Twenty-seven years ago when I married it took every nickel for us to live on what we made, and it does the same thing now. There isn't any such thing as inflation."

Let's look at retailers who are the purchasing agents for the American housewife. She determines in the free marketplace whether X, Y, Z brand of pork and beans sell or not.

We think we know what she wants. We consider ourselves her buying agent, and everyday we stock new products that come on the market which we may think is the greatest product in the world, but she is the ultimate arbitrator in the marketplace.

If she buys a \$10 sack of groceries and she asks a neighbor boy to go down and get the order for her and she gave him a quarter for it, he would make twice as much out of the \$10 transaction as the retail supermarket would make.

It is rather interesting for me to note that the U.S. Department of Commerce and I feel rather naked here, not having a bunch of charts to present to the committee, but it is rather interesting for me to note that as a percentage of gross national product the Government takes about 22.5 percent; services around 18 percent; and food takes about 11 percent of the gross national product.

It is also interesting to me, according to the U.S. Department of Commerce figures, that in 1970, the latest figures that we were able to obtain, that the disposal of personal income, the per capita personal income disposal that government and taxes took about 14.4 percent of personal disposable income, and food, right behind it with about 14.2 percent, and housing was about 12 percent, and so forth as it comes down the line.

I think one of the biggest problems in this whole area of understanding prices is that food is constantly before the people at all times.

These other large expenditures, such as medical care, recreation, housing, motor vehicles, transportation, all of these things are a one-time thing, or extended intervals between the purchase, and they don't draw the attention food does.

I think probably the best way to put it, and the retail food industry's net on sales 10 years ago was about 1.8 percent. The supermarket industry today nets to sales is 0.8 percent.

Our costs have risen. You have had constant testimony here on the increased cost of the operation of the farmer and processor.

We are in the same boat. I noticed the other day that a wage contract had been filed with the Wage Board by a group in Cincinnati that called for a 19-percent increase. I don't know whether the Wage Board will approve it. I would like to commend the processors and the producers because they have done a tremendous job of providing the finest quality food in the world.

Not too long ago, we sold flour in 100-pound sacks. Today 3- to 5-pound bags are the most we sell. It went from making the cake with the flour and the raw ingredients until they came in with these so-called cake mixes. I use this as an example.

They have even gone beyond that now. They have it all prepared in a frozen package and all you have to do is exert a tremendous amount of energy by reading the directions and setting the temperature and turning on the dial of the oven.

I can remember when we used to have to top carrots. You buy carrots today without tops on them. I remember the day when we used to sell 50 pounds of potatoes. Today they buy them already peeled, already cooked, and all they have to do is eat them.

I think the food industry and the retailers have done a tremendous job. It is rather interesting to me that in Fortune's 500 Report of the 50 largest retailers in America, and this is a startling figure, of the 50 largest retailers in America that 22 of them are food chains.

Their total combined profits after taxes, the total of these 22 food chains, is less than one of the retailers in America, Sears and Roebuck.

I am afraid that we made a bad error in judgment and didn't go in the dry goods business instead of the grocery business. I think the consumer is getting a break. I think that sometimes that we possibly overreact to these situations.

Are there any questions I can answer?

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Mr. Woodard, I know we are short on time and I want to ask you a question. You say the consumer makes the ultimate decision and certainly we know that, but stores like Winn Dixie do have an impact through your advertising and the way you display your merchandise.

Mr. WOODARD. Yes, sir.

Senator BELLMON. Do you in these times where poultry prices are way low and beef prices have gone up, do you make any effort to push poultry or try to convince your customers that perhaps they can get their protein from some source other than the high-price beef?

Mr. WOODWARD. Yes, Senator. Any time we think there is a good consumer buy we will do what is known as put it on the front burner.

I can remember the days when the citrus industry, the great industry of this State, was in terrible straits. In fact, we were on the phone calling all over the country and I don't want to appear altruistic. When citrus is sick, Senator, my store in Lakeland gets sick and it enlightened self-interest, and we try our best to promote and cooperate with the plentiful food programs as well as create a desire. I think you have touched on a real important program, a point I made at the start of my presentation that the per capita consumption of food remains constant and these various commodities are fighting for their

share of the 20-ounce bucket. The housewife can fill it up with grits or she can fill it up with New York strip sirloin.

It is her ultimate decision and the price and quality will determine what she fills that 20-ounce bucket with.

Yes, sir; we do try our best.

Senator BELLMON. You also mentioned, and I certainly agree with you, there is more need for consumer education. Do you feel there is a role that supermarkets can play in this area?

Mr. WOODARD. Yes, sir.

Senator BELLMON. How do you see the Senate when we are bringing this farm bill in bringing this about? Can we encourage—

Mr. WOODARD. Senator, there are various operators that operate in a different way. We are all trying to get our share of the business and make a profit, and let me say that we are a private institution. Some of them do it through demonstrations.

I wouldn't care to announce at this time but my company has a program which we are getting ready to introduce. I will be glad to send the members of the committee the material and so forth.

Senator CHILES. Demonstrations. Do you mean your company is going to engage in some demonstrations?

Mr. WOODARD. No, sir. That was a bad choice of words. Senator, a bad choice of words. I will let you know after next Monday how things go in Miami.

Senator CHILES. There is one question I would like to ask you if I could.

Mr. WOODARD. Yes, sir.

Senator CHILES. I am concerned that the farmer has become so efficient in his production and so poor in his marketing. I am concerned with the fact that when I see or find out that supply and demand influences at the farm tremendously influenced the price that the farmer is going to get. If there is an over supply of peppers or cucumbers and the market breaks, then he gets very little.

I don't see any change in the store of what you pay for cucumbers or bacon or just a fractional change and yet I engaged in the watermelon game at one time in that game of Russian roulette.

Mr. WOODARD. A great game.

Senator CHILES. They called me one afternoon and said we are going to get 6 cents and the next day we were getting a half a cent and I went from a person of considerable means to broke.

Mr. WOODARD. Sharecropper.

Senator CHILES. But when I get to the store to buy melons they never change. The price was still the same as what I was paying before.

Mr. WOODARD. Senator, I don't know whether—you have to understand the distribution system that from the time that price breaks or goes up in the field there is a lag until that hits the market.

It has been our experience that when that happens, and that supply hits the market, the prices do go down. The prices go down dramatically.

As an example, eggs, and I am sure that the egg industry will testify to this, to remove the surplus of eggs we have been running eggs at fantastically low prices to get that glut out of the market.

I think one of the biggest problems in American agriculture today, that agriculture has, the broiler industry is a good example, been

production oriented. The whole farm economy has been production oriented.

I think the time has come, and there are two things that are needed and as you as the Congress can probably help provide assistance. One is reliable marketing information.

What is the particular market on that particular day? The other is the industry promoting its own products. Our great citrus industry is one of the best examples I know of.

They realized that production had outstripped their marketing techniques and with the help Citrus Commission and the great work they have done and with promotion they have helped remove this glut that was on the market.

I think that is the two things that you in the farm bill can do, is to devise some means of developing accurate marketing information, and promotional funds of some way to help the industry which produces the product, create the desire within the consumer's bosom to buy that particular product.

Senator CHILES. Well, I am sure there is a difference in this price structure and I am glad to get that other information, but I just see times in which certain produce never has a good year because there is an oversupply, such as tomatoes, an oversupply of peppers or cucumbers.

Mr. WOODARD. I think tomatoes are high right now.

Senator CHILES. Right now?

Mr. WOODARD. Yes, sir.

Senator CHILES. Thank you very much.

We will now hear from the producer panel of Henry Land of Apopka, who is going to talk to us on eggs, and Mr. Ralph Cellon of Gainesville on beef and Mr. L. E. Larson of Okeechobee on dairy.

STATEMENT OF HENRY LAND, APOPKA, FLA.

Mr. LAND. Senator, I want to welcome you back. I am sure this room holds as many memories for you as it does for me. Senator Bellmon, I would like to welcome you to Florida and to thank you on behalf of the poultry industry for your attentiveness at the hearings in Washington in February.

You know, we have heard a lot about averages today and it was in this very same room about 20 years ago in a budget hearing before Governor McCarty that Frank Holland, the brother of our late, great Senator, made the statement that you had to analyze averages pretty carefully because you could take a dozen bowlegged girls and a dozen knock-kneed girls and average them up and there wouldn't be a straight legged girl in the bunch.

I am a commercial egg producer with a farm capacity in excess of 100,000 birds, and egg production has been my principal livelihood for the past 10 years.

For the past 25 years I have been a director and member of the loan committee of a rural bank with many egg producers as customers.

Although I don't want to be considered an expert. I feel that I am qualified to discuss the plight of the egg industry today, particularly in Florida.

For more than 2 years the egg producer has operated at tremendous losses. In 1971 alone in the United States this loss was in the neigh-

borhood of \$400 million. This may not appear to be large, in view of the astronomical figures we hear daily, but it represents loss in 1 year of a one-quarter to one-third of the total investment of our egg producers. Think of that, a loss in 1 year of one-quarter to one-third of our total investment.

So far in 1972 these losses are at an accelerated rate. Truly our industry has suffered a disaster equal to those unfortunates in the area of flood, tornado and hurricane.

Our plight, at least partially may be of our own making, but I think this also might be true of Lockheed and Penn Central.

Although our industry is affected to a great extent by Government regulation of and subsidies of our feed supply, we have never enjoyed Government support except for very small purchases of egg mix.

During the past few years the price of large eggs wholesale in New York has ranged from a low of 25½ cents in May and June of 1967 to 64 cents in December of 1969.

During these periods the retail price of cartoned large eggs was as low as three for \$1 to 90 cents or more per dozen.

Recently in Florida one of our large chains had medium eggs priced at 23 cents and the following week 25 cents per dozen. Incidentally, I would like to commend Winn Dixie, particularly, because they feature eggs, frequently and have been a great deal of help to our industry in moving our surpluses.

I shall not try to burden you with too many figures as your committee has access to many more than I do. I will say that the cost of producing a dozen eggs in Florida today is about 29 cents at the farm. The processor needs about 11 cents per dozen to move the eggs from the producer to the retailer and make a fair return for his effort.

Depending on a retailer's normal markup this means that large eggs would have to sell for at least 50 cents per dozen retail to give the farmer cost, and last week two of the largest chains were featuring large eggs at 39 cents a dozen.

Virtually all eggs sold in Florida by the producer to the packer are on a formula based on the Urner-Barry quotation out of New York. We are presently getting 9 cents under this quotation for large eggs and 10 cents under the medium quotation for those eggs, both grade A.

As a rule of thumb, over a long period we average 12 cents to 13 cents under this Urner-Barry quotation across the board for all sizes and grades, or 21 cents to 22 cents a dozen on the most recent quote of 34 cents in New York. So today we are losing about 8 cents a dozen on eggs. No profit. This is an 8-cent-a-dozen loss.

Because of the fact that many egg packers have invaded new areas in the past few years and many producers have engaged in packing eggs, there has been a great deal of price cutting to the retailer at the expense of the producer, and I might say for the benefit of the consumer.

The net result is that the 9 cents under New York we are now getting for large eggs in 1966 was 3 cents under, an erosion in price to the producer alone of 6 cents a dozen in 6 years.

I certainly recognize the fact that you have a duty to the consumer as well as to farmer, but it is inconceivable to me that the administration, the Congress or the consumers of eggs would want us to go into bankruptcy to maintain present prices.

As brought out by Commissioner Conner earlier, the ultimate result of a such a policy would be higher prices to the consumer.

We hear a great deal these days about minorities and certainly farmers are one of these minorities, and egg producers are a minority within a minority.

Our industry needs assistance, and when the fragmentation within our midst has solidified into a united voice, I hope that the Congress will heed our call for help by enacting legislation to assist us in the orderly marketing of our product.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. I think that is really what we need to get to. What should our committee consider in regard to next years legislation as it would deal with the egg and poultry industry? Do you think the industry is going to get together? The last time, as you know, they were very fragmented.

Mr. LAND. Senator, my personal feeling is that a Federal marketing order is going to be necessary in order for the poultry industry to survive. I am speaking here today primarily of eggs. To those of you who are familiar with the marketplace, as has been brought out this morning earlier about broilers, and the same applies to turkey production which is not a factor in the State of Florida, all of these segments of the poultry industry are in a period of great financial distress.

There are a few States with marketing orders, but the State of California rejected a marketing order about a year ago.

It is my understanding that California has held another referendum. The ballots were to have ben returned by June 30 and to my knowledge the results are not yet available. If anyone has them, I would be interested to know.

Our commissioner of agriculture has set up an industry task force and he mentioned the fact that the commissioners of agriculture were meeting in Atlanta this Friday to discuss our problem. It is my feeling that it might be well for your committee. For Secretary Butz to assemble once more the leaders of the poultry industry at a central location, and Washington might be perhaps the best place, and test the sentiment of the industry with regard to a marketing order.

I think virtually everyone is familiar with the dairy situation. I mentioned that I am director of a bank, although I am not a professional banker. Many years ago we were sorry to see a dairy farmer come into our bank and apply for a loan.

Since the application of the Federal dairy order, the dairymen are operating at a profit, and the consumer certainly isn't suffering when he can buy milk at 99 cents a gallon as I regularly do. It would be my recommendation to you, sir, through your auspices or the auspices of the Department of Agriculture, to assemble the leaders of the poultry industry to see what their feeling is at this time with regard to a Federal marketing order. If we come up with something that we can show conclusively will not only help us, but not hurt the consumer, enact it into the law. I maintain that when you have a fluctuation within a two-and-a-half year period of eggs selling at 90 cents and they have reached a \$1 a dozen, but certainly 90 cents compared to three for a \$1, that this is not in the best interest of the consumer.

Senator CHILES. I am going to interrupt you again because we would like to ask you some questions here.

Mr. LAND. Go right ahead.

Senator BELLMON. Well, Mr. Chairman, I have only one question. I know we are short on time.

Senator CHILES. He is the one I know I can interrupt.

Senator BELLMON. I was as you mentioned present at the testimony about the egg bill we had and I sympathize with the producers.

In fact, I used to be in the egg business. I learned my lesson a long time ago and got out of it.

Mr. LAND. You know, Senator, I said if I was very smart I wouldn't go in the egg business, so you have to take anything I say with a grain of salt.

Senator BELLMON. I noticed a year ago up in Iowa the hog farmers were screaming about how cheap hogs were and they sent a bunch of old sows to the slaughterhouse. How come the egg producer is a slow learner.

Mr. LAND. Senator, I am unable to answer that question at all. The largest group in the egg industry, as you well know, is the United Egg Producers, and they tried a voluntary program, but it was my feeling at the time that this voluntary program would not work as it was not equitable to all concerned.

It seemed to favor certain segments of the industry, and this is where you get into a problem. I know Senator Price is to follow me some time later about the citrus industry. We have been involved in citrus. We have had as many rugged individualists in the poultry industry as we have in the citrus industry, but now our financial position is getting down to the point where it is not going to be much longer that we are going to have any say-so about it.

Our creditors are going to be taking over. I think it is very significant as far as the egg business that Ralston-Purina got out of it. Some time about a year ago they decided there wasn't any future in the egg business and they were going to back out. I would like to say this. Mrs. Barefield, I am approaching that age of retirement, but it is a state that I doubt that I will ever actually attain. You know there are very few retired farmers because most of us have to work until we drop. Are there any other questions?

Senator CHILES. Henry? I think that is it. I want to interrupt our panel just for a minute to recognize Senator Ed Price who is here, who is chairman of the Florida Citrus Commission.

He has headed up our Florida Agricultural Council before, and has been an outstanding leader in agriculture. I understand he has brought his expert with him to help tell us something about the citrus industry today and Senator Price has a luncheon with the Governor, but, Henry, I wanted you to get a chance to meet him.

STATEMENT OF E. H. PRICE, CHAIRMAN, FLORIDA CITRUS COMMISSION, TALLAHASSEE, FLA.

Mr. PRICE. I appreciate that, Senator Chiles and Senator Bellmon. I do appreciate being given an opportunity to come here today.

I did bring Dr. Bernard Lester who is director of economic research for the Florida Department of Citrus, and the Florida Citrus Commission, a State agency which is a regulatory agency for citrus, but is also the advertising and marketing agency for citrus.

We think we have a peculiarly different story to tell, one I think that will be of interest to the Congress and I will assure you that Dr. Lester has the ability to articulate this in language which I can understand and he will either respond to you by questions or make a short presentation.

I regret that I am going to have to leave, but I do appreciate the opportunity of coming and we thank you for giving agriculture not only in this State but throughout the United States an opportunity to be heard because I think you will find that not only are we concerned with agriculture, but we are concerned with the American consumer, and this is the picture that we will try to give you.

Thank you, sir.

Senator CHILES. Thank you. All right, Ralph, you are going to go next, Mr. Ralph Cellon.

STATEMENT OF RALPH CELLON, GAINESVILLE, FLA.

Mr. CELLON. Senator Bellmon, we are glad to have you, and it is my privilege to appear before you. I am Ralph Cellon. I am past president of the Florida Cattlemen's Association and served in this capacity in 1962, 1963, and 1964 and have secured the passage of the Meat Import Act of 1964.

I am now chairman of the Import Committee of the Florida Cattlemen's Association, but what I say today is not in that category, but as a farmer and cattleman.

Now, I am not like the gentleman ahead of me. I didn't have any outside interest, and if I don't make it on cattle and farming, I don't eat, and you ought to know that my meals have been far and few between in the past few years.

I am very disturbed that the President lifted the meat import quota to curb meat prices. Either that was a political maneuver or he was ill advised, or both, because it is absolutely impossible for meat import to get into this country in time to relieve the price of cattle, the price of beef in the supermarket anytime soon, because the importing countries to this country are not meeting that quota today.

Why, because their demand for their beef is more and a better price in other countries than it is in the United States, so therefore it is going there.

Now, when the price structure changes they will be back and they will be back in droves, and this procedure of the President lifting the imports under a false pretext is bad for industry, but the real shocker in the President's action is that he would take this action at a time when beef prices have just recovered to a 1952 level.

Now, I would like to answer the lady over there a while ago that was arguing about the 16 percent. She is an economist because an economist can take a set of figures and come to any conclusion that they want to make, but the facts are facts, and there is nothing else.

I will refer to Commissioner Conner's draft that he had there of the increase of the farmer and the medical man.

It wasn't but just a few years ago that I could go to a doctor for \$2 a visit, usually using the doctor, no personal references needed, and he would give me possibly a cheap prescription and possibly a little hand me medicine and say you will be all right, and I got along and I raised a family and such as that, but today automatically when I walk in that

doctor's office it is 8 bucks, but he don't let you out there, because I've got to be X-rayed and I've got to be thumped and I've got to have a cardiogram and all of this, that and the other, and before I get out of there I have spent \$65 or \$70 but Senator Chiles—

Senator CHILES. Ralph, you are going to delay our hearings a lot more. Now we are going to have to bring the doctors in.

Mr. CELLON. Now, you mentioned awhile ago what the cattlemen expenses were, what the farmers expenses were. Just remember this, that the farmers are consumers and whatever their expenses are, my expenses are the same thing, plus the cost of tractors, the cost of trucks, the cost of every item that I buy on the farm, and labor has gotten so high until I don't even have a garden at home because I can buy the produce out of the supermarket cheaper than I can pay that wino to make my garden, you see.

Now, but listen at me, now. The commodities and services of this Nation in the past 20 years have risen, some of them 50 percent, some of them 100 percent and some of them as much as 150 percent, and the last thing to cap it off, all Government employees now is going to get a 5-percent increase when the President just slapped a beef import quota out of the books, so you take that as you can.

But, now, what the leaders of this country really need to be thinking today about is food for America in the future. Now, the United States is the best and cheapest fed Nation in the world today.

In 1952 they spent 23 percent of their income for food. Today they spend less than 16 percent.

The world average of food today is 60 percent. Now, beef consumption per capita in 1952 was 56 pounds. Today Mrs. Housewife is eating 114 pounds.

Now, I think that the American farmer, the American cattleman have responded to the housewives desires and wishes very well to have supplied this increase tonnage of beef.

Now, the only way that we have met that demand is through the increased use of technology, pesticides, fungicides and food additives, and, Senator Bellmon, when the environmentalists take away these items from agriculture, now, you take it from an old farmer, there will not be any food produced in the United States without these fungicides, pesticides and food additives.

Now, this production in the United States cannot continue unless there is a profit incentive built into this thing somewhere or another, because the national average of the American farmer is 54 years old.

Now, you cannot get a young man. You cannot get a young man to go into farming because his dad in the past 20 years, the only way that he stayed in farming without added income as a director of the bank or Governor of the State of Oklahoma or the Senator from Florida, or Commissioner of Agriculture, the only way he could stay in operation in the past 20 years is to eat up his equity that he had in the farm because the farmers debt today is higher than it has ever been in history, you see.

Now, when you talk about what a farmer has invested, if you will look at some of the farmers financial assets, you will know how much money that it takes to run a farm efficiently like it has got to be done, but getting back to this food for America in the future, if we old men of 54 years old, and I would like to refer to her coffee analysis.

You go back and you tell that lady that I am in the same fix that I know that my coffee don't taste like it did 20 years ago, but I have found a secret. It is not that Maxwell House has been gypping me, age has taken care of that, and age will take care of a number of things, so you can be prepared, you hear?

Now, really and truly, now, you wouldn't want your son, you wouldn't want your son to become a farmer on your 1952 salary, would you, and that is what I am getting for my beef today, the same thing I got back in 1952, plus all of these other expenses.

Now, you think for a moment of your living condition back in 1952 and then say if you want your son a farmer.

Now, Senator, it would be foolish, absolutely unsound business principle for a young man that is capable of running a farm today, which is a highly skilled operation, with the handling of lots of finances, he has got to be a college graduate.

He would be foolish to enter the farming business even if he could raise the capital to go into farming because his profit is not there, his classmates are making far more than he would in another profession with less hours and no headaches, no capital involved.

Let's review the farming situation as it is today, because many of you don't know. Many of you don't know, and you care less, because you think that milk comes in a plastic container today, you think that eggs come in a carton, and you think that beans come in a can, but, lady, I am going to tell you one thing, that if you had a meat processor here today, and when I was president of the Florida Cattlemen's Association, Swift & Co. invited me to take a tour with them at their expense and at that time in 1963 Swift & Co. told us that America, America only had 11 days supply of meat, red meat, all red meat, 11 days supply of meat in the tubes.

Now, what they meant by that was from the producer to the housewife. Now, if the American farmer was to shut his gates on the 12th day, Mrs. Housewife would not have any red meat to put on the table.

Now, that is dire circumstances for this great Nation to be faced with, you see, but the American farmer has never, has never done that, you see.

Now, I touched on labor. There is no such a thing as farm labor today. There is just no such a thing as farm labor. I have been in all my life and I am 62 years old. The only labor that we have got on our farm today is the old men that are my same age that have been doing it with us. We all grew up together—but their children—but their children are not following in their daddy's footsteps.

Why? Because they can go here and yonder in a whole lot less hours and better working conditions and such as that, but remember, somebody has got to feed America.

Now, to get down to the land situation. Lots of people think that the landowner is a millionaire. Well, he is. He is because an acre of land is worth God knows what, but the deplorable thing of this whole thing is that the land in these United States is being bought up by capitalists and speculators, and your farming operation is reverting to a rental system, you see, and there is no farming operation that can be productive steadily producing farm without a long-range program.

The interest—the interest—if I were to sell every acre of land I got, the interest that that land would bring me at a legitimate interest

would be more than the profit that I can make off an acre of land, so therefore I am foolish to stay in the business. I am just foolish to stay in the business because I could sell the acres of land and live off of the interest, and never have to touch the principal, and farms in my area are complete farms that have been producing over the years are going that course, Senator.

Now, but the real issue today is food prices, you see. Some food prices, but especially they are picking on beef, and do you realize, and Senator Bellmon knows, he is a producer—do you realize that it takes from 5 to 7 years of careful planning to increase a cow population.

Now, you are going to laugh at me, so I have got to explain it to you.

You've got the cow, you breed her, it takes 9 months for gestation, and you stand a 50-50 chance of that being a bull calf. No reproduction.

You've got to go another 9 months. Well, it will take 11 or 13 months to get the cow bred and another calf and so on and so forth, your 50-50 chance, you get a heifer calf that time. OK, that is 2 years gone.

That calf is on the ground. Then you don't breed that calf. I don't breed that heifer calf for replacement until she is 3 years old, and she don't calf until she is a full 3-year-old, so you've got 2 years there, and then add those three, that is five.

Now, it is going to take another 18 months from the date of birth through his feedlot, you see, to put that animal on the housewife's table.

You didn't know that, did you, but that is facts. Now, I don't know what your figures will compute it out to be, but that is fact.

Now, today's consumers are looking for a scapegoat. The reason that they are looking for a scapegoat is because they didn't go through the depression that has been mentioned here earlier today. Now, they have got to have, and the lady mentioned the young couple just getting married. Yes, I had a young son and he got married, and so on and so forth, but he had to have a brandnew home.

The young housewife today, the young couple getting married today is demanding and is getting the services and better services than their parents had after they had been married 35 years.

It was 35 years I had been married 35—no, I had been married 25 years before I built a house that was decent to live in, but when I got through with my house it was bought and paid for.

The people of today have bought a home on credit. They have got a car for every member of the family. They have got a summer cottage. They have got a boat. They have got a TV. They have got a stereo. They have got a washing machine. They have got it, you name it, they have got it, and they have also got the payments to go along with it.

Now, the real misconception of it is that they think that every item that they put in the supermarket basket is food, but far be it from that, because, god, you can go into a supermarket today and buy everything in the world from soup to nuts. You name it and you can carry it out of that supermarket, and they kid themselves that food is causing that, which is not so, because this is a fact, now.

Follow me close, now. In 1952 Mrs. Housewife could buy 1.7 pounds of beef, 1.7 pounds of beef for 1 hour's work. Today, today she can buy 3.3 pounds of beef for the same hour's work.

Now, the U.S. consumer, and this is the national average, now, the U.S. consumer spent 2.7 percent of his disposable income for beef in 1952.

Today he is only spending 2.5 percent of his disposable income. Now, you mentioned this food stamp program.

I live down here close to Gainesville, and it is a deplorable situation when the young people of our United States will be sent off to school, they don't go of their own accord. They are sent by the fathers and mothers because they want to get them out of the house. They are so damn mean that they want to get them out of the house.

They are sent off to school, they get a loan from the bank that is guaranteed by our Government, they get food stamps from my county that is paid for by my county. How many of them will ever pay back that money that they borrowed to get that education, and what are they going to do with that education after they get it?

I will tell you what they are going to do with it. They are going to my cow pasture and hunt mushrooms.

I hope—I hope that they distinguish between the killing kind and the fun kind because I don't want to have to bury none of the long haired bastards on my place.

Now, the price of beef today is by consumer demand, and whenever she demands anything we try to respond.

Now, the merchandising agencies which the packer hasn't been representing here this morning, but Glenn Woodard represented the chainstores and I want to commend them in the job that they have done. Now, there are lots of people that are going to say that the middleman gets the profit, but I don't say that the middleman gets the profit because he has got his expenses, too.

The only thing there does come a question in my mind is that back in 1964 when the price of cattle was cheap, 18 and 19 cents for Good and Choice cattle, Senator Bellmon, Winn Dixie, and I will use him because he was here, Winn Dixie was still selling those good steaks for \$1.19 and they advertised them a week ago for \$1.19.

But I am not going to question that because their expenses have gone up like mine have.

Now, one more comment and then I am through. What the leader of this great Nation could do, and must do to insure food for America in the future is to educate, is to educate Mr. and Mrs. Consumer that the farmer is a consumer also, and he has done a wonderful job feeding America and is a big part of this total economy of the United States, and all in God's world that he is asking out of that is that he gets a salary which is his net profit after expenses comparable to that counterpart that is in some other form of economy.

Now, there is one other thing I want to add to this. The livestock industry has always operated on a free market, a supply and demand market.

Now, we do not want controls because if you get controls you have got to have supports, and the American public is confused because they think that the agriculture budget of this great United States is tremendous and we are getting all of the money, the farmer, but that is far from the truth, because your school-lunchroom program is financed by the agriculture budget of the Federal Government, you see, and many other services to you people that you all think is all going to us, but it is not.

Now, we are still willing to take our ups and downs. We do not want controls because we know that you have got to have support.

Thank you, Senator, both of you.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Thank you, Mr. Chairman. Mr. Cellon, you answered a question I was going to ask you and that is if and when we are writing the new farm program, whether or not we should put in it a support or a program for beef cattle.

Mr. CELLON. No, sir. I would personally—the remarks that I have made this morning is for me personally—but at the time that we were talking beef controls and supports back when my good friend, Billy Mathews, you remember him, was in Washington, and the cattle business was in such dire straits and such as that, the cattlemen of the State of Florida decided that we did not want controls because controls would lead to supports and we didn't want to burden them any further.

Senator BELLMON. Now Mr. Land just testified that the poultry business wants—

Mr. CELLON. Let me tell you the reason. The whole story is wrapped up in this and the public doesn't know it.

You know, you can get in the chicken business in 3 weeks because it doesn't take an egg but 21 days to hatch. You can get in the hog business in 4 months because it takes a sow 3 months and 20 days for gestation, but it takes a good while to get into the cattle business, Senator. As I just explained to you earlier, that is the whole problem right now, in and out too quickly.

Now, it has been mentioned earlier here today about our cycles and Dr. Terfertiller said he didn't believe that we were going to hit that cycle, but the only reason that we are not going to hit that cycle is two things: The economy of the United States and beef production.

If we overproduce, well, we are bound to have a cheaper market. If we don't overproduce and the economy of the country stays good, these people on welfare eat those strip sirloins just as well as you do, you see.

Senator CHILES. Ralph, I don't know what your experience has been with the brucellosis program but I have heard considerable discussion about it in Florida. I want to mention to you that we have introduced Senate bill 3749 which is going to encourage sister States in carrying out a program of animal health research which this program can come under, but I wonder if you can just tell me now whether you think the brucellosis program, the present method, quarantine method, the way it is set up, has ever worked or not?

Mr. CELLON. Senator, I am sorry that you asked me that question because I have been intimate against the program used. I am not against eradicating brucellosis, but I am very, very much against the program that has been used over the years and it is still being used practically on the same basis.

You know, we started in the brucellosis program in 1934, and there was not a thing in God's world but just another WPA program for the cattle industry, that is all in the world it was, it kept lots of veterinarians on the Government payrolls and to get rid of lots of our cows and to help the economy of the cattle industry.

Now, if you want to get rid of brucellosis, the money that we have spent on the eradication program up until now would have done re-

search work and would have perfected us a vaccine that we could have used many years ago that would have immuned our young breeding cattle to this disease and we would have been out of brucellosis.

Now, you asked me the question. I don't ever think that the United States will be clear of brucellosis. When it started in the State of Florida there were so many people that were for it they said we want to get blue on the map.

They didn't say anything about the cattle producer that was for the program. He wanted to get blue on the map to satisfy the officials. OK. That is not eradicating brucellosis.

Now, if we could come to the other stage and get red on the map, that is still going to satisfy them, but with me that is not eradicating brucellosis, because you have got other species of animals that carry the brucellosis and until the entire job is done, it, in its entirety, well, it will never be accomplished.

Now, we used to have a program of vaccinating our calves that would immune, we thought, immune our calves.

This particular vaccine has a vaccination title that confuses the guy that is running the blood test, and he cannot distinguish between a vaccination title and brucellosis, so therefore we have condemned every time we test the cattle any number of good producing cattle that are condemned on a vaccination title.

Now, when you certify an area on the graft, that means that you can have any number of cattle that you want to and only test 149 clean cattle.

Now, pray tell me what is going to happen to those 851 others out there that you have not seen, you see.

Senator CHILES. Thank you.

Mr. CELLON. Now, I am ready to get rid of brucellosis, but let's go at it a different way and get the job done.

Senator CHILES. You think it has to be a vaccine?

Mr. CELLON. It has to be a perfected vaccine that will thoroughly immune and then do a 100-percent culling program.

Senator CHILES. Thank you.

Mr. CELLON. I am sorry to have taken too much of your time.

STATEMENT OF LOUIS E. LARSON, OKEECHOBEE, FLA.

Mr. LARSON. It is a pleasure to appear before you, Senator Chiles and Senator Bellmon.

My name is Louis E. Larson. I reside in Okeechobee, Fla., and my mailing address is Post Office Box 1242, Okeechobee, Fla. 33472.

I have a prepared statement I would like to read to you.

I have been a dairy farmer for the past 25 years and at the present time I operate three dairy farms delivering milk into Federal Order No. 13 covering the 10 counties in southeastern Florida.

On these three farms I employ 42 to 48 men, milk 2,200 to 2,500 head of cows and produce approximately 2,200,000 pounds of milk per month.

I have over 4,000 acres of land devoted entirely to grass and hay production for my dairy herd and replacement dairy cattle.

I market the milk I produce through Independent Dairy Farmers' Association, Inc., a qualified marketing cooperative under Order 13, and have served on the board of directors of this association for 14 years, 6 as president.

During these years I have also served in the following capacities: President, Florida Dairy Farmers' Federation; president, American Dairy Association of Florida; member of National Dairy Advisory Committee for 8 years; and now serving as president, Dairy Farmers' Inc., a federation of the major dairy cooperatives in the State of Florida.

I am also a member of the board of directors of the National Milk Producers Federation and serve on their executive committee.

Approximately 85 percent of the milk produced in the State of Florida is marketed by four producer associations. The Independent Dairy Farmers' Association with 74 members markets its members' milk in southeastern Florida.

Upper Florida Milk Producers' Association with 100-plus members are supplying milk to the Tallahassee, Jacksonville, and Orlando markets. The Tampa Independent Dairy Farmers' Association and Suncoast Milk Producers' Cooperative with a combined membership of 130-plus are supplying milk to the Tampa Bay, Fort Myers area.

These marketing cooperatives were formed in order that the producers of Florida would have a united front to represent them in marketing their products. In the early years that I produced milk we operated under a State milk commission which proved to be a highly unsatisfactory method of marketing for the producer and at times unfair to the consumer. To combat these inequities and to insure an adequate auditing procedure, the producers in southeastern Florida requested that a Federal order be established for southeastern Florida and this was accomplished in 1957.

After observing its operation for a period of years a similar action was taken by producers in the remaining areas of Florida, and order programs were established in Tampa Bay and upper Florida in 1966 and 1967 respectively.

To realize the effect of these orders on marketing in the State of Florida it is necessary to understand the basics of the order program.

Milk market orders are issued and administered by the U.S. Secretary of Agriculture. While the orders are rather complex regulatory devices, their objective is quite simple. The orders provide a classification for milk according to its use by the processor. Each classification carries a minimum price which the processor must pay to producers for milk used in that class. Each month farmers are paid an average price based on the amount of milk in the entire market used in each class. In this manner all farmers receive the same uniform price. This means that they all share equally in the sales of milk as fluid milk products and also they share equally in any surplus milk which exists in varying amounts from month to month.

The administration of the orders embodies a verification program which is carried out by auditing the books and records of each processor buying milk from producers. This function assures farmers that all milk has been properly accounted for and paid for.

The provisions of milk marketing orders result from testimony and evidence received at public hearings. These hearings are open to all producers, processors, and representatives of the consuming public. While the prices that the Secretary sets are minimum prices, I would like to state that producers in Florida have never negotiated or attempted to negotiate prices in excess of the prices set by the Secretary of Agriculture.

In order to maintain the stability created by the Federal order program it has been necessary for the farmer cooperatives to increase their activities and services. At present, these cooperatives are maintaining complete quality control programs to enable their members to meet the ever-increasing demands of the local, State, and Federal health authorities. It has also been necessary for the cooperatives to take on the full responsibility of balancing the supply of milk to the demand of the markets, which entails disposing of surplus supplies and arranging for imported milk when the demand is in excess of local producer receipts.

These services constitute an increased cost in producing milk to the dairy farmers of Florida; however, there are many other cost factors that have increased substantially over the past years.

The wages of dairy farm labor have doubled during the last 6 years and even at the present level it is becoming increasingly difficult to obtain an adequate labor force due to the 7-day schedule that dairy cows require.

The cost of taxes, feed, machinery, land, supplies, pollution control, maintenance, interest on capital, and professional services have shown substantial increases during the past few years.

These increases in the cost of producing milk have offset the increase that we have received for our product.

Over the past decade the population in virtually all areas of the State of Florida has shown a substantial growth. As in all segments of the economy, the milk industry has been presented a great challenge to keep pace with the expanded demand for its products.

For instance, fluid milk sales in southeastern Florida increased from 403 million pounds in 1958 to 613 million pounds in 1971, or approximately 52 percent. In the Tampa Bay area demand for fluid milk increased 16 percent in the 5-year period 1966 to 1971, and in the Upper Florida area demand went up 33 percent in the 4-year period 1967 to 1971.

I do not have longer periods of comparison for the Tampa Bay and Upper Florida areas since these areas came under a marketing order in 1966 and 1967, respectively.

As I look back, the fact that consumer demands for fluid milk have been met without intermittent periods of over and under production is indeed a strong tribute to the soundness and effectiveness of the production and marketing programs carried on in the State of Florida.

The expanded needs for fluid milk in the State have been met both by the entry of new dairy farmers, and the expansion of existing farms. Yet it has been accomplished without the occurrence of periods of excessive surplus production which can be so disastrous to the financial position of dairy farmers. This indicates to me that the established prices for milk have indeed been set at proper levels. The price structure has permitted farmers to produce adequately for the market without calling upon the consuming public to pay prices which result in wasteful surpluses.

I feel that a few comments on prices will serve to illustrate how efficient Florida dairy farmers have been in meeting their responsibilities to the consuming public.

In 1958 the price for class I milk (used for bottled fluid milk products) was \$6.63 per hundredweight in southeastern Florida. In 1971

this price averaged \$7.85 per hundredweight, or an increase of 20 percent in a 13-year period.

During the most recent 5-year period milk prices have increased 13 percent in the Tampa Bay area. In the most recent 4-year period milk prices have increased 11 percent in the upper Florida area. An additional comparison will serve to show what has happened to fluid milk prices during the period of time when phase I and phase II have been in effect. In all three areas of Florida the farmers' price for milk used in fluid milk products has increased 2 percent in the first 7 months of 1972 compared to the average price received during 1971.

From my 24 years experience as a dairy farmer coupled with my personal knowledge of conditions throughout the State of Florida, I can draw the following conclusions:

1. The market for Florida dairy farmers is stable and thus provide the atmosphere for farmers to make long range plans for the production of milk under conditions of ever increasing efficiency.
2. The structure of the market both through the associations and the milk marketing orders have allowed for an orderly adjustment to an expanding market.
3. The level of price received by the dairy farmers has been barely adequate to generate the necessary amount of milk to meet the growing demand.
4. When it has been necessary to import milk into the State of Florida to supplement the local supply, the cost of this milk has been greater than the fluid milk price received by Florida farmers.

To put it real brief, the dairy farmers in Florida are now called upon to produce 50 percent, I think it is 52 percent more milk than they were in 1956 or 1957, and were doing it at a cost of return to the farmer, we are getting about 20 percent more for milk than we did then.

Everything that we touch that goes into our production is a great deal higher with the exception of feed, which at times are quite variable, but they are higher, but not that much higher.

Labor is probably our greatest problem because we do hire a lot of labor. We have an industry that it takes a lot to handle labor, and nobody wants to work 7 days, nobody wants to work at night, nobody cares about working holidays, and milk cows have to be milked 7 days a week and we milk around the clock with time out for cleanup in between.

The other big problems I think we have is a cost of interest. The most dairy farmers I would say probably owe more money today than they were worth 10 years ago, but at the same time most of us have increased our assets.

In my own case I have dairy farmed in Dade County and sold out there and moved to Broward County, sold out there and moved to Palm Beach County, sold out there and now we are probably in the last frontier in Florida.

Senator CHILES. Each time your land gets so valuable that you sell out?

Mr. LARSON. Yes, sir. It is a rather cannibalistic thing because we used to have over twice as many dairy farmers as we have now and we are continually buying each other out and we do have new producers come in the business but not too many.

I am optimistic on the future dairy farming in Florida.

I do think it does have a real solid future and I do think we will have young people coming into it because we have a sound marketing program. We are able to supply through the Federal order program and bargaining cooperatives milk at a constant level without great big ups and downs in the cost and I have a strong feeling about that.

It is a good future in it. About the brucellosis program, I would like to comment on that.

Senator CHILES. Yes, sir. I would love to have you comment on that.

Mr. LARSON. We do need to continue to try to eradicate it. We are so close now. Florida has a bigger problem than most other States from the fact that we have very large herds of cattle instead of being a farmer with 100 cows or 150 cows, lots of us have 1,000 head of cattle in one herd, and so it is a bigger job, but from the standpoint of the livestock producer and from the standpoint of the human beings, consuming public, we need to eradicate brucellosis and whether it is truly a vaccine or a program like we are using now, we need to continue with the efforts.

Senator CHILES. Do you have any opinion as to whether it was done under the program we are using now whether we have to develop a vaccine?

Mr. LARSON. Well, the program we have now has been changed from year to year a little bit, but generally headed in the same direction.

It has eradicated it pretty much so in most areas. In some areas it has covered it up.

I think people say they have it eradicated when they cover up some of the problems. I think these will continually crop up so until we get better program we need to continue on the one we have.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Mr. Larson, just one quick question. Milk marketing orders have worked reasonably well. You wouldn't be able to run the dairy industry without them.

Mr. LARSON. Yes, sir; we could, but it would take a totally united group of dairy farmers that control a great percentage of the milk and not on just State areas but on the regional basis and we deliver it to the public at a price.

Senator BELLMON. Do you feel that is the answer for the poultry business, a marketing order?

Mr. LARSON. Only if—a marketing order doesn't give you a right to control supplying. It just helps you establish a price, and—

Senator BELLMON. But you do have a base?

Mr. LARSON. We don't have a Federal milk base, but we do have a volunteer base that we as producers abide by and if we overproduce we take what is left.

Senator BELLMON. But the poultry business could do the same thing.

Mr. LARSON. But it takes discipline on the part of the individual farmer.

Senator BELLMON. Would you think that is a better approach than some U.S. Department of Agriculture program to order a farmer to slaughter a certain number of his laying hens?

Mr. LARSON. Yes, sir, if you can get that number of farmers together at one time. We are fortunate in Florida that we don't have a large number of farmers and we can agree to control our production or at least market it through a base plan.

We may need controls on milk production because the production we are getting now is gradually expanding throughout the country and the cost to the Government in buying these surplus commodities is getting larger and we may need if we cannot develop plans whereby the producers throughout the country restrict their own production voluntarily, the Government might have to help them because of the cost to the Government of buying these surplus commodities.

Senator CHILES. Do you think we need any changes in the dairy price support program or the marketing order program?

Mr. LARSON. As a fluid milk producer, we can get along pretty good with the way it is right now.

However, the producers of milk that goes into the byproducts, that milk makes cheese, ice cream, and butter and such as that, it is a different matter. At the current level, prices will probably drive more of them out of business.

I don't know exactly how many of our dairy farmers we have had lost in the last 10 years. We have probably lost half of them in the Nation and hardly a day goes by that I don't get one of these things that comes in the mail where a dairyman is going to sell his herd and go out of business, some in the Southern States. Up in the country this is true, too, but this is true throughout the South.

Senator BELLMON. Mr. Larson, do you feel that corporate farming is a threat to agriculture as you see it here in Florida to the dairy business? Are you a corporation?

Mr. LARSON. Yes, sir, both ways. It is family, a closely held corporation.

Senator BELLMON. I am thinking now of Ralston-Purina or eventually having a General Motors of the dairy business. In other words, is there something that Congress needs to be doing to prevent corporations taking over agriculture?

Mr. LARSON. From a study of what I have seen released from the Department of Agriculture as to the number of corporate farms, not closely held family groups, I don't think it is really anything to be concerned with at this time. It is not that many.

The family farm or the family home corporation is still the backbone of the American farms.

Senator CHILES. Thank you very much. We appreciate your testimony.

We are going to change our plans just a little bit here because we have been running late. We are going to take our second producer panel, Mr. Lee Thompson, Mr. Lyle Dickman, and Mr. Ellis Putnal, and we are going to try to hear from them at lunch just as we are all going to lunch together and we will take our reporter with us if he can go and we will take that up at lunch and we will move our luncheon to 12:30, it being 12 o'clock now, and we will try to hear from Dr. Lester and Mr. Jones of the Southeastern Fisheries, and Mr. Arnold, Jack Arnold from the Florida Division of Migrant Labor. We will try to take them right now and then we will break for lunch and take our producers.

I want to welcome the chairman of our Agricultural Commission in Florida and Representative Wayne Mixon who is the chairman of the House Committee on Agriculture and we are delighted to have you visit our hearings and have your permission to use your hearing rooms here today and you are going to lunch with us, I hope, so we

will be able to see you at luncheon. We are delighted to have you here. Dr. Lester, do you want to come on up, too? Dr. Lester, we will let you lead off.

STATEMENT OF DR. W. BERNARD LESTER, ECONOMIC RESEARCH DIRECTOR, FLORIDA DEPARTMENT OF CITRUS, TALLAHASSEE, FLA.

Mr. LESTER. In the interest of time I can summarize our remarks or as Senator Price indicated we are prepared for a full statement and questions if you see fit.

Senator CHILES. If you have a statement if you put that in the record for us it will be fine.

Mr. LESTER. Let me then in the interest of time just make a summary statement based on comments made by others today and as I understand how the situation operates within the citrus industry.

I think we would like to say that we would like people concerned with food prices to understand the difference in the way a business operates that controls its supply, and the way a business operates that does not control its supply. In the case of citrus and in the case of most of the agriculture groups that you have heard testify this morning, they do not control their supply.

They still operate in a supply and demand situation, and the main difference we would like to leave with you is this.

When General Motors builds a certain number of Cadillacs a year, they determine to the best of their ability how many Cadillacs they can sell at a certain price, and that is how many they make.

They determine how many Chevrolets they can sell at a certain price and that is how many they make. As a result as you look at their supply line and as you look at their price line over time, you see a nice gradual increase, and this doesn't seem to bother anybody.

In an agricultural situation, and I will speak specifically about citrus statistics since those are the numbers I know, we have experienced situations where our supply was up 50 percent in 1 year and we turn right around and had it decrease 50 percent in 1 year.

Now, when you have that type of supply situation, there is no way that we, the supermarket, or anybody else can maintain a nice smooth increase in price.

It has got to vary up and down, and it so happens that with beef and at different times with citrus in the last 10 years there have been peaks when we were at a high price. For example, from 1964 total net income in the industry went from \$135 million down to \$23 million in a 3-year period.

Now, when you talk about budgeting problems for the average family, then I will leave with you the comment that is a budgeting problem for a citrus family when their income varies that drastically.

This year we expect net income to be back up to around \$138 million, so again we happen to be on the peak, but it is just as likely to drop back down during a 2- or 3-year period, if we are at the point where you have an uncontrolled large supply situation.

There are going to be these ups and downs, but if we want the people to stay in business, to produce beef, orange juice, or what have you, then it is hardly fair to talk about taking away the high price year from them and then have absolutely no concern with the low price year,

because the reason they stay in that business is because they like it and because they hope that one of these years down the line, even though things are bad now, they are going to have another bonus year. That is the kind of environment that a noncontrolled agricultural product operates in as contrasted to a business that can control its supply. In this country, of course, many of the businesses do control their supply, not through the Government, but just simply that is the way they operate, but with most agricultural groups you have a lot of different people making decisions and you have no uniform supply policy.

So if people would appreciate that difference, we feel that it would clear up a lot of the confusion that results when we have these peaks occur with food prices, whatever the commodity might be, and with that, Senator, I will stop in the interest of time and if there are any questions we would be glad to respond.

Senator BELLMON. First I would like to say that I think the citrus industry has something going for it other than other parts. I am talking about Anita Bryant, and she happens to be from Oklahoma. Let me ask you my one question.

Has corporate farming moved into the citrus industry to a large extent as far as producing is concerned?

Mr. LESTER. It has moved in. We don't really have accurate enough statistics to say to just what extent, but we in citrus have people that own just a few acres all of the way up into thousands of acres and in some instances it is the corporate structures that own the large acreage, but it is just one component of the industry.

Senator BELLMON. Do you feel that the entry of corporations into the citrus producing industry has been a good, had a good or bad affect?

Mr. LESTER. I think the way the industry has operated over a time today at least it hasn't made that much difference. Now, it is possible that it could as we move down the line, but so far it hasn't.

Senator BELLMON. Is there anything in your experience that would indicate that the Committee on Agriculture needs to legislate so far as corporate farming is concerned?

Mr. LESTER. Well, of course, I cannot speak for the industry here, but again as they have chosen to operate in the past, they have tended to want to do things here at the industry or State level as opposed to branching out through a Federal level.

Now, again you can find every side of the coin as you imagine with the thousands of people we have involved in the industry, so I wouldn't propose to try to speak for them.

Senator CHILES. I think it has been a concern to the industry, to the legislation that they bring before the legislature what they try to agree on before they come. Much of that legislation has to do with advertising or assessment of costs. They will build features in that it is not just the acreage, but it is also the number of growers that have to be balloted or have to agree to it, so they build two or three factors

into make sure it is not someone with the most acreage, but the numbers have to come into it, too, as well, so they are certainly concerned themselves and I think the State legislation reflects that concern.

Mr. LESTER. One other comment that I might make, the statement I made about growers income. Even though we are looking for a high income this year, the consumer is still paying for a 6 ounce glass of orange juice, only 5.6 cents, so that just over a nickel a glass for orange juice and during the last 10-year period she has paid an average of 5.2 cents, so you see there is still no essential change in what a consumer is paying for orange juice.

(Mr. Lester's prepared statement is as follows:)

The Florida Citrus Industry markets its various products without controls on either supply, prices, or profits. The industry attempts to influence the demand for its products through promotional efforts, but demand is not controlled. Consumer prices for citrus each season, as well as grower profits, are determined primarily by supply and its interaction with demand. The interaction of an uncontrolled supply with demand results in an erratic pattern of consumer prices and grower profits. Table 1 and Figures 1, 2 and 3 indicate the pattern of supply, consumer prices and grower profits during the previous ten year period for processed orange products which is the industry's major product category.

Supply of product over the ten year period increased 22%—an average increase of only 2% per year. However, the actual pattern included such extremes as a decrease of 50% during seasons two and three of the period compared to season one; an increase of 150% from seasons three to six; a decrease of 30% in season seven followed by a gain of 40% in season nine compared to season seven. (Table 1, Figure 1). Such an erratic supply pattern creates a challenging marketing problem for the industry.

Consumer prices and grower profits also followed an irregular pattern during the ten year period, but a pattern that was opposite to that of supply. That is, when supply was up, prices and profits were down. (Table 1, Figures 2 and 3).

TABLE 1.—SUPPLY, CONSUMER PRICES AND GROWER PROFITS, FLORIDA PROCESSED ORANGE PRODUCTS, 1961-62—1971-72 SEASONS

Season	Supply (million gallons SSE ¹)	Consumer prices (cents per 6 oz. serving)	Grower profits ² (millions)
1961-62.....	552	4.5	\$75
1962-63.....	273	6.5	72
1963-64.....	270	7.0	128
1964-65.....	433	5.4	78
1965-66.....	414	5.1	31
1966-67.....	670	4.1	24
1967-68.....	459	4.9	36
1968-69.....	543	5.5	90
1969-70.....	639	5.0	23
1970-71.....	641	5.1	60
1971-72 ³	675	5.6	138

¹ Single-strength equivalent of season's pack of frozen concentrated, chilled and canned orange juice.

² Grower profits for seasons 1961-62 through 1964-65 are based on on-tree revenue data reported in "Florida Agricultural Statistics, Citrus Summary, 1971," Florida Crop and Livestock Reporting Service, and cost of production statistics reported in "Orange Production Costs and Returns in Florida, Season 1968-69, With Comparisons," Ag. Econ. Report 29, University of Florida. Grower profits for seasons 1965-66 through 1970-71 are reported in "Marketing Accomplishments of the Florida Citrus Industry, 1970-71," Economic Research Department, Florida Department of Citrus, University of Florida. Estimates for 1971-72 are by the Economic Research Department, Florida Department of Citrus, University of Florida.

³ Estimated marketing season for chilled and canned orange juice ends Sept. 30, 1972 and frozen concentrated orange juice, Nov. 30, 1972.

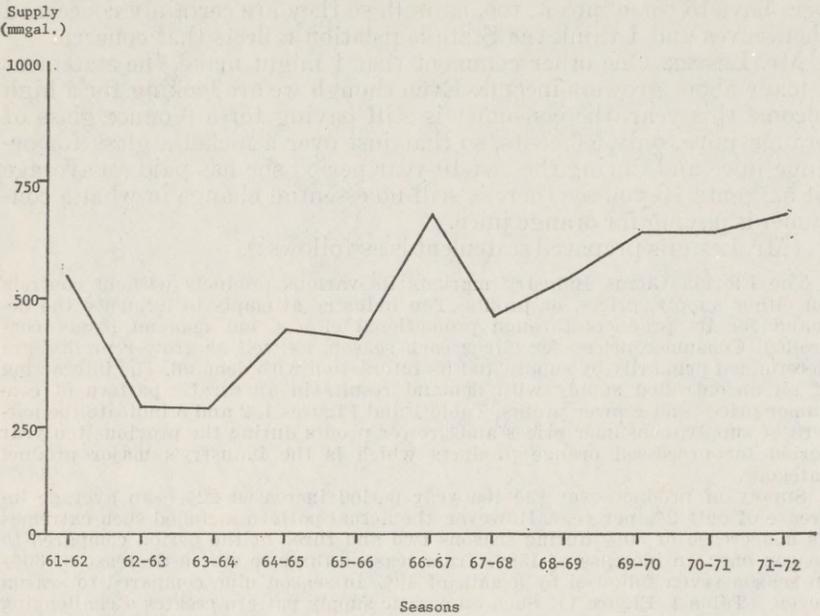


FIGURE 1.—Supply of Florida Processed Orange Products, 1961-62—1971-72 Seasons

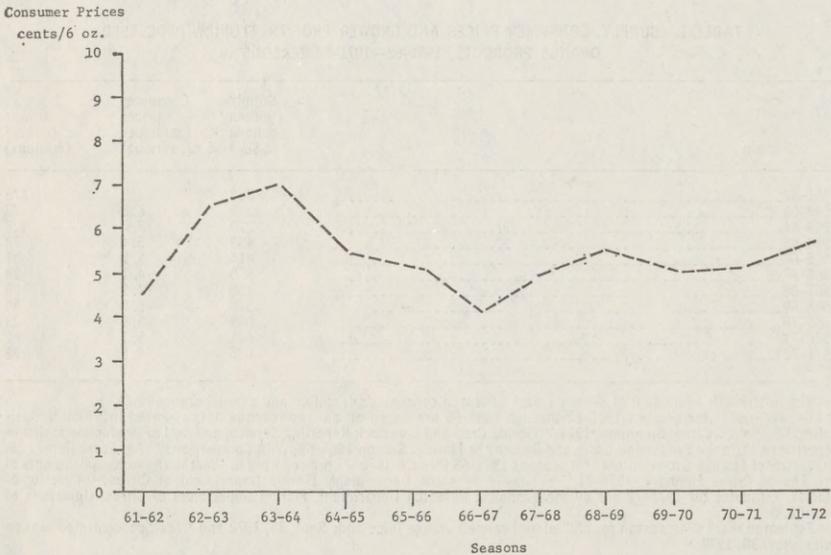


FIGURE 2.—Consumer Prices Per Six Ounce Serving of Florida Processed Orange Products, 1961-62—1971-72 Seasons

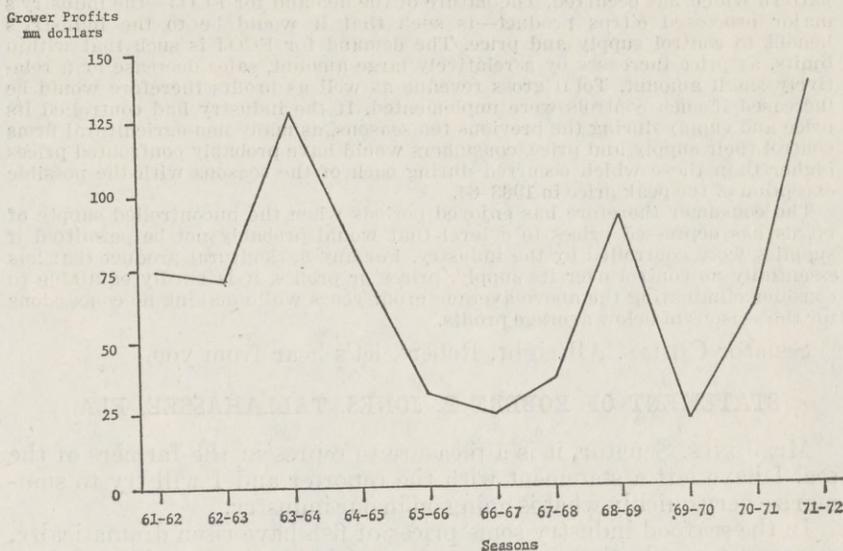


FIGURE 3.—Grower Profits From Florida Processed Orange Products, 1961-62—1971-72 Seasons

Consumer prices during the period averaged 5.2¢ per six-ounce serving and varied primarily between 5 and 5½¢ per six-ounce serving. Major exceptions were the 4¢ per serving paid in 1966-67 and the 7¢ per serving paid in 1963-64.

Grower profits have shown such extreme changes as a decrease in profits from 128 million dollars in 1963-64 to only 24 million dollars in 1966-67; a gain back to 90 million dollars in 1968-69; a drop to 23 million dollars in 1970, but an anticipated profit of 138 million dollars in 1972. Citrus families also find budgeting an interesting experience with this type of income pattern.

Most government statistics are reported on an index basis. The Food Index and Consumer Price Index are two examples. Such a procedure is deemed appropriate because the index is prepared from a composite of products which means various offsetting extremes are included in the index. However, when a single commodity such as processed orange products is under discussion, it is our judgment that any comparison of prices and profits should be made over a time span rather than comparing one specific season to another specific season. For example, if the 1971-72 consumer price estimates are compared to those of 1963-64, the statement can be made that consumers are paying 20% less today for processed orange products than they did eight years ago. Given the current concern about food prices, that is a very favorable statement. A comparison of the current season's estimates to those of 1969 would indicate that consumers are paying the same price for processed orange products in 1972 that they did three years ago. Again, a well received statement in a price-conscious economy. However, if 1967 is used as a base, as is now done with many government statistics, it would indicate that the consumer price for processed orange products is up 36% as compared to an increase of only 22% in the food index. Such a statement would not be well received. Such a comparison, however, would overlook the fact that orange prices to the grower were the lowest in 1967, not only for the past ten year period, but for the past fifteen year period. The 1967 season was one in which even the average grower made only minimum profits whereas many suffered losses. Therefore, it is our judgment that to use 1967 as a base and state that processed orange prices have increased 1.5 times as much as the food index would be just as improper as it would be to use 1964 as a base and say that prices are 20% less today than they were eight years ago.

It is also our judgment that consumers have benefited from the erratic price

pattern which has occurred. The nature of the demand for FCOJ—the industry's major processed citrus product—is such that it would be to the industry's benefit to control supply and price. The demand for FCOJ is such that within limits, as price increases by a relatively large amount, sales decrease by a relatively small amount. Total gross revenue as well as profits therefore would be increased if such controls were implemented. If the industry had controlled its price and supply during the previous ten seasons, as many non-agricultural firms control their supply and price, consumers would have probably confronted prices higher than those which occurred during each of the seasons with the possible exception of the peak price in 1963-64.

The consumer therefore has enjoyed periods when the uncontrolled supply of citrus has depressed prices to a level that would probably not be permitted if supplies were controlled by the industry. For any agricultural product that has essentially no control over its supply, prices or profits, it is hardly equitable to consider eliminating the above average profit years while making no concessions for the seasons of below average profits.

Senator CHILES. All right, Robert, let's hear from you.

STATEMENT OF ROBERT P. JONES, TALLAHASSEE, FLA.

Mr. JONES. Senator, it is a pleasure to represent the farmers of the sea. I have left a statement with the reporter and I will try to summarize very quickly what is going on in our industry.

In the seafood industry some prices of fish have risen dramatically, and one example that is rather close to home, is the white shrimp resource that we had in Pensacola. We used to produce 1 million pounds of shrimp a year by the use of small inexpensive bay boats, but during the past 2 to 5 years all of these shrimp have disappeared. We think it is pollution but it is hard to prove.

We think the people that were producing this great volume and offering it for sale to the people on the gulf coast have since had to borrow money, get rid of their small boats, go into the super trawler class to buy a shrimp boat capable of going into the gulf. These cost in excess of \$150,000.

This naturally has caused the price to go up on shrimp and there is nothing we can do about it.

I would like to speak on that for a moment. We have 117 countries that export shrimp to the United States. We are the biggest market in the world, and we feel that when you have 117 countries selling the same product, that the price that the consumer pays is going to be a fair price. When the competition is that keen and that big, everybody is trying to sell the product.

I think the committee might be interested to note, too, that Mexico, which ships most of their shrimp into the United States, last year exported 6,520,612 kilograms of shrimp valued at \$21.3 million to Japan. I think if Mexico could have received more money in the United States market, they would have sent them here.

As a matter of fact, one of my members last week sold 250,000 pounds of shrimp to Japan and 60,000 pounds to England and he sold it in excess of what the U.S. market is today.

As far as oyster prices, they should have risen more than they have. Why, I don't know.

Again, we have a pollution problem. According to the department of natural resources, 80 percent of the waters of Florida are closed to oyster harvesting. People here should have made the oyster prices rise significantly, but the fishermen in Florida are still receiving between \$3 and \$5 per bushel for the oyster and the dealer is probably making \$1 or \$1.50 on top of that.

One problem we have in the seafood industry is, and this applies to all phases, is the fact that we cannot find the men who are willing to go to sea and work long and hard hours to make a decent living.

We have tried to with the President's program on the hiring of vets and we find that the young men coming back from Vietnam demand, and rightfully so, a salary commensurate with what anyone else is making, particularly those on the hill.

It is a long, hard work and it is not paid by the hour and we don't know what the answer is.

We know we need new blood, just like the farmers. All of our people are much older now that are in the business.

Speaking of another fish that is in the Florida waters so plentiful that you can walk on them sometimes where Senator Chiles is from is mullet. In 1920 fishermen were getting 5 cents a pound for the mullet, and this past year the price did go up to 10 cents, but the average is between 6 and 8 cents a pound.

This amount that is paid to the fishermen could rise if we could gain acceptance for this fine product and if we could develop some technical equipment to remove the bones completely and prolong the shelf life.

I think these two technical aids are being worked on at the University of Florida, but we have not been able to solve it yet.

Red snapper production is down, and therefore, the price is up. That is simple economics, of course, and the reason the production is down is multiple.

They have more sport fishermen, more charter boats with much more sophisticated gear now able to find the reefs anywhere in the gulf or Caribbean.

Anytime the reef is found the first time through loran and sonar and everything else, they can go back to that same reef time and time again until the fish are all caught. The fish will come back in time, but it usually takes several years.

Stone crabs, pompano, spiny lobster, and blue crabs are still produced at a relatively constant level, but the demand has increased not only because of a consumer education program, but also because we simply have more people to feed.

Of course, it has been mentioned time and time again that everything has risen, and I don't need to tell you gentlemen that the cost of ice, fuel, insurance, labor, fish boxes, et cetera, have all gone up.

Now, for a few comments on what we need to assure the fishermen of an income comparable to the urban worker, which is what your letter read when you asked me to testify today.

First of all, we need to be assured that there will always be a product available for harvesting here in the United States. This will require that the pollution abatement efforts of the Federal Government be strengthened. If we allow the continued degradation of our bays and estuaries, then we will cut off a vital part of the food supply and not only ruin our inshore fishing, but offshore fishing as well. This applies not only to the commercial people that I represent, but to the sports fishing industry as well.

No. 2, we need more programs available for training young people for jobs on boats and in processing plants. There is just not any program available under the Department of Agriculture or Labor or any-

where else where we can go out and screen the people to come into the industry.

There is one program that we can put hard-core unemployed disadvantaged persons into the industry under a program of the Department of Labor in which we are limited to the people that you can actually bring in. If they made more than \$1,500 the previous year, they are not eligible for this training, it is a good program in concept only.

You get people into the industry, into the economy and make them a better citizen, but it is awful hard on us trying to train some of these people who have never worked and most times don't have the desire.

No. 3, we probably need, but I don't want to make this a definite statement, we probably do need some Federal assistance in managing some of our resources.

Laws on shrimp, for instance, vary from State to State and there should be an overall biological position.

The small shrimp should be protected for maximum sustainable yield. Maybe we should protect them. If they should be caught, let's catch them.

We need some international assistance to protect the spiny lobster resources off our coast as well as throughout the Caribbean.

At the present time today some U.S. fishermen are taking all sizes of crayfish, even egg bearing crayfish in international waters off Florida, the Bahamas, and bringing them in for sale into the United States.

This has to hurt the production for now and later on. These people that are catching these fish in international waters cannot land them in Florida because we have sound conservation laws that protect small crawfish and egg-bearing crawfish, but this is a practice that is going on and one that should be stopped.

I think my time has run out, Senator CHILES, but if there are any questions from Senator Bellmon, I would be glad to answer them.

Senator CHILES. Do you want to comment quickly if you can on any efforts that are going on in Florida actually to farm the sea?

Mr. JONES. We have several places. I guess that the best example would be Marifarms operation over in Panama City where they are growing shrimp from the larva on up to final harvesting.

They have leased part of the bay. I think it is South Bay, and they are doing a fantastic job. I think their production was something less than a half million pounds last year, but as the years go by I foresee that they will be producing anywhere from 5 to 6 million pounds of edible shrimp in that one operation.

Senator CHILES. How long has that been in operation?

Mr. JONES. Less than 3 years.

Senator CHILES. Less than 3 years, and what was the production of shrimp? What do we harvest in Florida for consumption in Florida? What is our consumption?

Mr. JONES. I don't know what our consumption is, but our production is, I think, in excess of 50 million pounds total.

Senator CHILES. Do you think this could be up to 5 or 6 million pounds?

Mr. JONES. From that one operation. We could stand a lot more of them, too. I think the demand for shrimp is fantastic and I don't see any decline. It is a good form of protein. It is a good change from the regular diet.

Senator CHILES. Any other mericulture?

Mr. JONES. There are some going on, Senator, but I am just not up to date on it. We have had several instances of raising pompano and just before harvest time the hurricane came along.

Senator CHILES. Are you familiar with catfish?

Mr. JONES. No; I am not, Senator. I just deal in salt water.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Mr. Jones, you mentioned the fact that pollution, human-caused pollution, has cut fish production.

Are you able to tell any improvements as a result of the passage of the environmental protection laws that the Congress has passed in recent years? Has it made an impact yet?

Mr. JONES. Well, I think it has made an impact and I don't say human pollution, I just say pollution. That includes industrial.

Senator BELLMON. It is all caused by people, though?

Mr. JONES. Right, people pollution, I beg your pardon. I think the interest that Government has shown has created awareness on the part of local governments, on the part of everyone in the United States to try to do something. As far as catching fish now in some areas that was closed before, no.

I think the thing that has helped in Pensacola, which in my opinion is one of the most polluted areas of this State, is the fact that we have had several massive kills of fish, sometimes where fish were 15-feet deep in some of the bayous. It was caused by lack of oxygen, I believe, was the scientific term.

I don't know why there was a lack of oxygen, but there were these fish kills. There was an oyster kill that wiped out 10 miles of oysters and put 300 or 400 people out of work and when this happened people in that area and in the State got a little more concerned and are putting more emphasis to abate some of the problems in that particular area.

Senator BELLMON. I might just say that the problem you raised about the need for better international regulations over the harvesting of certain species of marine life comes not under this committee's jurisdiction, but under the Department of Commerce and the Commerce Committee, so we cannot help you much with that one.

Mr. JONES. We don't come under your committee at all. Sometimes I wish we did, sir.

Senator BELLMON. I think one area you may be is the area of inspection. Do you have adequate fish inspection services now?

Mr. JONES. We feel we do. We feel that we do here in Florida because Florida is the only State that has enacted a quality control code. This was adopted by the Governor and the cabinet. There are certain criteria that our fishhouses have to meet in order to be certified.

Now, the program has been going on about 3 years. I think that we have had 200-percent improvement in the physical buildings and the method of handling and the installation of stainless steel and getting away from just a small open area market where the fish come in in years gone by, just laying around.

I think it is much better now, and I think that sooner or later the Congress will pass Senator Hart's fisheries inspection bill. We can live with it.

We have no quarrels about it. We will be willing to have inspections. There are some points in there we don't feel that the Government can afford to put an inspection in every fish plant in Florida. There are 800 of them. I don't think 800 inspectors, the way the bill was originally written, you would have had—

Senator CHILES. Now, we have gone to a monitoring system?

Mr. JONES. Yes, sir; so we have definitely live with it and we will follow the efforts that you all have made in that regard.

Senator CHILES. Thank you, sir. Now, we will hear from Jack Arnold of the Florida Division of Migrant Labor.

STATEMENT OF JACK ARNOLD, DIRECTOR, DIVISION OF MIGRANT LABOR, FLORIDA DEPARTMENT OF COMMUNITY LABOR, TALLAHASSEE, FLA.

Mr. ARNOLD. Senator Chiles, Senator Bellmon, the Florida Division of Migrant Labor is charged by the legislature with responsibilities which includes a large one of coordination of all Federal, State, and local programs which serve or could serve migrant agricultural workers in the State of Florida.

I had selected four examples to present to you today in an attempt to demonstrate that the—well, let me say first that I am going to talk about an element in this farm production that hasn't been mentioned very much today, and that is in the field labor part, the cost that contributes to the cost of food prices, and my efforts were to show that the cost of field labor has not been a significant factor, certainly not an unreasonable factor in the increase in the cost in farm prices, not the retail prices, but the farm prices of food; and that a ceiling applied at the farm level would not only have an adverse impact on the growers but also on the fieldworkers.

Any other kind of arbitrary or artificial ceiling that is placed on farm prices would have this same adverse impact. I am speaking of unrestricted foreign competition.

I want to point out that a part of the holdback in food prices over the years has been due to the fact that farmworkers, fieldworkers are excluded from the full benefits of most protective labor legislation, and as a consequence a part of the holdback has been possible because we have paid lower wages and have not provided the other benefits to fieldworkers that most of the rest of us enjoy.

Finally, I want to say that even though the wages of field labor were increased to the level that are contemplated in this paper, that would not be the solution to the social, political, and economic problems of our field labor force in Florida.

As long as agriculture requires so many more fieldworkers for the harvest of crops than it does for any other phase in the production of crops, so long as much of our rural economy is dependent entirely on agriculture, the increases in wages paid to field labor are not going to have a great impact on their problems.

The major effort that we make should be directed toward the establishment of a viable, multibased rural economy that can take care of the surplus of labor until agriculture is able to even out its labor requirements through mechanization and in other ways.

I want to make it clear that I am not speaking for the growers. Certainly they speak for themselves. I want to make it clear that I am

not speaking for the workers, either. They would like to speak for themselves, but I am speaking in their behalf, and I am convinced that if something is needed in the way of Government regulation to help the agriculture industry in the United States and particularly the fieldworkers, that it would be better to be in the area of not a price freeze, but price regulation that has been mentioned here several times this morning.

I am convinced that the agriculture business, itself, the growers are not able to provide the security for themselves that is needed for them to be able to provide security for the workers, and I think in this case maybe, Senator, we should have a partnership of growers and fieldworkers.

Thank you.

Senator CHILES. Henry, do you have any questions?

Senator BELLMON. Mr. Arnold, we have some bills before the committee relating to farm labor bargaining. Do you have any comment as to whether or not we need legislation in this area?

Mr. ARNOLD. I think looking at it from a total perspective, a Labor Relations Act is needed. I cannot help you in stating what the differences should be with the National Labor Relations Act now in effect that controls other industries, but it does seem to me that we are going to have organizations of workers, there is going to be collective bargaining, and if we enter into this new activity, there should be some regulations.

Senator BELLMON. But you don't have any guidelines as to what kind of regulations that will be available, right?

Mr. ARNOLD. I have a tendency to sympathize more with the workers position, and I think that some of the guarantees which are contained in the National Labor Relations Act would not be to their advantage or even fair to them.

Some control, but certainly not the complete limitation of a boycott.

Senator BELLMON. That is all.

Senator CHILES. You said that you felt right now that in the present price structure that the grower couldn't guarantee the level that he could take care of his worker at the level that they need, is that right?

Mr. ARNOLD. Well, yes. In order to make a profit himself he has to hold down his labor costs and one of the ways he is able to do this is because they do not come under the Fair Labor Standards Act.

What I was talking about was one of the examples shows a crop in which the growers took a heavy loss. Now, when the growers lose, certainly their security is threatened, and until you have assured the growers of security I don't see how they can pass security onto the field workers. That is the point I was trying to make.

Senator CHILES. Well, you were pointing out the need for a viable rural community and that Congress has just passed a Rural Redevelopment Act which a lot of us have a great hope for hope that it will do something toward providing some start toward a viable rural community.

We are continually running into the dilemma that on the one hand agriculture is forced to try to find labor-saving devices, and the grower, the farmer, rancher, or whoever he is, is constantly, as you see from the charts, having to produce more per man-hour and therefore having to find laborsaving devices, and you mentioned it, as I understand in

your testimony, too, in this rural, in a vibrant rural community you will not have the need for agricultural labor.

What are we going to do with these people, and again we are now seeing some of the testimony that I see coming before Senator Stephenson on migrant labor, he just took the task, some of the extension services and the State land grant, and they were working toward providing laborsaving devices and he said that is going to hurt the farmworker and cause him to be without a job.

Mr. ARNOLD. Yes, if you do that in my estimation that is going to be the result. The point I was trying to make is we have to develop, we have to establish the economy that can use these people and the major efforts should be directed in rural development and Florida also is emphasizing that now.

In education, in the manpower programs which not only train people, but develop the jobs for them to fill, this is the direction that we are going.

The danger, and I use these words, if the danger is if the farmers solve their problem before the rural community solve theirs, then we will have an awful situation. I don't see why anyone would really want to hold back an increase in per unit production as long as we can provide opportunities for the people displaced.

Senator CHILES. Well, from your work, now, Jack, tell me, what do we do with someone that is in migrant labor stream whose daddy was in it and whose granddaddy was in it and he is now adult, and, let's say, over 25, or 30, or 40, and he has been following that stream? How do we try to help this person and who is being laid off because of machinery or equipment?

Mr. ARNOLD. Yes, sir. There are two efforts that need to be made. One is the long-range solution that I have been talking about and the other is to provide, to meet the survival needs of these people through the various programs, the U.S. Department of Health, Education, and Welfare, and things like that.

I am not for that, but it is a necessity. They have to continue as long as these people do not have an opportunity to provide for themselves.

Senator CHILES. You are talking about food stamps, now?

Mr. ARNOLD. That is one program, yes.

Senator CHILES. Health services, health care?

Mr. ARNOLD. And the manpower programs of the Department of Labor and those employment services.

Senator CHILES. Well, he is not going to be trained to do most anything that you are talking about of this revitalized rural economy because we are talking about jobs, and industry, and other things that we are going to provide on the rural area; right, sir?

Mr. ARNOLD. Well, I want to get around to the point. I noticed several people today mentioned the average age of a particular class.

Well, this is also true in the field labor force. He is getting older. As educational opportunities become greater among their children, fewer of them are going into the field and for the very same reason that you cannot get somebody to go into agriculture production, you cannot get anybody to go into agricultural labor, too.

Through attrition there will be this reduction in the field labor force, and that is the lesser of the two problems.

We have to take care of those people until that takes place, but we must see to it that the young ones coming up are not given no alternative but to work in the field. They will not work there.

Senator CHILES. Then one of the greatest things is to provide this opportunity for the young people, is it not, regardless of whether they are mobile or how, so that they can have at least a choice to break out of this cycle if they want to?

Mr. ARNOLD. Yes, sir; and that is happening now.

Senator CHILES. Do you think that is happening now?

Mr. ARNOLD. Yes, sir; and particularly in Florida where the number of migrating workers is going down and the people are making Florida their home.

Senator BELLMON. Let me ask one question, Mr. Arnold. Do you have information available to you about what the average income, annual income of a migrant farmworker is in the State of Florida?

Mr. ARNOLD. No, I have seen the same figures that you have, and I know the rates and I know the average number of days that they work in the course of a year and it comes out to a figure of around \$1,000.

If they work full employment, a full 2,080 hours a year at \$1.30 an hour, that still wouldn't be but about \$2,700, and they don't work—they don't average half that. About slightly less than a fourth of our workers in Florida actually work full time in agriculture, so I can't—the averages that you have available to you already, I don't really believe them, but I don't have any way of improving on them. I do think that the average income per worker runs under \$2,000 a year.

Senator BELLMON. Do you think that the city people who scream on the one hand about the plight of the migrant worker, on the other hand, about high costs of food, realize the relationship that if we paid the worker what they ought to have, and I think it is a national disgrace that we don't pay farmworkers better. If we do, somebody has to pay the bill, and it has to be consumers, and some people that scream about the price of food going up ought to get ready for higher prices.

Mr. ARNOLD. In tomatoes it would cost three quarters of a million dollars to raise the wage rate.

Senator BELLMON. But \$1.60 is still a ridiculously low price?

Mr. ARNOLD. Yes, sir.

Senator BELLMON. That would make the per capita income—their income ought to be four or five times that.

Mr. ARNOLD. It ought to be \$3,000 or \$4,000 a year.

Senator BELLMON. But the others cannot work all that time.

Mr. ARNOLD. There is an inconsistency, I would submit, in the increase in the field labor which in Florida where we have high use of field labor, runs about 25 percent to 35 percent of the total cost of production would not be an inordinate burden for the people to bear. And I also think that the housewife who cries about the plight of the migrant laborer is quite often employing a domestic in her own house whose plight is just as bad.

Senator CHILES. Thank you very much. We will recess now or sort of adjourn to lunch and then we will hear the other panel during the lunch hour.

Thank you very much for your attendance.

(Whereupon, the hearing in the above-entitled matter recessed for lunch, and reconvened at the Hilton Hotel.)

AFTERNOON SESSION

Senator CHILES. If we could go forward with the panel, I think we can get into our discussion. Lee, do you want to make any kind of formal statement or do you want to give us some kind of statement?

STATEMENT OF LEE THOMPSON, FLORIDA FRUIT AND VEGETABLE ASSOCIATION, ORLANDO, FLA.

Mr. THOMPSON. I have already submitted to the staff the views of the Florida Fruit and Vegetable Association as it applies to price fixing and its relationship to farm prices, and so I had not prepared myself to make any statement other than that. I was asked only to submit this. However, as you probably know, the president of the Florida Fruit and Vegetable Association is in attendance at this luncheon, and I am sure that Mr. Buford Council would want to make some statement during the course of events.

Senator CHILES. We would be delighted to hear from him.

(The statement is as follows:)

The purpose of this Statement, prepared by the Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Florida, a trade association representing growers who produce more than a majority of the fruits and vegetables grown in the State of Florida, is to submit the views of the Florida Fruit and Vegetable Industry concerning the suggestions for controlling food prices.

FOREWORD

Due to the short time span between the announcement of the Price Commission hearing in the Federal Register and the actual date of the hearing, it was impossible for the Association to file the necessary written request to make an oral presentation as outlined in the Notice of Public Hearing. We do, however, appreciate the opportunity to file written suggestions and comments on the subject for the Commission's consideration.

The Association alerted other interested agricultural groups in Florida in order to divide the responsibility of adequately covering all phases of Florida agriculture. As a result of this allocation of responsibility, the Association's remarks will be limited primarily to tropical fruits and vegetables with citrus, cattle and other interests filing separate statements.

The Association would, however, like to inform the Price Commission that we will be happy to assist in any way possible by supplying additional information that might be needed on any of the commodities we represent.

NATURE OF FLORIDA AGRICULTURE

Florida has a diversified agriculture, including the production of a wide variety of fruit and vegetable crops as well as livestock and sugar cane. The Florida Department of Agriculture reports that one out of every three people who work in Florida derive at least a part of their income from agriculture. Florida is known as the "Nation's Winter Vegetable Bowl," as well as the Nation's Citrus Center, since there are several months of each year during which Florida is the sole domestic supplier of many winter vegetables. It is important to realize that vegetable and fruit producers in Florida claim a share of the produce market in the United States solely because of Florida's geographical location.

Florida's total agricultural picture includes a citrus crop which provides more than 75 percent of the total United States consumption; winter vegetable supplies which are vital to the Nation's health and welfare; important dairy, beef cattle, poultry and egg industries; producers of field crops and nursery products; a large number of producers of tropical fruits and plants; a dynamic sugar cane industry; as well as other important agricultural industries.

During any period or season when vegetables can be produced in abundance in areas to the north of Florida, it rapidly becomes unprofitable to produce commercial vegetables in Florida. Our farmers, therefore, find themselves with productive seasons based on the climatological limitations of other areas within the United

States. The increasing volume of foreign fruits and vegetables imported into the United States has plagued the Florida producer, causing some to go out of business and, in turn, causing people to become unemployed. A large majority of them are unskilled and experience difficulty in obtaining other employment.

The production and marketing costs for our products are relatively high and the risks which include weather hazards are great. Labor is the largest single cost item involved in producing and marketing our crops. Obtaining an adequate supply of capable harvest labor and meeting competition of imports from foreign countries who have an abundance of cheap labor have rapidly become two of the greatest problems facing most producers.

The tropical fruit industry of Florida is comprised of a wide variety of fruits—many being classified as minor or semi-commercial based on the total value received from marketing the individual crops. Our three most important tropical fruit crops are avocados, limes and mangos. Again, we are very concerned with the competition which we face from increasing quantities of fruit being imported from Mexico and the Caribbean areas, such as the Dominican Republic, Haiti, Venezuela, etc.

The lime industry of Florida faces severe problems created by imports of fresh and processed lime products. Both acreage and production of limes have increased in Florida in recent years. Efforts have been and are being made to increase sales to fresh outlets at reasonable prices.

The remainder of the lime crop must go into processed form and this is where they confront tremendous competition from imports from low-wage and low-cost areas such as Mexico, Ghana, Tanzania and the Islands of Dominica, as well as Jamaica, St. Lucia, Trinidad, etc., creating very low prices for processed limes. They also compete with lemon juice produced locally and imported from foreign sources.

In order to survive, the lime industry must obtain fair prices for their fresh market business to remain in production. Any effort to reduce retail prices or freeze them at a low level would surely invite the demise of this great industry in Florida.

ECONOMIC SIGNIFICANCE OF FLORIDA AGRICULTURE

Florida's agriculture brings in market receipts of more than one billion dollars per year to agricultural producers. If you consider the total agri-business complex, it amounts to more than 4.5 billion dollars annually, which far surpasses tourism, the State's supposedly number one commodity. Thousands of jobs are created by the production, processing, handling and marketing of Florida agricultural products, and this employment figure is multiplied by agri-business firms dealing in services and supplies.

Efficient vegetable production in Florida depends upon a more or less continuous operation during the fall, winter and spring season with the tropical fruit industry taking up the slack in the summer. Each season or period is an integral and vital factor in the over-all vegetable operation within the State as there is an interdependence of one season upon the other for labor, equipment, marketing specialists and efficient farm operators. Prices normally fluctuate to some extent from season to season because of the supply and demand ratio. If you remove or weaken one season or period in Florida by creating or establishing ceiling prices that discourage the production of certain commodities which, in turn, limits our production, it has a direct bearing and influence on the activity and success of the preceding, as well as the succeeding season, the effects being clearly reflected in employment and levels of earnings.

It should also be pointed out that the production of agricultural products, particularly perishable fresh fruits and vegetables, is quite different than any other industry. For some commodities, the seasons are very short, and therefore, the producer has only a few months to market his product. This prevents him from averaging his profit or loss over long periods of time.

Due to the nature of the perishable fruit and vegetable business, prices are dictated by supply and demand and most commodities have a relatively inelastic demand schedule whereby a slight change in supply results in a much larger change in demand, creating fluctuating prices. These wide fluctuations in price may occur rapidly as from day to day or in some cases seasonally.

Also the Commission should be apprised of the fact that the very nature of agricultural production does not lend itself to long periods of stable prices. Producers not only need, but are entitled to, higher prices at certain times in order to compensate for losses due to disasters, weather conditions, market gluts, etc. Ceiling prices would prevent these peak prices at times, placing the producer in an unrecoverable position.

It is well documented by the U.S. Department of Agriculture that normal F.O.B. prices for perishable fruit and vegetables have remained somewhat constant for the past several years. In fact, many items are selling for the same or lower average F.O.B. prices than they were many years ago.

The Florida producer of these commodities must depend on technological advances allowing him to produce greater yields and periods of short supply created by crop failures or disasters to his neighbors or competing areas, which in turn drive prices up, in order to remain in business today. Any effort to establish a ceiling or stable price would be detrimental to these vital Florida industries.

Appendix A is a letter type brief filed by the Secretary-Treasurer of the Association with the Chairman of the Subcommittee on Department Operations of the Committee on Agriculture of the U.S. House of Representatives. This statement clearly outlines the position of our producers concerning the wide spread between what the farmer gets for his product and what the housewife pays for it.

FARM LEVEL VERSUS CONSUMER LEVEL PRICES

The producer of fresh fruits and vegetables is often criticized for high prices in the market place when in many instances, the price received by farmers has very little to do with the price the consumer ultimately pays. The price spread between the farm and retail level of marketing has been of concern to many people for many years. In fact, the President of the United States in 1966 appointed a National Commission on Food Marketing and charged them with the responsibility of studying and reporting to him recommendations to combat this critical problem as mentioned in Appendix A.

After detailed study of this problem for more than a year which involved public hearings, personal interviews, etc., a report involving ten separate booklets was published. The Association is sorry to report, however, that there is no concrete evidence of any improvement to the problem even though much time and money was spent in this detailed analysis of the problem.

The Association realizes that many costs of the so-called middlemen have escalated and they have no control of many of these factors, such as labor, transportation, materials, services, rent, utilities, taxes, etc. It should, however, be pointed out that the farmer has also experienced many of the same increases also without being able to do anything about it, and still receives in many cases the same or less for his commodity than he did many years ago.

The following release from the Department of Agriculture regarding Secretary Butz' rebuttal of charges that meat producers are causing present prices was printed in the Congressional Record on March 30, 1972, pages E 3200-01. The entire statement is reproduced below because it so accurately and adeptly summarizes the situation.

"TIME TO FERRET OUT THE REAL CULPRITS IN FOOD COSTS

"WASHINGTON, MARCH 25.—Secretary of Agriculture Earl L. Butz said today the time has come to ferret out the real culprits in the cost of food and hold them up by the back of the neck for everyone to look at.

"The place to look is in the processing and distribution system between the farmer's gate and the consumer's table. That's where 62 cents out of every food dollar goes—and that's where the bulge in costs has been ballooning," Secretary Butz said.

"President Nixon pointed out on Friday that the spread between farmers and consumers is too wide. And he was correct in pointing out that it is a mistake and totally unfair to make the farmer the scapegoat.

"The simple facts show that in the last 20 years farmers' prices for food products at the farm gate have gone up 6 percent; while consumers' food prices at the store have gone up 43 percent. Meantime, the farmers' share of the consumers' food dollar has shrunk from 49 cents to 38 cents," Secretary Butz pointed out.

Mr. Butz said the increase in food costs is in such things as freight rates; container costs; added services and conveniences built into frozen, pre-cooked, pre-mixed, pre-peeled and prepared foods; more meals eaten out where service and 'atmosphere' cost more than the food, and higher wages up and down the line.

"Those costs in processing and distribution are hard costs," Secretary Butz said. "Once these costs go up, they harden and stay up. By contrast, prices of farm products are soft costs—they move up and down from month-to-month, season-to-season and from year-to-year—but they don't harden. For instance,

farmers' hog prices fell 35 percent in four months time two years ago. And right now, farmers' cattle prices are 4½ percent less than a month ago and hog prices are 8 percent less than a month ago.

"I welcome the public hearings on food costs that the Price Commission will hold on April 12. If farmers were causing the inflationary bulge, I'd run for cover," Mr. Butz said. "Instead, I'm going to stand up and tell the truth about farmers. Any high school student in his first economics course knows that the best counter-move to inflation is to increase productivity. Well, farmers' productivity per man hour is 3.3 times more than it was 20 years ago—and that happens to be twice as fast a rate of productivity increase as in manufacturing industries.

"Farmers are producing 2½ times as much beef as 20 years ago, and four times as much Choice beef. They must be doing a good job—because people are voluntarily eating twice as much beef per person as 20 years ago. Farmers are giving them what they want; farmers are responding magnificently. Yet cattle prices just recently got up to levels of 20 years ago. And those are much cheaper dollars now.

"The public is being fed a lot of malarky about meat prices," Secretary Butz said. "One food chain in the Washington, D.C. area took full-page advertisements in newspapers this week urging people to eat less meat. They advised consumers to eat fish instead. Well, since the government's base period of 1967, fish prices have increased more than beef.

"This food chain said in their full-page ads that meat prices from their suppliers had skyrocketed. Well, we have people at the Department of Agriculture who watch wholesale prices all the time. The truth is that wholesale prices for Iowa beef carcasses are 1 percent less than last August 13 before the wage-price freeze went into effect. Those full page advertisements were signed by the consumer adviser to the president of the food chain. I recommend that she get out of her office and go out into the cooler and talk to the meat buyer," Secretary Butz said.

"In the last day or two, one Eastern Congressman has urged a nation-wide boycott of meat. He said this would force supermarkets to buy less meat from wholesalers, they'd buy less from packers, and packers would buy fewer cattle from farmers. 'Sooner or later, those cows will have to come to market at a lesser price,' the Congressman is quoted as saying.

"I'd like to invite the Congressman to come out into the country with me, and I'll show him that those are fed steers and fed heifers in the feedlots—not cows," Secretary Butz said.

"This is an example of the kind of muddled thinking you get when someone who doesn't know a cow from a fed steer is advising people on their eating habits and is placing the blame for food prices on farmers. Farmers are working for one-fourth less than the rest of the economy—farmers' average disposable income is only three-fourths of the average for non-farm people," Secretary Butz said.

"What the Congressman should be telling people is that between 1951 and 1971, farmers' prices for food products went up a magnificent total of 6 percent—meantime, the nation's wage rates increased an average of more than 6 percent a year for all 20 years, for a total increase of 130 percent.

"That's one reason why, despite rising food costs in stores, food is such a good buy for wage earners. They will spend \$15.60 per \$100 of after-tax income for food this year—that's for food eaten at home and away from home. Twenty years ago, wage earners spent \$23 per \$100 of after-tax income for food. If food still cost wage earners the same proportion of their incomes as 20 years ago, they'd spend \$286 more per person for food this year," Secretary Butz said.

To further support the fact that fruit and vegetable shipping point prices have remained relatively unchanged, Appendix B attached to this brief shows the Shipping Point Weekly F.O.B. prices for (1) a three-year average (1967-68, 1968-69 and 1969-70), (2) 1970-71 season and (3) the 1971-72 season through the week ending April 1, 1972, for 22 commodities. A careful check of these prices reveals that the F.O.B. shipping point price for the 1971-72 season is either lower than last year's corresponding price or the three-year average for nearly every commodity.

The exceptions to this would be pole beans where you have several weeks above the three-year average but most of these are correspondingly lower than last year. This is easily explainable when you realize the total production of pole beans in Florida has decreased by about 1,500 acres in the last two years due to poor returns to the producer.

The same hold true for yellow straightneck and yellow crookneck squash due to much the same reasons. All commodities show a little higher price for two to

four weeks this spring which was the result of a cold snap that damaged or killed these crops in some areas of the State. Nevertheless, the information in this appendix verifies the fact that Florida vegetables are not rapidly increasing in price—at least not at the farm level.

To impose ceiling prices or one stable price on an industry that has done so well to control themselves would be totally unfair and unrealistic. To impose prices that would hinder or jeopardize the supply-demand price ratio that exists in our industry would create hardships on the producer that could never be overcome.

Appendix C is a simple average of the weekly shipping point F.O.B. prices for the three-year average, the 1970-71 and the 1971-72 seasons covering the period September through April 1. The weekly prices used to compute this average were obtained from Appendix B and give a season's average price through April 1 for the two seasons mentioned and for the three-year average.

It is interesting to note that the only commodity on the list that has an average season's price to date for 1971-72 that is higher than both the 1970-71 price and the three-year average price is yellow straightneck squash. This again conclusively proves that the F.O.B. shipping point price is not escalating and producers should not be penalized by being hampered with more federal government regulations in the form of price controls.

Due to the shortness of time in preparing this brief, the Association was unable to compile the Florida parity price for each of these items. We did, however, obtain the January total United States parity price for 13 of the items listed in Appendix C. The total United States parity price is usually lower than the Florida parity price due to our unusually high production cost. But, even by using the January total United States parity price, which as stated is usually lower than the Florida parity price, for the 13 commodities listed on Appendix C for which it was available, we found that eight of the 13 were not even receiving parity prices. These commodities were snap beans, cabbage, eggplant, escarole, strawberries and all classifications of tomatoes except mature greens.

Florida parity prices are available from the U.S. Department of Agriculture and the Association urges the Price Commission to request this information be supplied to them to further verify this fact. How can the federal government justify considering price freezes or ceilings for commodities receiving less than the parity price unless they are contemplating raising the present prices?

Appendix consists of two copies (Numbers 10 and 22) of the Florida Produce Guide Lines, a weekly publication showing movement and price for the past two weeks and projected supplies for the next ten days. In an effort to shorten this brief, only two copies are attached; however, if the Price Commission so desires, the Association will supply the other twenty issues.

The purpose of this appendix is to show the Price Commission graphically (pages two and three of each bulletin) the supply and price trends of sweet corn and tomatoes, two of Florida's most important vegetable crops. Careful study of these graphs again points out the lack of a need to establish fixed or ceiling prices for these two commodities. Similar graphs for other commodities are not published weekly but could be assembled if need be.

Appendix E compares Florida F.O.B. shipping point prices with New York City retail prices for selected Florida commodities for the four most recent weeks. The purpose of this Appendix is to add some strength to the previous statement that the price received by farmers has very little to do with the price the consumer ultimately pays.

For instance, it is easy to see that the retail price of snap beans remained relatively stable even though the F.O.B. shipping point price varied from 12 cents to 23 cents a pound—a difference of almost 100 percent. Radishes remained fairly stable at retail with F.O.B. shipping point prices of 6 cents and 3 cents and tomato prices changed little at the retail level compared with changes in mature greens from 13 cents to 20 cents per pound and pinks from 18 cents to 28 cents per pound.

This again tends to point out escalating mark-ups between the shipping point and retail levels. The Association is not attempting to lay blame in this area since we do not have statistical information on cost structures and are not prepared to criticize or defend mark-ups which in some cases exceed 200 percent. We are simply saying that this information again points out the lack of need for price controls on the producer.

Appendix F further supports the comments made about Appendix E but uses a different source of retail price information. The same comments are apropos and looking at zucchini squash, tomatoes, cucumbers, peppers and radishes will bear this out.

Appendix G is a compilation of Costs and Returns from Selected Vegetable Crops in Florida for the 1970-71 season. This information is being supplied to the Commission to show the very poor returns, in many cases net losses, to the Florida producer last season. The data supplied in Appendices B and C indicates that F.O.B. shipping point prices for the 1971-72 season for most commodities are lower than they were for the 1970-71 season. If the Florida vegetable producer received poor returns or net losses last year and is faced with even lower prices this year, how can the federal government consider ceiling prices at the farm level unless they are planning on higher price levels than the producer is presently receiving? This in itself would increase—not decrease—the price consumers would have to pay for fresh fruits and vegetables.

Imposing ceiling prices at the farm level would also have a tendency to force some producers out of business. Consumers would be forced to omit certain fresh fruit and vegetable items from their diet. In the future when ceilings are removed, assuming they have been imposed, the price for certain commodities would become such higher due to a smaller supply created by fewer producers growing the commodity.

The evidence supplied in this brief is only a token amount compared to the voluminous files and reports of the U.S. Department of Agriculture that further substantiate the fact that the price of fresh fruits and vegetables at the farm level is not escalating. We urge the Commission to avail themselves of these many documents that will further substantiate this brief. Any ceiling price or controlled price on fresh fruit and vegetable commodities at the farm level, or at any other place in the distribution pattern that would revert back to the farm level, would be grossly unfair to the producer unless this price was considerably higher than the producer is presently receiving. Ceiling prices certainly would not be established at less than the parity price and it has already been established that at least eight of the commodities listed in Appendix C are presently selling for less than the parity price.

It is difficult to conceive how the Price Commission can appease the masses of consumers by establishing ceiling prices on fresh fruit and vegetable commodities that would automatically raise the price or create a shortage of supply that would deprive many consumers of enjoying the commodity. The Association feels that any price ceiling that would in turn effect the F.O.B. farm level price would be grossly unfair to the producer of fresh fruits and vegetables. We strongly urge that fresh fruits and vegetables be removed from the list of food items that might be considered for price controls.

SUMMARY AND CONCLUSIONS

The Association is grateful to the Price Commission for offering an opportunity to express our views on suggestions for controlling food prices. We strongly oppose any price controls at the farm level unless they are substantially higher than present F.O.B. shipping point prices.

We readily admit that a problem exists when you compare farm level and consumer level prices. We regret that we cannot offer suggestions to correct this spread; however, we urge the Commission to carefully analyze the consequences before imposing controls at any level since they ultimately revert back to the producer.

The Association commends the Price Commission for taking testimony on this vital problem. We again remind you of Secretary Butz' comments indicating that the best fed nation in the world not only spends less of their take-home pay for food than any other nation in the world—but even spends less than they did 20 years ago.

APPENDIX A

BRIEF FILED BY FLORIDA FRUIT & VEGETABLE ASSOCIATION WITH THE CHAIRMAN OF THE SUBCOMMITTEE ON DEPARTMENT OPERATIONS OF THE COMMITTEE ON AGRICULTURE OF THE U.S. HOUSE OF REPRESENTATIVES

FLORIDA FRUIT & VEGETABLE ASSOCIATION,
Orlando, Fla., October 28, 1971.

HON. E. (KIKI) DE LA GARZA,
Chairman, Subcommittee on Department Operations, Committee on Agriculture,
U.S. House of Representatives, Cannon House Office Building, Washington,
D.C.

DEAR CONGRESSMAN DE LA GARZA: Thank you very much for your letter of October 15 inviting me to appear before your Subcommittee on Department Operations

in hearings to be held November 1, 2, and 3 on the USDA's ability to deal with marketing problems. I was also pleased to receive copy of your Release of October 14 on the purpose of these hearings and I want you to know that we concur fully with the views expressed by you in this Release.

I am sorry that I will be unable to appear before your Committee at this time because of prior commitments which I cannot change. However I would like to submit by means of this letter some information to you and your Committee which might be helpful.

Let me say at the outset that the United States Department of Agriculture deserves much credit for the remarkable productivity record of our farmers through the research work that has been done by the Department and which has made possible the degree of production efficiency which our industry has attained. We also are mindful of the fine services of the Department in providing our industry with excellent statistical and other information of value.

However, statistical information of record reveals that the returns to our growers per unit of production, whether it be a bushel, crate, or bag, are not much greater now than they were 25 years ago. This of course attests to the high degree of efficiency which has taken place in the productive ability of our industry; otherwise we all would be out of business. Needless to say our growers have been in a price-cost squeeze since the end of World War Two and with production efficiency having possibly attained its maximum level for the time being, we wonder how much longer we are going to be able to remain in production in a number of our crop activities.

In the case of many of our fruits and vegetables, we also have been subjected to a tremendous onslaught of foreign imports with comparatively little protection under the low level basic tariff structure of our country. The producers of these fruit and vegetable crops do not enjoy the large measure of protection which is afforded the producers of basic agricultural crops which have very restrictive import limitations in the form of quotas and other measures, which are administered by the Department of Agriculture and enforced by the responsible border-crossing agencies of the Government, such as the Bureau of Customs.

These imports are taking over our market and undermining our price structure at the grower level, not because of the higher efficiency of these foreign producers but because of their extremely low wage level. This of course is a long story in which we have sought relief for some time.

When it comes to further efficiency in our system wherein the Department of Agriculture could be very helpful to our industry, there are areas where more work needs to be done, such as in mechanical harvesting of fruits and vegetables, more economical containers, and better and more economical transportation. In this area we already are getting a measure of assistance from the Department and some progress is indicated. However once the product is packed F.O.B. and on its way to the store, our growers and those of us who work with them in the industry are shocked and nonplussed at the costs which are heaped upon it from thereon in the distribution and marketing system and which are reflected by the higher retail prices at the store level. This of course affects our growers in more ways than one because as the store price reaches an exorbitant level, the housewife backs away from the product. Since we at the production level of these perishable commodities are extremely sensitive to the law of supply and demand, we are left with an apparent over-production for which we can get little or nothing.

This wide spread between what the farmer gets for his product and what the housewife pays for it is not a new problem; it has just been getting worse and worse. This was first brought out in a study made by the National Commission on Food Marketing in 1966 on "Cost Components of Farm-Retail Price Spreads for Foods," which cost the Government more than two million dollars, and with which I know you are familiar. I submit herewith copy of Technical Study No. 9 of the subject report for your convenient reference. In our opinion this effort was either inconclusive or not followed up with appropriate action as this problem still is with us.

I also wish to submit as a specific example of what I am talking about the Annual Report 1970-1971 of the Florida Tomato Committee, and call your attention among other parts of the valuable information contained in it to a chart shown as Figure 2 on page XXIII entitled "Comparison of Monthly Average Price Per Pound U.S. Retail For All Tomatoes and Farm Price for Florida Mature Green Tomatoes 1970-71 Season," which shows a comparison of the monthly average U.S. retail price per pound for all tomatoes, as calculated and reported by the Bureau of Labor Statistics, and the farm price per pound for Florida

nature green tomatoes. The farm price differs from the F.O.B. price in that \$1.40 per 40 lb. unit (grading, packing and selling costs) has been deducted from the weekly average F.O.B. price to arrive at grower returns. The farm price ranged from a low of 6.3 cents per pound in June to a high of 15.7 cents per pound in March. The U.S. average retail price ranged from a low of 39.3 cents in November to a high of 53.9 cents in May. During May, the farm-retail spread was 45.9 cents per pound.

Quite obviously we are bewildered by the extravagant spread between farm price and retail price, not only of tomatoes but many other commodities in the lines of fruits and vegetables which we produce in the State of Florida and have the same experience price-wise, and can come to only two conclusions. Either the distribution and marketing system of our country is terribly inefficient or an inordinate amount of money is being realized in the handling of our products after they leave their shipping point.

All commerce stems of course from the sale of goods and services. Labor apparently took care of its problem in this area by means of the Fair Labor Standards Act of 1938, the National Labor Relations Act, and other appropriate legislation. I am not suggesting that similar legislation should be enacted with regard to the sale of farm goods as was enacted with regard to the sale of labor services. However a way must be found to return a fair share of the consumer dollar to the agricultural producer. Otherwise those responsible for the great disparity which now exists in these prices may very well find themselves confronted with the type of legislation which I have exemplified above.

In the course of your hearings I am sure you will have enough qualified witnesses from the Department of Agriculture and the public and through their interrogation get sufficient information to determine an appropriate course of action in resolving the problem to which you are so ably directing the efforts of your Committee.

I hope that the small amount of information and the thoughts which I have expressed in the statement which I have made by way of this letter will be of sufficient interest to make it a part of the hearing record since I cannot appear before the Committee.

Thanking you for your consideration and interest in the problems of our agricultural producers, I am

Sincerely yours,

JOFFRO C. DAVID,
Secretary-Treasurer.

Enclosures.

APPENDIX B

SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS

Week ending	3-year average ¹	1970-71	1971-72
Pole beans (dollars per bushel)			
Sept. 25	4.38	5.50	
Oct. 2	4.38	5.00	4.40
Oct. 9	4.25	5.00	4.75
Oct. 16	4.75	5.00	5.50
Oct. 23	5.00	4.75	5.00
Oct. 30	4.59	5.10	6.00
Nov. 6	3.70	3.68	6.43
Nov. 13	4.03	3.27	5.60
Nov. 20	5.03	3.93	6.10
Nov. 27	4.64	4.60	4.77
Dec. 4	4.37	4.60	3.85
Dec. 11	4.22	3.77	3.85
Dec. 18	4.31	3.43	3.93
Dec. 25	4.64	4.10	4.10
Jan. 1	4.81	6.10	5.60
Jan. 8	4.95	4.43	6.10
Jan. 15	5.31	4.27	4.43
Jan. 22	4.87	5.10	4.60
Jan. 29	4.01	5.43	4.60
Feb. 5	5.92	6.43	3.77

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1091-72
Pole beans (dollars per bushel)—Continued			
Feb. 12	5.59	6.43	3.60
Feb. 19	6.20	8.27	5.27
Feb. 26	5.87	7.10	7.60
Mar. 4	4.70	7.43	5.43
Mar. 11	4.93	4.77	4.27
Mar. 18	5.09	5.10	6.10
Mar. 25	4.20	5.10	4.77
Apr. 1	4.03	4.60	4.77
Apr. 8	3.39	5.60	-----
Apr. 15	3.31	6.10	-----
Apr. 22	2.84	5.27	-----
Apr. 29	3.83	4.35	-----
May 6	5.86	4.93	-----
May 13	5.23	4.43	-----
May 20	5.32	5.00	-----
May 27	3.87	4.00	-----
June 3		3.50	-----
Snap beans (dollars per bushel)			
Oct. 30	5.27	3.44	-----
Nov. 6	5.97	4.29	-----
Nov. 13	6.71	2.84	4.92
Nov. 20	7.47	4.33	4.83
Nov. 27	5.64	5.03	4.63
Dec. 4	5.33	5.17	5.92
Dec. 11	4.54	4.25	4.83
Dec. 18	5.36	4.21	4.75
Dec. 25	5.59	3.75	5.50
Jan. 1	6.14	3.25	5.75
Jan. 8	7.96	4.67	5.33
Jan. 15	6.83	4.17	4.33
Jan. 22	5.73	4.67	3.92
Jan. 29	5.89	6.42	4.50
Feb. 5	9.11	6.25	3.75
Feb. 12	8.22	10.58	4.04
Feb. 19	7.74	8.92	6.08
Feb. 26	8.14	8.67	7.25
Mar. 4	8.45	9.00	6.58
Mar. 11	7.00	6.58	6.92
Mar. 18	6.61	5.58	5.58
Mar. 25	4.83	5.75	3.67
Apr. 1	4.33	4.67	3.75
Apr. 8	3.27	6.42	-----
Apr. 15	3.39	4.44	-----
Apr. 22	3.83	3.84	-----
Apr. 29	4.92	4.21	-----
May 6	4.71	4.38	-----
May 13	5.79	4.50	-----
May 20	5.13	5.58	-----
May 27	5.12	5.83	-----
June 3		5.00	-----
Cabbage (dollars per carton)			
Nov. 20		1.50	-----
Nov. 27	3.32	1.57	-----
Dec. 4	3.21	1.54	3.75
Dec. 11	2.92	1.75	3.32
Dec. 18	2.74	1.88	1.88
Dec. 25	2.56	1.50	2.00
Jan. 1	2.53	1.50	2.38
Jan. 8	2.44	1.58	1.96
Jan. 15	2.99	2.00	2.33
Jan. 22	3.24	1.75	3.00
Jan. 29	2.52	2.17	2.58
Feb. 5	2.14	2.54	2.25
Feb. 12	2.17	2.07	2.25
Feb. 19	2.17	1.54	2.25
Feb. 26	2.08	1.67	2.13
Mar. 4	2.02	1.75	2.17
Mar. 11	2.22	2.17	2.25
Mar. 18	2.27	2.13	2.08
Mar. 25	2.25	2.00	1.83
Apr. 1	1.89	2.13	1.69
Apr. 8	1.72	2.42	-----
Apr. 15	1.85	2.25	-----
Apr. 22	1.94	1.75	-----
Apr. 29	2.32	2.58	-----
May 6	2.68	3.33	-----

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Cabbage (dollars per carton)—Continued			
May 13	2.70	3.54	-----
May 20	2.56	2.29	-----
May 27	2.65	2.67	-----
June 3	3.09	3.00	-----
June 10	-----	3.33	-----
June 17	-----	3.17	-----
Carrots—48-1 film (dollars per sack)			
Jan. 1	-----	3.17	5.00
Jan. 8	-----	3.50	4.00
Jan. 15	4.68	3.50	4.00
Jan. 22	4.92	3.50	4.33
Jan. 29	5.11	3.25	4.50
Feb. 5	4.58	2.92	4.50
Feb. 12	3.70	2.94	5.00
Feb. 19	3.58	2.95	5.00
Feb. 26	3.67	2.83	4.67
Mar. 4	3.69	2.75	3.67
Mar. 11	3.53	3.17	3.00
Mar. 18	3.33	3.67	3.00
Mar. 25	2.93	3.75	3.00
Apr. 1	2.69	4.25	3.00
Apr. 8	2.51	5.00	-----
Apr. 15	2.47	5.50	-----
Apr. 22	2.58	4.17	-----
Apr. 29	2.64	3.67	-----
May 6	2.86	3.67	-----
May 13	2.94	4.58	-----
May 20	2.89	5.58	-----
May 27	3.06	-----	-----
June 3	3.06	-----	-----
Oct. 23	2.73	-----	-----
Oct. 30	2.27	-----	-----
Nov. 6	2.42	2.50	283
Nov. 13	2.72	2.17	3.17
Nov. 20	2.75	2.00	3.50
Nov. 27	2.70	2.00	3.33
Dec. 4	2.49	1.50	2.50
Dec. 11	2.47	2.00	2.83
Dec. 18	3.03	2.00	3.00
Dec. 25	3.28	1.50	3.00
Jan. 1	3.76	1.67	3.00
Jan. 8	4.17	2.17	3.00
Jan. 15	4.58	2.50	4.25
Jan. 22	5.11	3.00	4.50
Jan. 29	4.75	4.17	4.00
Feb. 5	4.55	5.37	2.67
Feb. 12	4.72	5.75	3.17
Feb. 19	4.44	5.83	3.08
Feb. 26	4.28	5.83	2.75
Mar. 4	3.97	4.58	3.00
Mar. 11	3.78	4.50	3.00
Mar. 18	3.67	3.17	3.33
Mar. 25	3.79	3.83	4.00
Apr. 1	3.39	4.33	4.00
Apr. 8	3.05	4.50	-----
Apr. 15	2.53	4.50	-----
Apr. 22	2.50	5.00	-----
Apr. 29	2.50	4.33	-----
May 6	2.78	2.67	-----
May 13	2.54	2.50	-----
May 20	2.22	2.50	-----
May 27	2.14	2.50	-----
June 3	2.25	2.50	-----
June 10	2.44	2.50	-----
June 17	1.96	2.33	-----
June 24	-----	2.00	-----
Cucumbers (dollars per bushel)			
Oct. 23	3.24	-----	-----
Oct. 30	4.42	-----	-----
Nov. 6	5.10	3.00	4.17
Nov. 13	6.51	3.13	5.33
Nov. 20	7.72	4.75	7.50
Nov. 27	8.75	6.75	5.63
Dec. 4	8.66	6.50	4.00
Dec. 11	10.21	5.50	4.00
Dec. 18	10.72	5.96	4.50
Dec. 25	10.81	6.00	6.00
Jan. 1	11.17	8.00	6.00
Jan. 8	10.06	6.67	5.75
Jan. 15	10.50	7.33	7.33

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Cucumbers (dollars per bushel)			
Jan. 22	9.69	2 6.33	2 7.33
Jan. 29	8.79	2 6.33	2 7.92
Feb. 5	8.50	2 4.67	2 9.00
Feb. 12	9.67	2 8.33	2 10.67
Feb. 19	8.90	2 8.50	2 8.42
Feb. 26	8.05	2 8.58	2 8.00
Mar. 4	8.95	2 10.50	2 7.92
Mar. 11	9.45	2 12.17	2 7.67
Mar. 18	10.03	2 10.50	2 9.67
Mar. 25	10.89	2 12.33	9.88
Apr. 1	10.39	2 13.33	11.67
Apr. 8	8.41	2 17.50	
Apr. 15	7.85	2 21.00	
Apr. 22	5.80	2 13.33	
Apr. 29	5.58	2 6.33	
May 6	5.00	8.00	
May 13	4.14	5.50	
May 20	3.82	5.50	
May 27	4.05	7.33	
June 3		5.00	
June 10		4.67	
June 17		5.08	
Eggplant (dollars per bushel)			
Oct. 23	2.82	2.61	
Oct. 30	2.89	2.01	
Nov. 6	2.97	1.83	6.25
Nov. 13	4.64	2.33	6.58
Nov. 20	4.79	2.17	6.00
Nov. 27	3.67	2.26	4.83
Dec. 4	3.10	1.50	3.17
Dec. 11	3.35	1.95	2.21
Dec. 18	3.32	1.75	1.46
Dec. 25	3.71	1.82	1.63
Jan. 1	3.36	1.92	2.13
Jan. 8	4.75	2.38	2.33
Jan. 15	5.39	2.92	2.75
Jan. 22	4.36	3.38	2.71
Jan. 29	3.38	2.83	2.63
Feb. 5	3.88	2.17	2.42
Feb. 12	4.52	2.25	2.67
Feb. 19	3.82	2.75	3.25
Feb. 26	4.16	3.75	3.42
Mar. 4	4.43	4.92	3.00
Mar. 11	4.74	5.75	2.92
Mar. 18	5.97	6.58	3.04
Mar. 25	5.75	6.67	3.25
Apr. 1	4.75	5.67	3.67
Apr. 8	4.64	5.33	
Apr. 15	4.72	3.63	
Apr. 22	4.00	2.92	
Apr. 29	3.70	3.75	
May 6	3.14	5.13	
May 13	4.07	5.10	
May 20	5.05	6.91	
May 27	5.14	6.25	
June 3	4.98	6.38	
June 10	5.05	5.42	
June 17	3.99	3.29	
June 24	3.89	2.50	
Endive (dollars per carton)			
Oct. 30	1.92		
Nov. 6	2.38	2.00	2.25
Nov. 13	2.46	1.67	2.83
Nov. 20	2.08	1.50	3.67
Nov. 27	1.84	1.54	2.75
Dec. 4	1.45	1.33	1.67
Dec. 11	1.75	1.25	1.33
Dec. 18	2.53	1.25	1.25
Dec. 25	2.78	1.25	1.25
Jan. 1	3.11	1.50	1.25
Jan. 8	3.00	1.45	1.25
Jan. 15	3.69	1.50	1.42
Jan. 22	3.08	1.95	1.92
Jan. 29	2.43	2.33	1.58
Feb. 5	1.99	1.58	1.42
Feb. 12	1.86	1.50	3.00

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Endive (dollars per carton)—Continued			
Feb. 19	1.73	2.21	2.58
Feb. 26	1.65	2.00	2.50
Mar. 4	1.73	1.83	2.25
Mar. 11	1.47	2.25	1.67
Mar. 18	1.16	2.50	1.29
Mar. 25	1.29	3.33	1.25
Apr. 1	1.54	4.00	1.25
Apr. 8	1.61	4.17	-----
Apr. 15	1.64	4.13	-----
Apr. 22	1.50	3.17	-----
Apr. 29	2.03	3.25	-----
May 6	2.05	4.00	-----
May 13	2.00	4.00	-----
May 20	2.00	4.00	-----
May 27	-----	3.00	-----
Escarole (dollars per carton)			
Oct. 30	1.88	-----	-----
Nov. 6	2.26	2.00	2.00
Nov. 13	2.25	1.57	2.33
Nov. 20	1.97	1.50	3.17
Nov. 27	1.80	1.63	2.50
Dec. 4	1.45	1.38	1.67
Dec. 11	1.75	1.25	1.33
Dec. 18	2.44	1.25	1.25
Dec. 25	2.55	1.25	1.25
Jan. 1	2.81	1.50	1.25
Jan. 8	2.67	1.50	1.25
Jan. 15	3.54	1.58	1.42
Jan. 22	3.08	1.95	1.92
Jan. 29	2.44	2.33	1.58
Feb. 5	2.03	1.58	1.50
Feb. 12	1.88	1.50	3.50
Feb. 19	1.73	2.00	3.00
Feb. 26	1.77	2.00	3.17
Mar. 4	1.73	1.83	3.00
Mar. 11	1.45	2.42	1.83
Mar. 18	1.21	2.92	1.29
Mar. 25	1.17	3.50	1.25
Apr. 1	1.34	4.00	1.25
Apr. 8	1.38	4.00	-----
Apr. 15	1.33	4.07	-----
Apr. 22	1.31	3.17	-----
Apr. 29	1.61	3.25	-----
May 6	1.78	3.38	-----
May 13	1.97	4.00	-----
May 20	2.24	4.00	-----
May 27	-----	3.00	-----
Lettuce, Boston (eastern crates 24,s) (dollars per carton)			
Nov. 6	3.25	2.75	-----
Nov. 13	3.39	2.75	-----
Nov. 20	3.78	3.00	-----
Nov. 27	3.21	2.67	4.33
Dec. 4	2.53	3.00	3.33
Dec. 11	2.61	3.00	2.50
Dec. 18	3.03	3.00	2.50
Dec. 25	2.90	3.00	2.50
Jan. 1	2.75	3.00	2.75
Jan. 8	2.81	2.92	2.25
Jan. 15	3.19	3.00	2.58
Jan. 22	2.97	3.67	3.83
Jan. 29	2.61	4.00	4.00
Feb. 5	2.54	3.50	4.33
Feb. 12	2.53	3.09	4.50
Feb. 19	2.69	3.50	3.83
Feb. 26	2.67	4.00	3.58
Mar. 4	2.88	3.29	3.50
Mar. 11	2.72	4.00	3.17
Mar. 18	3.11	4.00	2.25
Mar. 25	3.08	4.17	2.00
Apr. 1	2.95	4.25	2.17
Apr. 8	3.12	4.50	-----
Apr. 15	3.15	4.50	-----
Apr. 22	3.14	4.00	-----
Apr. 29	3.33	3.50	-----
May 6	3.19	3.50	-----
May 13	3.25	3.50	-----
May 20	-----	2.17	-----

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Lettuce, romaine (dollars per carton)			
Oct. 30	1.82		
Nov. 6	1.58	2.08	1.83
Nov. 13	2.28	1.38	3.00
Nov. 20	2.45	1.42	5.00
Nov. 27	2.46	1.50	4.83
Dec. 4	2.30	1.42	3.50
Dec. 11	1.81	1.67	2.17
Dec. 18	2.17	1.75	1.50
Dec. 25	2.60	1.25	1.50
Jan. 1	2.50	1.50	1.50
Jan. 8	2.25	1.50	1.67
Jan. 15	2.37	2.17	2.67
Jan. 22	2.39	2.83	3.67
Jan. 29	2.28	3.33	2.67
Feb. 5	1.92	3.25	2.00
Feb. 12	1.92	2.92	2.23
Feb. 19	1.79	3.00	2.75
Feb. 26	1.61	3.00	2.50
Mar. 4	1.63	2.92	2.29
Mar. 11	1.49	3.33	1.82
Mar. 18	1.57	3.83	1.42
Mar. 25	1.52	4.00	1.38
Apr. 1	1.59	4.00	1.25
Apr. 8	1.90	4.00	
Apr. 15	1.93	3.75	
Apr. 22	1.85	3.00	
Apr. 29	1.89	3.00	
May 6	1.69	3.25	
May 13	1.57	3.50	
May 20	1.79	1.92	
Peppers (large size) (dollars per bushel)			
Nov. 13	5.80	5.00	11.67
Nov. 20	8.10	4.46	6.50
Nov. 27	8.95	4.42	6.33
Dec. 4	8.54	3.13	5.08
Dec. 11	9.04	2.71	5.17
Dec. 18	5.34	2.13	3.67
Dec. 25	6.17	2.19	3.00
Jan. 1	5.47	3.00	3.32
Jan. 8	5.99	3.42	5.79
Jan. 15	7.92	3.50	7.92
Jan. 22	9.18	3.92	5.58
Jan. 29	8.56	6.42	4.75
Feb. 5	7.52	7.25	5.25
Feb. 12	7.79	8.53	6.00
Feb. 19	8.20	8.75	6.23
Feb. 26	8.11		8.50
Mar. 4	7.39		6.83
Mar. 11	7.40		6.50
Mar. 18	8.93		6.50
Mar. 25	8.29		6.75
Apr. 1	7.97	17.83	7.08
Apr. 8	10.11	20.00	
Apr. 15	11.49	17.00	
Apr. 22	10.73	14.33	
Apr. 29	11.28	14.33	
May 6	10.61	14.67	
May 13	9.52	15.33	
May 20	7.14	15.17	
May 27	4.90	14.67	
June 3	4.40	7.17	
June 10	3.83	6.83	
June 17	3.15	5.17	
June 24	2.87		
Potatoes, RND Reds (U.S. No. 1 size A) (dollars per 50 lb. sacks)			
Jan. 1	3.17		3.00
Jan. 8	3.17	2.75	3.67
Jan. 15	3.35	2.92	3.00
Jan. 22	3.11	3.00	3.17
Jan. 29	3.03	3.00	3.25
Feb. 5	3.11	3.00	3.25
Feb. 12	3.00	2.50	3.00
Feb. 19	2.97	2.50	2.53
Feb. 26	3.00	2.33	2.42

See footnotes at end of table.

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Potatoes, RND Reds (U.S. No. 1 size A) (dollars per 50 lb. sacks)—Continued			
Mar. 4	2.85	2.25	2.33
Mar. 11	2.45	2.25	2.00
Mar. 18	2.42	2.27	2.02
Mar. 25	2.25	2.52	2.14
Apr. 1	2.27	2.75	2.25
Apr. 8	2.40	3.00	-----
Apr. 15	2.65	3.17	-----
Apr. 22	2.84	3.25	-----
Apr. 29	2.53	3.00	-----
May 6	2.56	2.50	-----
May 13	2.45	2.50	-----
May 20	2.17	2.19	-----
May 27	1.91	2.07	-----
Radishes (30—6 oz. film bags in 12-quart cartons) (dollars per carton)			
Oct. 23	1.21	-----	-----
Oct. 30	1.29	-----	-----
Nov. 6	1.45	1.00	1.25
Nov. 13	1.45	1.00	1.25
Nov. 20	1.35	1.00	1.25
Nov. 27	1.03	1.05	1.08
Dec. 4	.94	1.00	1.00
Dec. 11	1.53	1.00	1.00
Dec. 18	2.01	1.15	1.00
Dec. 25	1.74	1.00	1.25
Jan. 1	1.28	1.00	1.50
Jan. 8	1.25	1.00	1.33
Jan. 15	1.05	1.67	1.13
Jan. 22	.93	2.17	1.00
Jan. 29	.87	1.92	1.00
Feb. 5	.94	1.50	1.00
Feb. 12	1.00	2.00	1.00
Feb. 19	1.18	2.00	2.17
Feb. 26	1.29	2.00	2.50
Mar. 4	1.60	2.00	1.67
Mar. 11	1.62	1.42	1.08
Mar. 18	1.48	1.08	1.00
Mar. 25	1.56	1.00	1.00
Apr. 1	1.53	1.00	-----
Apr. 8	1.22	1.00	-----
Apr. 15	1.50	1.00	-----
Apr. 22	1.69	1.83	-----
Apr. 29	1.64	2.17	-----
May 6	1.44	2.33	-----
May 13	1.63	2.50	-----
May 20	-----	2.07	-----
May 27	-----	-----	-----
June 3	-----	-----	-----
Squash, yellow crookneck (small size) (dollars per bushel)			
Oct. 16	3.94	-----	-----
Oct. 23	5.33	3.49	-----
Oct. 30	5.59	2.62	-----
Nov. 6	5.26	3.10	3.68
Nov. 13	6.03	4.85	3.67
Nov. 20	5.53	4.10	3.81
Nov. 27	4.81	5.43	3.77
Dec. 4	4.56	5.42	3.93
Dec. 11	4.45	5.10	3.33
Dec. 18	5.03	4.43	3.52
Dec. 25	4.53	4.10	3.48
Jan. 1	5.06	4.77	3.50
Jan. 8	4.87	4.02	3.51
Jan. 15	5.73	5.10	3.81
Jan. 22	5.41	8.77	3.77
Jan. 29	4.59	9.77	3.10
Feb. 5	4.37	12.10	3.10
Feb. 12	6.26	14.13	3.10
Feb. 19	6.26	15.20	3.43
Feb. 26	5.85	12.30	3.43
Mar. 4	6.87	13.77	3.10
Mar. 11	7.01	14.10	3.61
Mar. 18	7.01	14.10	3.10
Mar. 25	7.26	11.77	3.10
Apr. 1	6.59	9.43	3.10
Apr. 8	6.70	10.77	-----
Apr. 15	6.51	8.77	-----
Apr. 22	5.14	5.43	-----

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average †	1970-71	1971-72
Squash, yellow crookneck (small size) (dollars per bushel)—Continued			
Apr. 29	5.77	6.43	
May 6	5.33	5.10	
May 13	3.49	3.25	
May 20	3.48	4.42	
May 27	2.84	2.75	
June 3	2.65		
June 10	4.34		
Squash, yellow straightneck: (small size) (dollars per $\frac{1}{2}$ bushel)			
Oct. 30	3.96		
Nov. 6	4.42	1.58	3.00
Nov. 13	5.47	1.79	4.42
Nov. 20	5.04	1.92	5.00
Nov. 27	3.79	2.75	3.75
Dec. 4	4.26	2.13	3.42
Dec. 11	4.54	2.67	3.75
Dec. 18	4.72	2.58	4.83
Dec. 25	3.75	2.63	4.75
Jan. 1	3.85	3.58	4.67
Jan. 8	5.17	5.00	5.42
Jan. 15	5.61	5.58	5.58
Jan. 22	5.47	6.42	6.17
Jan. 29	4.33		6.42
Feb. 5	4.50	6.58	6.42
Feb. 12	4.73	7.00	6.50
Feb. 19	4.64	7.00	6.25
Feb. 26	3.92	7.17	6.17
Mar. 4	3.92	7.00	4.83
Mar. 11	3.70	5.42	4.33
Mar. 18	3.96	5.50	4.25
Mar. 25	4.26	5.83	4.25
Apr. 1	4.53	5.00	
Apr. 8	4.92	3.57	
Apr. 15	3.21	2.67	
Apr. 22	4.10	2.42	
Apr. 29	3.96	2.88	
May 6		2.57	
May 13		2.51	
May 20	2.55	2.25	
May 27	2.51	2.33	
June 3		2.57	
Squash, Zucchini (Small size) (dollars per $\frac{1}{2}$ bushel)			
Oct. 30	4.56		
Nov. 6	4.14	3.09	3.00
Nov. 13	5.03	3.00	4.67
Nov. 20	5.09	3.50	4.50
Nov. 27	3.75	2.75	3.50
Dec. 4	3.75	3.00	2.63
Dec. 11	3.96	3.13	4.08
Dec. 18	4.58	2.29	3.08
Dec. 25	4.14	2.75	2.25
Jan. 1	3.09	2.83	2.00
Jan. 8	4.42	3.21	2.17
Jan. 15	5.70	5.00	3.25
Jan. 22	4.31	5.75	5.33
Jan. 29	3.31	6.42	3.50
Feb. 5	3.14	5.83	2.00
Feb. 12	4.14	4.63	2.00
Feb. 19	3.99	6.75	2.21
Feb. 26	3.72	4.92	2.71
Mar. 4	2.80	4.38	2.92
Mar. 11	2.64	6.17	2.92
Mar. 18	3.00	4.50	2.25
Mar. 25	3.25	3.92	3.75
Apr. 1	3.05	4.83	4.42
Apr. 8	3.17	4.58	
Apr. 15	2.85	3.00	
Apr. 22	2.89	3.00	
Apr. 29	2.54	2.42	
May 6		2.88	
May 13		2.44	
May 20	2.78	2.57	
May 27		2.46	
June 3		2.46	
		2.50	

See footnotes at end of table.

FLORIDA SHIPPING POINT WEEKLY PRICES, 3-YEAR AVERAGE AND 1970-71 AND 1971-72 CROP YEARS—Continued

Week ending	3-year average ¹	1970-71	1971-72
Strawberries (dollars per 12-pint flat)			
Jan. 1	3.84		
Jan. 8	3.84	3.75	4.29
Jan. 15	3.96	4.17	4.00
Jan. 22	4.27	4.00	3.88
Jan. 29	3.95	4.25	3.85
Feb. 5	4.03	4.21	3.79
Feb. 12	4.12	4.13	4.00
Feb. 19	4.15	4.25	4.00
Feb. 26	4.20	4.08	4.00
Mar. 4	4.03	3.69	3.88
Mar. 11	3.72	3.54	3.58
Mar. 18	3.67	3.50	3.54
Mar. 25	3.64	3.25	3.17
Apr. 1	3.48	3.75	3.04
Apr. 8	3.65	3.83	
Apr. 15	3.48	3.55	
Apr. 22		3.41	
Apr. 29		3.25	
May 6		3.52	
Nov. 13	7.25		
Nov. 20	7.83	7.50	12.00
Nov. 27	7.75	7.75	12.00
Dec. 4	6.67	9.00	10.67
Dec. 11	7.14	8.00	10.00
Dec. 18	7.61	5.63	7.25
Dec. 25	7.92	5.25	7.00
Jan. 1	7.64	5.67	7.00
Jan. 8	7.67	6.80	2.83
Jan. 15	8.15		10.67
Jan. 22	7.18		
Jan. 29	7.00	8.50	7.33
Feb. 5	6.83	8.88	7.00
Feb. 12	8.33	9.83	7.00
Feb. 19	7.89	9.75	6.00
Feb. 26	7.50	10.12	5.50
Mar. 4	7.11	12.00	4.38
Mar. 11	6.95	14.75	5.58
Mar. 18	7.53	13.50	5.00
Mar. 25	7.56	10.50	6.33
Apr. 1	8.27	11.38	8.13
Apr. 8	9.33	10.00	
Apr. 15	9.78	11.00	
Apr. 22	9.05	11.00	
Apr. 29	9.00	10.33	
May 6	9.08	8.00	
May 13	7.97	8.50	
May 20	6.44	6.67	
May 27	5.89	6.09	
June 3		8.00	
June 10		10.50	
Tomatoes, pinks (large size) (dollars per 20-pound carton)			
Nov. 13			^a 5.75
Nov. 20		5.50	^a 5.67
Nov. 27		5.75	^a 6.25
Dec. 4		6.42	^a 6.32
Dec. 11	4.84	5.42	^a 6.66
Dec. 18	5.44	4.25	5.00
Dec. 25	5.64	3.50	4.88
Jan. 1	4.61	3.59	4.63
Jan. 8	4.58	4.75	5.75
Jan. 15	4.85	4.83	7.42
Jan. 22	4.00	4.50	6.42
Jan. 29	4.17	4.92	5.25
Feb. 5	4.03	5.25	5.00
Feb. 12	4.67	5.50	5.09
Feb. 19	4.85	5.25	4.58
Feb. 26	4.83	5.58	4.25
Mar. 4	4.75	6.75	3.67
Mar. 11	4.17	8.17	3.50
Mar. 18	4.47	7.58	3.54
Mar. 25	4.25	7.83	5.33
Apr. 1	4.78	8.00	5.50
Apr. 8	5.25	8.25	
Apr. 15	6.21	7.63	
Apr. 22	7.67	8.25	
Apr. 29		7.00	
May 6		6.00	

See footnotes at end of table.

WEST MEXICO SHIPPING POINT PRICES, F.O.B. NOGALES, ARIZ. 3-YEAR AVERAGE AND
1970-71 AND 1971-72 CROP YEARS

Week ending	3-year average ¹	1970-71	1971-72
Tomatoes (pink, 5x6 and larger, 2 layer plats) (dollars per carton)			
Dec. 18	6.25	4.50	
Dec. 25	5.00	4.00	
Jan. 1	3.89	2.75	4.75
Jan. 8	4.32	4.50	4.33
Jan. 15	3.86	4.92	7.00
Jan. 22	3.54	3.83	5.33
Jan. 29	3.40	4.00	4.58
Feb. 5	3.57	4.83	3.67
Feb. 12	3.72	4.50	3.50
Feb. 19	3.56	4.00	2.75
Feb. 26	3.59	3.88	2.67
Mar. 4	3.19	5.92	2.13
Mar. 11	3.37	6.83	2.21
Mar. 18	3.63	5.42	2.57
Mar. 25	4.00	4.63	4.13
Apr. 1	4.14	3.58	4.17
Apr. 8	4.01	4.50	
Apr. 15	4.61	6.25	
Apr. 22	5.28	5.75	
Apr. 29	4.53	5.08	
May 6	4.33	4.75	
May 13	4.99	4.33	
May 20	3.75	3.58	
May 27	3.64	3.08	
June 3	4.03	6.75	
June 10	4.01	7.17	
Tomatoes (pinks, 6x6, 3-layer lugs) (dollars per carton)			
Dec. 18	7.79	5.88	
Dec. 25	6.42	5.00	
Jan. 1	5.67	3.75	5.22
Jan. 8	5.62	5.53	5.42
Jan. 15	5.12	7.00	8.88
Jan. 22	4.79	5.83	7.83
Jan. 29	4.64	5.63	6.53
Feb. 5	4.65	6.25	5.25
Feb. 12	4.97	6.42	5.33
Feb. 19	4.94	6.03	4.03
Feb. 26	5.22	5.83	3.71
Mar. 4	4.65	7.83	
Mar. 11	4.58	9.00	
Mar. 18	5.01	8.08	3.42
Mar. 25	5.32	6.88	5.13
Apr. 1	5.36	5.33	5.25
Apr. 8	5.31	5.92	
Apr. 15	5.99	7.86	
Apr. 22	6.68	7.67	
Apr. 29	5.74	5.58	
May 6	5.43	5.25	
May 13	6.33	5.00	
May 20	5.21	4.17	
May 27	4.75	3.58	
June 3	5.16	6.75	
June 10	4.82	7.50	

¹ 3-year average includes prices for 1967-68, 1968-69, and 1969-70.

² Pompano imports.

³ Small to medium.

⁴ Combination.

⁵ No. 2.

⁶ No. 1.

Note. Week ending dates were based on 1971-72 season.

APPENDIX C

SIMPLE AVERAGE OF SHIPPING POINT WEEKLY PRICES FOR SEPTEMBER TO APRIL 1;
3-YEAR AVERAGE AND 1970-71 AND 1970-72 CROP YEARS

		3-year average ¹	1970-71	1971-72
Bushels.....	Pole beans.....	\$4.74	\$5.08	\$5.01
Do.....	Snap beans.....	6.47	5.50	5.11
Carton.....	Cabbage.....	2.51	1.84	2.34
Sack.....	Carrots.....	3.87	3.30	4.05
Carton.....	Corn.....	3.58	3.29	3.27
Bushel.....	Cucumbers.....	8.80	7.37	7.22
Do.....	Eggplant.....	4.11	3.09	3.29
Carton.....	Endive.....	2.13	1.90	1.89
Do.....	Escarole.....	2.06	1.93	1.94
Do.....	Lettuce (Boston).....	2.92	3.34	3.18
Do.....	Lettuce (Romaine).....	2.01	2.46	2.44
Bushel.....	Peppers.....	7.65	5.42	6.14
50 pound sacks.....	Potatoes (round reds).....	2.87	2.62	2.72
Carton.....	Radishes.....	1.28	1.36	1.27
Bushel.....	Squash (yellow crookneck).....	5.55	8.00	7.31
Do.....	Squash (yellow straightneck).....	4.46	4.56	4.86
Do.....	Squash (zucchini).....	3.89	4.21	3.14
12 pint flat.....	Strawberries.....	3.92	3.89	3.77
40 pound carton.....	Tomatoes (mature green).....	7.52	9.16	7.77
20 pound carton.....	Tomatoes (pink).....	4.64	5.67	5.29
Carton.....	Tomatoes (pink 5x6 and larger, 2-layer flats).....	3.94	4.51	3.88
Do.....	Tomatoes (6x6, 3-layer lugs).....	5.30	6.27	5.56

¹ 3-year average includes shipments for 1967-68, 1968-69, and 1969-70.

APPENDIX D

FLORIDA PRODUCE GUIDE LINES

FLORIDA PRODUCE GUIDELINES, FLORIDA DEPARTMENT OF AGRICULTURE, DIVISION OF MARKETING, MARKET NEWS SECTION, ORLANDO, FLA., JAN. 7, 1972

[Trend based on normal weather conditions for the next 10 days]

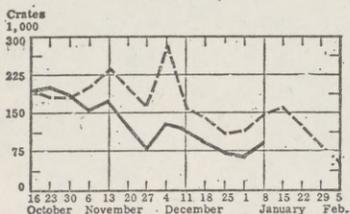
Commodity	Florida supply trend next 10 days		Total U.S. recorded movement, week ending (carloads)—		Florida percent of U.S. movement, week ending Jan. 8 (percent)	Unit	Price information—Thursday, Florida shipping point, simple average, generally good quality and condition		
	Steady	Decrease	Dec. 25	Jan. 1			Jan. 8	Jan. 6	Demand
			dollars	dollars			dollars	dollars	Dollars
Beans (all)	Steady		128	137	120	85			
Bush							5.25	5.25 Good	
Poles							6.10	6.10 Moderate	
Cabbage	Steady		629	828	975	45	2.00	2.00 Do.	
Carrots	Steady		310	257	315	10	1.75	1.75 Do.	
Celery	do.		1,042	581	655	50	5.00	5.00 Good	
Chinese cabbage	Increase		12	18	20	100	6.75	6.75 Fair	
Corn	Steady		98	85	130	100	2.00	2.00 Good	
Cucumbers ¹	Decrease		275	282	220	100	3.00	3.00 Do.	
Eggplant	Light		41	71	65	20	5.50	5.50 Do.	
Endive	Steady		98	114	115	30	2.00	2.50 Do.	
Escarole	do.					80	1.25	1.25 Fair	
Lettuces (all)	do.		1,344	1,854	2,005	5	1.25	1.25 Do.	
Boston							1.75	2.00 12-qt. basket	
Leaf							2.50	2.00 E. crate	
Romaine							2.50	3.00 Do.	
Iceberg (California)							1.50	3.00 12 to 14 lb. crate	
Peppers	Steady ²		230	313	270	70	2.50	1.50 Do.	
Radishes	do.		83	94	115	30	2.50	2.50 Carton	
Squash (all)	Decrease		106	90	125	70	1.50	4.00 30-6 oz. Bushel	
Acorn						30	1.50	6.75 Do.	
Yellow crooks							3.65	1.50 Do.	
Yellow straight							5.10	3.50 Bushel	
White						59	5.00	6.10 Do.	
Zucchini						59	4.00	4.75 Do.	
						59	1.75	4.50 Do.	
						59	1.75	2.50 Do.	

SWEET CORN

January 7, 1972

— 3 yr. av., - - - '70-71, — '71-72

U. S. Supply Trend



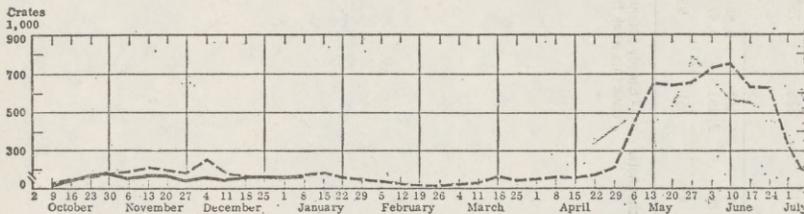
U.S. movement for this week expected to be 94,000 crates (130 carloads) -- up 48 percent. NEXT WEEK: Florida decrease.

Production Areas for U.S. Markets



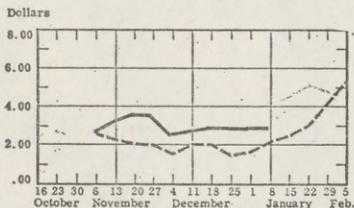
One hundred percent of the present U.S. supply from Florida. Source of Florida movement primarily Delray - Pompano some Homestead and Everglades.

Florida Seasonal Shipping Pattern



January sweet corn prospects in Florida expected to fluctuate above the three year average (see above chart) and show slight increase in February.

Price - Florida FOB



Crate, 4-1/2 - 5 dozen

Price was \$3.00 for Yellow Type sweet corn Tuesday -- unchanged from week ago. Quality of packs good.

NOTE: Charts on supply trends show the accumulative rail and truck carload units converted to a crate basis. Prices are for stock of good quality and condition or better at shipping point.

FDA & CS - Division of Marketing, Box 20273, Orlando, Florida 32814.

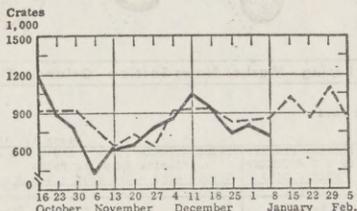
This report is made possible by matching funds provided by the Florida and U.S. Departments of Agriculture under the provisions of the Agricultural Marketing Act of 1946.

TOMATOES

January 7, 1972

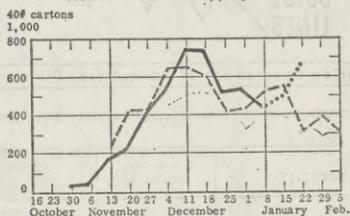
3 yr. av. --- '70-71, — '71-72

U. S. Supply Trend



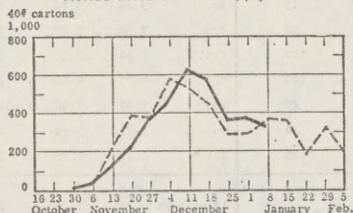
U.S. movement for this week expected to be 691,000 cartons (750 carloads) -- down 9 percent. NEXT WEEK: Florida increase, Mexico steady.

Florida Seasonal Shipping Pattern



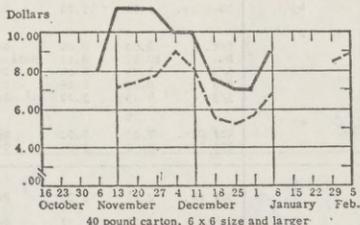
Florida shipments expected to show some increase next week with further increase following week. Florida accounts for 65% of the present U.S. market supply.

Florida Mature Green Supply Trend.



FLORIDA: Increased movement next week in Dade County as fields recover from adverse weather of Dec 30-31. West Coast to reflect increase with Pompano supply about unchanged.

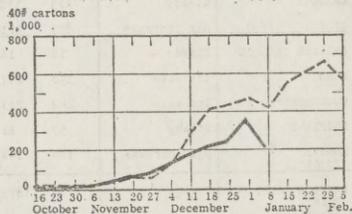
Price - Florida Mature Green FOB



Florida MG's were \$9.00 for 6x6 size and larger on Thursday and \$6.00 for 6x7's -- prices up \$2.00 from week ago. Quality variable -- sizes running 45% 6x6's and larger.

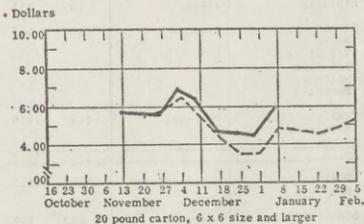
NOTE: Charts on supply trends show the accumulative rail and truck carlot units converted to a 40 pound carton basis. Mature Green and Pink prices are for stock of generally good quality and condition at shipping point.
FMA & CS - Division of Marketing, Box 20273, Orlando, Florida 32814.

Florida and Mexico Pink Supply Trend



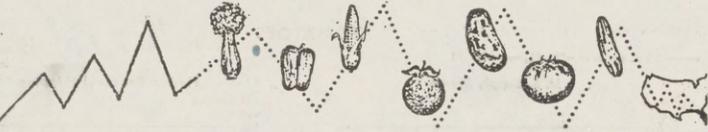
WEST MEXICO: Indications are supplies will remain relatively steady until late January or early February account of recent inclement weather retard plantings about ready for harvest. Quality variable

Price - Florida Pink FOB



Florida pinks were \$6.00 for 6x6 size on Thursday at \$3.50-4.00 for 6x7's -- up from week ago. Quality variable -- sizes running 70% 6x6's and larger.

This report is made possible by matching funds provided by the Florida and U.S. Departments of Agriculture under the provisions of the Agricultural Marketing Act of 1946.

**FLORIDA
PRODUCE
GUIDE
LINES**

Florida Department of Agriculture • Division of Marketing • Market News Section • Orlando, Florida

TREND BASED ON NORMAL WEATHER CONDITIONS FOR THE NEXT TEN DAYS

COMMODITY	FLORIDA SUPPLY Trend Next Ten Days	TOTAL U. S. RECORDED MOVEMENT			FLORIDA PERCENT OF U. S. MOVEMENT	PRICE INFORMATION - Florida Shipping Point			
		WEEK ENDING				March 31, 1972			
		Mar 18	Mar 25	Apr 1		Simple Avg. - Gen Good qual. & cond	Florida Shipping Point		
		Carloads			Percent	Unit	Mar 23	Mar 30	
BEANS (All)	Steady	146	176	180	80	Bu.	3.75	3.75	Good
Bush						Bu.	4.10	5.10	Slow
Poles									
CABBAGE	Increase	881	899	790	50	Crt.	1.75	1.65	Slow
CARROTS	Steady	315	338	355	15	Sk.	3.00	3.00	Good
CELERY	Slit increase	877	921	775	50	Crt.	3.50	2.25	Good
CHINESE CABBAGE	Steady	18	16	15	100	Crt.	3.50	2.50	Fair
CORN	Increase	190	207	230	100	Crt.	4.00	4.00	Good
CUCUMBERS*	Increase	242	213	235	20	Bu.	9.00	11.00	Excellent
EGGPLANT	Steady	59	61	65	30	Bu.	3.25	3.50	Good
ENDIVE	Slit increase	124	144	130	85	Crt.	1.25	1.25	Fair
ESCAROLE						Crt.	1.25	1.25	Fair
LETTUCE (All)	Steady	2124	1872	1730	2	12 qt bakt	2.25	1.75	Fair
Bibb						E. Crt.	2.00	2.50	Good
Boston						12-14# Crt.	2.25	2.50	Good
Leaf						Crt.	1.40	1.25	Good
Romaine						Ctn.	2.25	2.00	Good
Iceberg (Calif.)						Bu.	7.75	6.75	Good
PEPPERS	Steady	292	297	300	65	Bu.	7.75	6.75	Good
RADISHES	Steady	102	133	140	45	30-6 oz.	1.00	1.00	Good
SQUASH (All)	Steady	107	106	100	27	Crt.	8.00	8.00	Good
Acorn						Bu.	10.10	8.10	Moderate
Yel Crooks						5/9	3.75	4.00	Good
Yel Sturt						5/9	2.25	2.25	Good
White						5/9	4.25	3.00	Good
Zucchini									
TOMATOES (All)	Decrease	1089	1016	1455	35	40# Ctn.	7.00	7.00	Good
Native Green						20# Ctn.	5.50	5.25	Good
Pinks									
TOTAL		5520	5392	6500					
POTATOES (All)	Slit Increase	4455	4316	4500	5	50# sk.	2.25	2.25	Fair
Red Type						Pint	.27	.27	Good
STRAWBERRIES	Decrease	282	349	395	5				
WATERMELONS	Light	164	232	220	1	Commercial volume about April 10			

* Includes small quantity of Mexican and Latin American imports shipped through Florida channels.

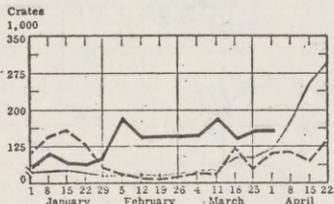
This report is made possible by matching funds provided by the Florida and U.S. Departments of Agriculture under the provision of the Agriculture Marketing Act of 1946, and it is available to all persons without regard to race, color or national origin. For further information write: Market News Section, P. O. Box 20273, Orlando, Florida 32814, or phone: (305) 894-6401.

SWEET CORN

March 31, 1972

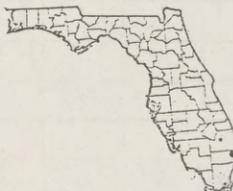
— 3 yr. av., - - - '70-'71, — '71-'72

U. S. Supply Trend



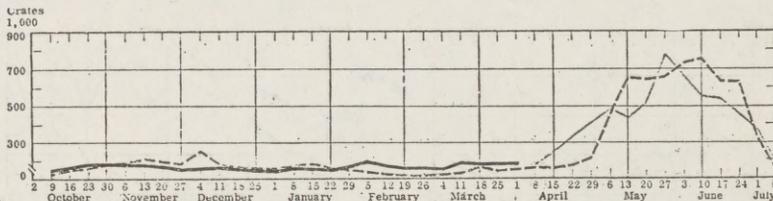
U.S. movement for this week expected to be 165,000 crates (230 carloads) -- up 11 percent.
NEXT WEEK: Florida increase.

Florida Production Areas



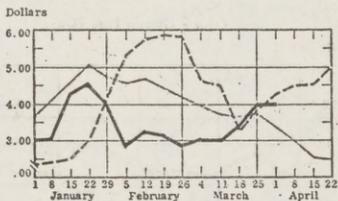
One hundred percent of the present U. S. supply from Florida. Source of Florida movement primarily Delray-Pompano, some Homestead and Everglades.

Florida Seasonal Shipping Pattern



FLORIDA: Gradual increase expected next two weeks with a more pronounced increase after April 17 as the spring acreage in "Lake" area comes into production -- harvest to reach high seasonal level the first half of May.

Price - Florida FOB



Crate, 4-1/2 - 5 dozen

Price was \$4.00 for Yellow type sweet corn on Thursday. Quality generally good.

NOTE: Charts on supply trends show the accumulative rail and truck carload units converted to a crate basis. Prices are for stock or, good quality and condition or better at shipping point.

FDA & CS - Division of Marketing, Box 20273, Orlando, Florida 32814.

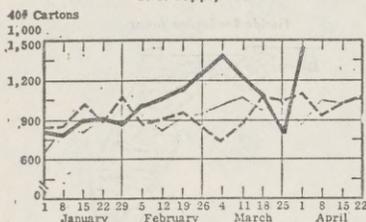
This report is made possible by matching funds provided by the Florida and U.S. Departments of Agriculture under the provisions of the Agricultural Marketing Act of 1946.

TOMATOES

March 31, 1972

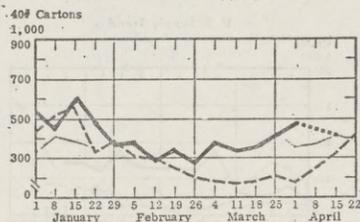
— 3 yr. av., - - - '70-71, — '71-72

U. S. Supply Trend



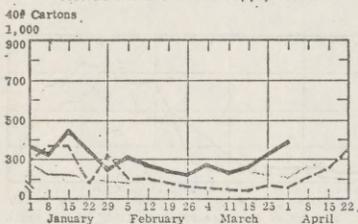
U.S. movement for this week expected to be 1,440,000 cartons. (1455 carloads)—up 46 percent. NEXT WEEK: Florida decrease. Mexico decrease.

Florida Seasonal Shipping Pattern



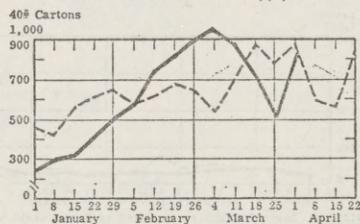
Florida shipments expected to reflect a gradual decrease during the next two weeks. Florida accounts for 35 percent of the present U.S. market supply.

Florida Mature Green Supply Trend



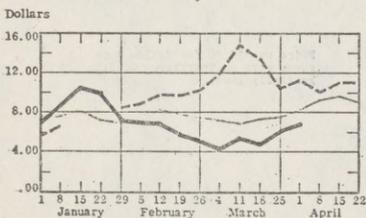
FLORIDA: Next week Immokalee - Naples principal production area--some Homestead--light Ft. Pierce and Pompano.

Florida and Mexico Pink Supply Trend



WEST MEXICO: Voluntary regulations continue in effect. Next week Culiacan expected to begin seasonal decline--North end to increase for both pinks and greens.

Price - Florida Mature Green FOB

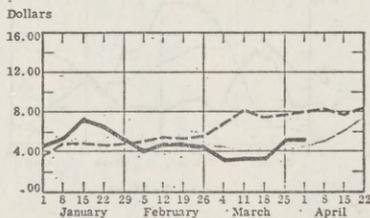


40 pound carton, 6 x 6 size and larger
Florida Immokalee - Ft. Myers MG's were mostly \$7.00 for 6x6 sizes and larger on Thursday with 6x7's at \$6.00. Quality generally good--sizes running 50% 6x6's and larger.

NOTE: Charts on supply trends show the accumulative rail and truck cartlot units converted to a 40 pound carton basis. Mature Green and Pink prices are for sizes of generally good quality and condition at shipping point.

724 & 65 - Division of Marketing, Box 20273, Orlando, Florida 32814.

Price - Florida Pink FOB



20 pound carton, 6 x 6 size and larger
Florida pinks were \$5.00-5.50 for 6x6 sizes and larger on Thursday and \$4.00-4.50 for 6x7's. Quality variable--sizes running 80% 6x6's and larger.

This report is made possible by matching funds provided by the Florida and U.S. Departments of Agriculture under the provisions of the Agricultural Marketing Act of 1946.

APPENDIX E: Florida F.O.B. Shipping Point Prices ^{1/}
 Compared to New York City Retail Prices ^{2/},
 Selected Florida Commodities and Weeks, 1971-72 Crop Year

COMMODITY	UNIT	WEEK ENDING							
		MARCH 11		MARCH 18		MARCH 25		APRIL 1	
		FLA. F.O.B.	N.Y.C. RETAIL	FLA. F.O.B.	N.Y.C. RETAIL	FLA. F.O.B.	N.Y.C. RETAIL	FLA. F.O.B.	N.Y.C. RETAIL
		Dols.	Dols.	Dols.	Dols.	Dols.	Dols.	Dols.	Dols.
Snap Beans	Lb.	.23	.49-.59	.19	.49	.12	.39-.49	.13	.39-.49
Cabbage	Lb.	.05	.10-.15	.04	.08-.15	.04	.11-.15	.03	.08-.15
Celery	Stalk	.12	.29-.39	.12	.29	.12	.29-.39	.08	.29-.33
Corn	Ear	.05	.16	.06	.13-.15	.07	.16	.07	.16
Cucumbers	Each	.09	.15-.20	.11	.18-.20	.12	.15-.20	.13	.20-.23
Eggplant	Lb.	.09	.39	.09	(Mex.) (.29-.35)	.10	(Mex.) (.29-.39)	.11	.39
Endive	Lb.	.07	.39	.05	.23-.29	.05	.29	.05	.19-.29
Escarole	Lb.	.07	.39	.05	.23-.29	.05	.29	.05	.19-.29
Peppers	Lb.	.23	.59	.23	.39-.49	.24	(Mex.) (.49-.59)	.25	.39-.59
Radishes, Red	6 oz. Cello	.06	.15-.18	.04	.10-.17	.03	.15	.03	.15
Tomatoes, MG ^{3/}	Lb.	.14	.39-.49	.13	.39-.49	.16	.49-.69	.20	.49-.59
" Pink	Lb.	.18		.18		.27		.28	

^{1/} Shipping point prices converted to retail unit basis.

^{2/} Source of retail prices Florida Department of Agriculture and Consumer Services Marketing Specialist sampling prices in several large retail food chains in New York City.

^{3/} Tomatoes shipping point prices were reported separately for mature green (MG) and pink while at retail no difference was made to type of fruit.

APPENDIX F: Florida F.O.B. Shipping Point Prices 1/
 Compared to New York City Retail Prices 2/,
 Selected Florida Commodities and Weeks, 1971-72 Crop Year

COMMODITY	UNIT	WEEK ENDING							
		DECEMBER 11		DECEMBER 18		DECEMBER 25		JANUARY 1	
		FLA.	N.Y.C.	FLA.	N.Y.C.	FLA.	N.Y.C.	FLA.	N.Y.C.
		F.O.B.	RETAIL	F.O.B.	RETAIL	F.O.B.	RETAIL	F.O.B.	RETAIL
		Dols.	Dols.	Dols.	Dols.	Dols.	Dols.	Dols.	Dols.
		4/		4/		4/		4/	
Snap Beans	Lb.	.16	.49	.16	.49	.18	.39-.49	.19	.49
Cabbage	Lb.	.06	.19-.23	.04	.19-.23	.04	.19	.05	.17-.19
Celery	Stalk	.23	.49	.23	.39-.49	.23	.39-.49	.23	.39-.49
Corn	Ear	.05	.15-.17	.05	.15-.17	.05	.15-.17	.05	.15-.17
Cucumbers	Each	.04	.15-.18	.05	.13-.15	.07	.13-.15	.07	.15-.17
Eggplant	Lb.	.07	.39	.04	.29-.39	.05	.29-.39	.06	.29-.39
Endive	Lb.	.05	.29-.39	.05	.29	.05	.29	.05	.25-.29
Escarole	Lb.	.05	.29-.39	.05	.29	.05	.29	.05	.25-.29
Peppers	Lb.	.18	.49-.59	.13	.39-.49	.11	.39-.49	.12	.39-.49
Radishes, Red	6 oz. Cello	.03	.15	.03	.15	.03	.15	.04	.15
Tomatoes, MG 3/	Lb.	.25	.59-.69	.18	.49-.69	.18	.59-.69	.18	.59-.69
"	Pink	.33		.25		.24		.23	
Squash									
Zucchini	Lb.	.19	.39-.45	.15	.39-.49	.11	.39-.49	.10	.39-.49

- 1/ Shipping point prices converted to retail unit basis.
- 2/ Source of retail prices New York Department of Agriculture and Markets Consumer Information Report for New York City.
- 3/ Tomatoes shipping point prices were reported separately for mature green (MG) and pink while at retail no difference was made to type of fruit.
- 4/ Mostly price.

APPENDIX G

COSTS AND RETURNS FROM VEGETABLE CROPS IN FLORIDA, SEASON 1970-71,
 WITH COMPARISONS

DEFINITIONS

Total number of growers: Number of individual records or estimates of crop costs and returns included in each crop summary.

Total number of acres: The total acreage planted by growers whose records or estimates were used. When a part of the planted acreage was lost soon after planting and replaced by another crop, the reduced acreage was used.

Average acres per grower: The number of acres of the particular crop divided by the number of growers.

Average yield per acre: The number of units per planted acre harvested.

Land rent: In the interests of uniformity, land rent was charged for all acreages and crops at the prevailing rate reported by growers in the area. This was done to avoid difficulties in the determination of a normal valuation, interest charge for use of land and capitalization of land values in a period of fluctuating values and prices. Taxes on a farm real estate are excluded since rent is being charged.

Seed and seedbed includes the cost of seed or plants for planting the crop. If a seedbed was used, the figures, unless otherwise noted, include costs of labor and materials for growing plants as well as seed costs.

Fertilizer: Represents the actual cost of nutrient materials applied to produce the crop. Labor or machine costs of application are not included.

Spray and dust includes the cost of materials only unless application labor is specified, in which case some machine costs may also be present. If weed control chemicals or soil fumigants were used, their cost also is included here.

Cultural labor contains the cost of man labor, whether hired or family to produce the crop from ground preparation until ready for harvest. It does not include supervision by the operator, since his compensation is to a great extent dependent upon returns from the sale of the crop.

Machine hire is the cost of machine work hired, including use of airplanes when applicable, in producing the crop. This item includes labor charges for the machine operator and charges for the use of equipment.

Gas, oil and grease includes the cost of gas, oil and grease required to operate tractors, trucks, sprayers, pumps and other machinery in producing the crop.

Repair and maintenance represents the cost of repairs to equipment used in producing the crop. It also includes the small tools such as hoes, rakes and shovels purchased and charged off as a current expenditure.

Depreciation includes the annual charge for depreciation and obsolescence of equipment and labor housing. When actual depreciation charges could not be obtained from records, they were computed by assuming a 10-year average life-use on all equipment on the basis of replacement value as indicated by the operator.

Licenses and insurance represent the cost of licenses and insurance items when chargeable to the farm business. Licenses include those for trucks and autos used on the farm. Insurance includes labor and crop insurance and fire or wind-storm insurance on buildings and equipment. It excludes health or accident insurance for the operator or his family.

Interest on production capital was charged at the rate of 6 percent on all cash costs for the number of months required to grow and market the crop regardless of whether or not much production capital was actually borrowed. This percentage was used because it is believed to be the normal interest rate.

Interest on capital invested (other than land) charged at 6 percent of the actual or estimated annual depreciated value of the capital invested in machinery and equipment. It was assumed that all equipment was presently worth one-half its replacement value.

Miscellaneous includes such items as wire, stakes, twine, office supplies, administrative expense other than value of operators management, legal and audit fees, telephone and telegraph and incidental expenses.

Harvesting and marketing expense where possible, has been divided into two items: (1) picking and (2) grading and packing. Picking, cutting or digging expense includes actual cost of harvesting the crop and preparing it for movement to packinghouse or wash house. Washing or grading and packing expense includes preparation of the product for shipment either in the field or at an adjacent packinghouse. It includes machinery and overhead costs in addition to labor. The same is true for all crops in all areas where grading and packing is done off the farm in packinghouses.

Containers includes the cost for hampers, crates, bags or baskets in which the product is moved to market.

Hauling is the cost of movement of the product from field to packinghouse or loading point. It is often computed on a contract basis and includes labor and equipment items. In cases where hauling was performed by the operator's trucks, the costs have been separated from production labor and machine expense items as nearly as possible.

Other: The cost of precooling the commodity prior to shipment and for celery and sweet corn the contribution to the Marketing Agreement Program. Inspection fees, when incurred, are included in packinghouse charges and are not reported as a separate item.

Selling: The packinghouse, market, sales organization, or dealer's charge for performing the sales service for the crop when deducted from the producer's price. This cost does not include charges for unloading, grading, packing, etc.

Crop sales are the gross returns to the grower before deduction of growing, harvesting and marketing costs.

Net return: Return to the producer after deduction of all expenses in producing, harvesting and marketing the crop.

Proration of costs between crops: For such items as seed, fertilizer, spray and dust, airplane application and harvesting and marketing costs, grower's records or estimates for each crop were used to make the appropriate charges.

In the case of the cultural labor, however, no breakdown for the different crop produced on the individual farm could be obtained from the grower except in a very few cases when such records had been kept. The total cultural labor for all crops produced on each farm was, in most cases, prorated to the various crops on the basis of available data developed at the Florida Agricultural Experiment Stations with regard to man hours required in various parts of the state to produce different crops from land preparation to harvest. A similar situation also applies to such items as machine hire, tractor fuel, oil and grease, repairs, depreciation and other production costs where, except in very few cases, records had not been kept as to their respective charges to different crops. Prorations were also made of these items on the basis of available data. (D. L. Brooke, Fla. Agr. Exp. Sta. Bul. 660, June 1963).

In many cases individual growers did not incur every cost item. This applies especially to airplane application, machine hire, grading and packing, containers, hauling and precooling. Thus, these data are based only on the over-all average for all growers contacted in each area, footnotes have been used to set forth the number of growers and average costs for items not incurred by all growers in the area.

Per-unit costs and returns were computed by dividing the average yield per acre in the area into the various items of cost shown in the individual tables. They are merely averages of the data recorded and, in some cases, do not reflect the full cost of performing the service because all growers may not have incurred every item of cost.

Range per acre showing the lowest and the highest of the sampled observations for yields, costs and returns are included for each crop and area. This is intended to show growers and other interested parties the extremes that may be encountered in vegetable production.

SNAP BEANS

COSTS AND RETURNS PER ACRE IN THE PALM BEACH-BROWARD AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Average per Acre	Bushel
Number of growers.....	11		10
Number of acres.....	8,612		12,775
Average acres per grower.....	783		1,278
Average yield per acre (bushels).....	91		76
		Average per	
		Acre	Bushel
Growing costs:			
Land rent.....	\$33.47	\$28.94	
Seed.....	19.60	23.17	
Fertilizer.....	46.37	40.69	
Spray and dust.....	13.44	16.94	
Cultural labor.....	30.97	31.61	
Machine hire.....	9.09	15.87	
Gas, oil and grease.....	10.36	6.93	
Repair and maintenance.....	13.77	12.10	
Depreciation.....	11.14	9.53	
Licenses and insurance.....	6.40	7.82	
Interest on production capital (6 percent—4 months).....	3.78	3.89	
Interest on capital invested (other than land).....	1.11	.95	
Miscellaneous expense.....	5.47	10.41	
Total growing cost.....	204.97	208.85	\$2.748
Harvesting and marketing costs:			
Picking and packing expense.....	93.17	81.80	1.076
Containers.....	37.34	34.34	.452
Hauling.....	8.86	9.41	.124
Selling.....	11.05	11.24	.148
Total harvesting and marketing cost.....	150.42	136.79	1.800
Total crop cost.....	355.39	345.64	4.548
Crop sales.....	363.89	345.31	4.544
Net return.....	8.50	— .33	— .004
		Range per acre	
		From—	To—
Yield (bushels).....		41	94
Total growing cost.....		\$149.50	\$287.51
Total harvesting and marketing cost.....		65.84	182.25
Total crop cost.....		215.34	437.13
Crop sales.....		150.41	435.13
Net return.....		—64.93	51.67

CABBAGE

COSTS AND RETURNS PER ACRE IN THE HASTINGS AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Acre	50 pounds
Number of growers	16		12
Number of acres	1,636		1,277
Average acres per grower	102		106
Average yield per acre (50 pounds)	463		390
		Average per	
		Acre	50 pounds
Growing costs:			
Land rent	\$31.50	\$35.47	
Seed	41.54	51.54	
Fertilizer	68.69	68.40	
Spray and dust	20.75	21.85	
Cultural labor	75.27	102.83	
Machine hire	2.25	11.83	
Gas, oil and grease	9.38	9.76	
Repair and maintenance	17.49	21.26	
Depreciation	18.28	16.05	
Licenses and insurance	7.57	10.19	
Interest on production capital (6 percent—4 months)	5.61	6.57	
Interest on capital invested (other than land)	1.83	1.61	
Miscellaneous expense	5.86	5.26	
Total growing cost	306.02	352.62	\$0.904
Harvesting and marketing costs:			
Cutting and packing expense	100.43	110.06	.282
Containers	184.21	172.42	.442
Hauling	3.14		
Selling	69.28	64.20	.165
Total harvesting and marketing cost	357.06	346.68	.889
Total crop cost	663.08	699.30	1.793
Crop sales	819.41	682.33	1.750
Net return	156.33	-16.97	-.643
		Range per acre	
		From	To
Yield (50 pounds)		200	600
Total growing cost		\$233.02	\$441.41
Total harvesting and marketing cost		169.52	608.70
Total crop cost		525.48	841.72
Crop sales		350.00	1,050.00
Net return		-175.64	228.20

CABBAGE

COSTS AND RETURNS PER ACRE IN THE SANFORD AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Acre	50 pounds
Number of growers.....	9		4
Number of acres.....	1,765		1,201
Average acres per grower.....	196		300
Average yield per acre (50 pounds).....	417		545
		Average per—	
		Acre	50 pounds
Growing costs:			
Land rent.....	\$32.06	\$34.48	
Seed.....	34.40	48.67	
Fertilizer.....	62.10	50.40	
Spray and dust.....	39.46	63.52	
Cultural labor.....	96.60	149.30	
Machine hire.....	2.75	² 1.73	
Gas, oil and grease.....	11.10	7.14	
Repair and maintenance.....	26.24	43.93	
Depreciation.....	16.42	23.30	
Licenses and insurance.....	9.66	23.62	
Interest on production capital (6 percent—4 months).....	6.44	8.76	
Interest on capital invested (other than land).....	1.64	2.33	
Miscellaneous expense.....	7.77	15.22	
Total growing cost.....	346.64	472.40	\$0.867
Harvesting and marketing costs:			
Cutting and packing expense.....	119.69	192.89	.354
Containers.....	179.88	238.72	.438
Hauling.....	21.27	33.45	.061
Selling.....	62.36	103.05	.189
Total harvesting and marketing cost.....	382.20	568.11	1.042
Total crop cost.....	729.84	1,040.51	1.909
Crop sales.....	727.96	1,100.19	2.019
Net return.....	-1.88	59.68	.110
		Range per acre	
		From—	To—
Yield (50 pounds).....		429	718
Total growing cost.....		\$400.32	\$560.74
Total harvesting and marketing cost.....		382.58	969.30
Total crop cost.....		817.56	1,462.85
Crop sales.....		793.18	1,537.24
Net return.....		-37.43	160.88

See footnotes at end of table.

SWEET CORN

COSTS AND RETURNS PER ACRE IN THE EVERGLADES AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Acre	Crate
Number of growers.....	17		15
Number of acres.....	23,096		23,149
Average acres per grower.....	1,359		1,543
Average yield per acre (crates).....	155		144
	Average per—		
		Acre	Crate
Growing costs:			
Land rent.....	\$30.53	\$29.68	
Seed.....	5.69	.22	
Fertilizer.....	26.63	28.72	
Spray and dust.....	58.61	46.88	
Cultural labor.....	30.80	30.89	
Machine hire.....	3.04	16.79	
Gas, oil and grease.....	6.96	6.07	
Repair and maintenance.....	12.50	13.75	
Depreciation.....	8.55	10.77	
Licenses and insurance.....	5.94	4.64	
Interest on production capital (6 percent—4 months).....	3.73	3.78	
Interest on capital invested (other than land).....	.86	1.08	
Miscellaneous expense.....	5.85	5.30	
Total growing cost.....	199.69	204.57	\$1.420
Harvesting and marketing costs:			
Picking and packing expense.....	65.06	75.02	.521
Containers.....	60.35	63.04	.438
Hauling.....	12.79	14.69	.102
Other.....	37.67	41.34	.287
Selling.....	21.54	25.04	.174
Total harvesting and marketing cost.....	197.41	219.13	1.522
Total crop cost.....	397.10	423.70	2.942
Crop sales.....	385.79	396.41	2.753
Net return.....	-11.31	-27.29	-0.189
	Range per acre		
		From—	To—
Yield (crates).....		100	187
Total growing cost.....		\$133.03	\$295.05
Total harvesting and marketing cost.....		145.90	295.46
Total crop cost.....		333.48	529.76
Crop sales.....		229.27	525.46
Net return.....		-181.83	74.81

SWEET CORN

COSTS AND RETURNS PER ACRE IN THE ZELLWOOD AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Acre	Crate
Number of growers.....	5		5
Number of acres.....	3,566		3,521
Average acres per grower.....	713		704
Average yield per acre (crates).....	227		210
		Average per	
		Acre	Crate
Growing costs:			
Land rent.....	\$30.55	\$29.58	
Seed.....	6.70	8.62	
Fertilizer.....	33.28	25.36	
Spray and dust.....	55.25	38.49	
Cultural labor.....	34.83	33.67	
Machine hire.....	7.04	11.74	
Gas, oil and grease.....	4.75	5.23	
Repair and maintenance.....	21.61	32.41	
Depreciation.....	7.86	10.21	
Licenses and insurance.....	7.29	14.33	
Interest on production capital (6 percent—4 months).....	4.17	4.04	
Interest on capital invested (other than land).....	7.79	1.02	
Miscellaneous expense.....	7.34	2.65	
Total growing cost.....	221.46	217.35	\$1.035
Harvesting and marketing costs:			
Picking and packing expense.....	104.54	104.02	.549
Containers.....	87.18	93.48	.185
Hauling.....	13.91	16.97	.440
Other.....	53.96	62.43	.297
Selling.....	36.74	38.70	.184
Total harvesting and marketing cost.....	296.33	315.60	1.502
Total crop cost.....	517.79	532.95	2.537
Crop sales.....	527.79	503.64	2.398
Net return.....	10.00	-29.31	-.139
		Range per acre	
		From—	To—
Yield (crates).....		175	237
Total growing cost.....		\$179.86	\$260.57
Total harvesting and marketing cost.....		265.33	380.59
Total crop cost.....		477.47	599.16
Crop sales.....		378.68	614.40
Net return.....		-159.67	103.60

See footnotes at end of table.

CUCUMBERS

COSTS AND RETURNS PER ACRE IN THE IMMOKALEE-LEE AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season	1970-71	
	average	Acre	Bushel
Number of growers.....	13		8
Number of acres.....	2,045		1,325
Average acres per grower.....	157		166
Average yield per acre (bushels).....	202		206
	Average per		
	Acre	Acre	Bushel
Growing costs:			
Land rent.....	\$16.37	\$16.17	
Seed.....	10.16	15.23	
Fertilizer.....	99.36	88.90	
Spray and dust.....	49.94	51.53	
Cultural labor.....	102.27	113.33	
Machine hire.....	23.00	21.33	
Gas, oil and grease.....	17.24	21.15	
Repair and maintenance.....	24.95	37.33	
Depreciation.....	21.28	23.66	
Licenses and insurance.....	6.75	10.43	
Interest on production capital (6 percent—5 months).....	9.00	9.70	
Interest on capital invested (other than land).....	2.13	2.37	
Miscellaneous expense.....	9.84	12.49	
Total growing cost.....	392.29	423.62	\$2.056
Harvesting and marketing cost:			
Picking expense.....	128.45	138.78	.916
Grading and packing expense.....	101.24	115.95	.563
Containers.....	117.17	120.40	.585
Hauling.....	31.63	41.84	.203
Selling.....	30.91	34.04	.165
Total harvesting and marketing cost.....	409.40	501.01	2.432
Total crop cost.....	801.69	924.63	4.488
Crop sales.....	808.42	815.78	3.960
Net return.....	6.73	-108.85	-.528
	Range per acre		
	From—	To—	
Yield (bushels).....		79	388
Total growing cost.....	\$340.78		\$480.07
Total harvesting and marketing cost.....	216.07		945.87
Total crop cost.....	696.14		1,396.43
Crop sales.....	321.60		1,440.00
Net return.....	-433.15		261.00

EGGPLANT

COSTS AND RETURNS PER ACRE IN THE PALM BEACH-BROWARD AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average			1970-71	
	Average per—			From—	To—
	Acres	Acres	Bushel		
Number of growers.....	7				5
Number of acres.....	300				190
Average acres per grower.....	43				38
Average yield per acre (bushels).....	596				583
Growing costs:					
Land rent.....	\$54.98	\$39.10			
Seed.....	8.06	9.42			
Fertilizer.....	199.72	186.29			
Spray and dust.....	86.78	91.68			
Cultural labor.....	203.25	162.48			
Machine hire.....	29.50	29.35			
Gas, oil and grease.....	35.02	32.98			
Repair and maintenance.....	62.81	57.64			
Depreciation.....	39.81	66.02			
Licenses and insurance.....	34.02	34.54			
Interest on production capital (6 percent—5 months).....	18.33	16.69			
Interest on capital invested (other than land).....	3.98	6.60			
Miscellaneous expense.....	19.05	24.14			
Total growing cost.....	795.31	756.93	\$1.299		
Harvesting and marketing cost:					
Picking and packing expense.....	258.08	265.05	.454		
Containers.....	237.06	321.09	.551		
Hauling.....	61.59	61.35	.105		
Selling.....	76.06	78.13	.134		
Total harvesting and marketing cost.....	722.79	725.62	1.244		
Total crop cost.....	1,518.10	1,482.55	2.543		
Crop sales.....	1,654.16	1,186.62	2.035		
Net return.....	136.06	-295.93	-508		
Range per acre					
Yield (bushels).....		286	766		
Total growing cost.....		\$597.88	\$834.38		
Total harvesting and marketing cost.....		346.07	950.53		
Total crop cost.....		1,144.12	1,784.91		
Crop sales.....		524.81	1,513.33		
Net return.....		-619.31	-139.88		

See footnotes at end of table.

GREEN PEPPERS

COSTS AND RETURNS PER ACRE IN THE IMMOKALEE-LEE AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average	1970-71	
		Acre	Bushel
Number of growers.....	12		9
Number of acres.....	2,228		1,740
Average acres per grower.....	186		193
Average yield per acre (bushels).....	278		332
	Average per—		
		Acre	Bushel
Growing costs:			
Land rent.....	\$16.78	\$18.70	
Seed.....	25.84	42.65	
Fertilizer.....	137.71	160.03	
Spray and dust.....	79.19	118.45	
Cultural labor.....	193.02	222.71	
Machine hire.....	39.29	756.10	
Gas, oil and grease.....	31.88	40.13	
Repair and maintenance.....	49.86	83.85	
Depreciation.....	41.45	48.24	
Licenses and insurance.....	14.94	24.02	
Interest on production capital (6 percent—5 months).....	15.30	20.24	
Interests on capital invested (other than land).....	4.13	4.82	
Miscellaneous expense.....	23.30	42.96	
Total growing cost.....	672.69	882.90	\$2,659
Harvesting and marketing costs:			
Picking expense.....	131.48	216.36	.652
Grading and packing expense.....	139.45	175.85	.530
Containers.....	141.43	166.31	.501
Hauling.....	44.93	63.12	.190
Selling.....	43.02	63.60	.191
Total harvesting and marketing cost.....	500.31	685.24	2.064
Total crop cost.....	1,173.00	1,568.14	4.723
Crop sales.....	1,130.08	1,472.43	4.435
Net return.....	-42.92	-95.71	-.288
	Range per acre		
		From—	To—
Yield (bushels).....		159	530
Total growing cost.....		\$664.01	\$1,106.13
Total harvesting and marketing cost.....		371.80	1,045.23
Total crop cost.....		1,035.81	1,924.01
Crop sales.....		656.13	3,061.09
Net return.....		-1,009.09	1,233.49

GREEN PEPPERS

COSTS AND RETURNS PER ACRE IN THE PALM BEACH-BROWARD AREA, 5-SEASON AVERAGE 1966-70 AND 1970-71

Item	5-season average		1970-71
	Acres	Acres	Bushe ¹
Number of growers.....	10		8
Number of acres.....	1,068		1,333
Average acres per grower.....	107		167
Average yield per acre (bushels).....	384		334
	Average per—		
	Acres	Acres	Bushe ¹
Growing costs:			
Land rent.....	\$53.69	\$29.43	
Seed.....	29.47	31.16	
Fertilizer.....	181.51	154.11	
Spray and dust.....	108.71	90.89	
Cultural labor.....	286.78	265.22	
Machine hire.....	40.82	41.21	
Gas, oil and grease.....	39.58	28.52	
Repair and maintenance.....	65.06	44.50	
Depreciation.....	47.44	38.49	
Licenses and insurance.....	30.40	29.13	
Interest on production capital (6%—5 mos.).....	21.62	18.66	
Interest on capital invested (other than land).....	4.73	3.85	
Miscellaneous expense.....	28.82	32.36	
Total growing cost.....	938.62	807.53	\$2.418 ²
Harvesting and marketing costs:			
Picking and packing expense.....	193.61	201.05	.602 ³
Containers.....	181.91	169.27	.507
Hauling.....	39.20	32.87	.098 ⁴
Selling.....	50.40	48.00	.144
Total harvesting and marketing cost.....	465.12	451.19	1.351
Total crop cost.....	1,403.74	1,258.72	3.769 ⁵
Crop sales.....	1,589.88	1,072.25	3.210
Net return.....	186.14	-186.47	-559 ⁶
	Range per acre		
	From—	To—	
Yield (bushels).....	121	550	
Total growing cost.....	\$574.34	\$1,090.12 ⁷	
Total harvesting and marketing cost.....	203.16	756.25	
Total crop cost.....	843.57	1,798.43	
Crop sales.....	330.73	1,560.66	
Net return.....	-646.81	89.46	

¹ Reported by 8 growers averaging \$2.74 per acre.² Reported by 1 grower averaging \$6.91 per acre.³ Reported by 14 growers averaging \$30.77 per acre.⁴ Reported by 11 growers averaging \$22.89 per acre.⁵ Reported by 3 growers averaging \$19.57 per acre.⁶ Reported by 6 growers averaging \$28.43 per acre.⁷ Reported by 7 growers averaging \$72.13 per acre.

Source: Grower records and estimates.

Senator CHILES. Lyle, how about you?

STATEMENT OF LYLE DICKMAN, RUSKIN, FLA.

Mr. DICKMAN. Thank you, Senator. I will not take but a couple minutes of your time. I am a farmer from down at Ruskin, Fla., and I earn my living farming.

Right now our agriculture is primarily citrus and cattle. It used to be vegetables for years and years, but the vegetable business got to be too rough.

I left that up to Buford Council to stay in the vegetable business, and so we are primarily cattle and citrus. Lemons are our production. Florida is not a very big lemon State. We grow a lot of lemons.

What I want to tell these consumers, of course, is that they are not here now, but here is what lemonade is costing the customer right now. Here is the Winn Dixie ad of this week.

Twelve 6-ounce cans for \$1 for pure lemonade with pure Florida sugar, no synthetics, no nothing. That is 2 cents a glass for an 8-ounce glass of lemonade, and you cannot get a better buy than that anywhere in the world, and that is not just a special. This kind of price runs for the last 10 years. Most any store you go in, it is 10 cents to 12 cents a can anytime and they are on special at 9 cents a can, so it is the greatest buy in the world, and this is Libby Lemonade and I sell lemons to Libby to make this lemonade.

I signed a contract last week with Libby. I have been sweating them out for 2 months to see what I could get for my lemons this year. I am going to get \$1.60 for field box. That is 90 pounds of lemons. That is about a half a cent a lemon for me to grow with them and worry about Agnes and worry about everything else, but I can make a living at \$1.60 a box, and the housewife is getting a perfect buy at 2 cents a glass for lemonade.

Libby is not making any big money because I know what it costs to process this lemon juice, to squeeze it, put the sugar in, and we pick these lemons in October and November and nobody drinks lemonade at Christmas time. They don't drink lemonade until July and August, so Libby has to hold its lemonade in a freezer until this time of the year so Libby is not making any big profit off of it, and I am sure Winn Dixie isn't, but the consumer is getting one whale of a buy on citrus products, especially on lemonade.

That is enough on lemons.

I want to mention one thing because you are the Senate Agricultural Committee. I have been a supervisor in the soil conservation district for over 25 years in our county, and this has a relationship to the cost of food.

I want you Senators to realize that the work of the Soil Conservation Service through the U.S. Department of Agriculture, you cannot point your finger right to what effect it had on the cost of food, but it has had a lot of effect on keeping the price of food down.

The work of those technicians working with individual farmers on their soil and water problems on their farms, the work of the small watersheds program that we have been kicking around all over the place is one of the greatest things you have ever done for us, the small watersheds program, and I am sure when you, after Agnes gets out of the way, I bet you find in that area where Agnes really flooded out

the people, the areas that have small watersheds already in existence and operating with dams and controlled structures and water control facilities, you come out better than any other parts of Pennsylvania and Illinois and Virginia and all of the other spots, but it just tears me up to see us get criticized for that good program by some of the ecologists that don't understand what Soil Conservation Service is doing.

The R. C. & B. program is a good program of the Service, and another one of my little projects is soil surveys of this country that SCS is doing.

You are carrying the major share of the bill. Each State pays their share also, but in our State, for example, it is going to be even at the speed we are going, it is going to be the year 2015 or so before we even get our State map with the soil surveys of this State, and that is our basic resources, the soils in it.

We don't have a map of knowing what we have in each State. We don't know where we are going. No engineer is ever going to build a building without knowing all of the things about what he has to work with, and that is what we have to work with in the land, is the soil, so please keep up the appropriations on the soil survey work and the Soil Conservation Service.

One last little point, and it doesn't have anything to do with agricultural committees, but you are Senators and you vote on these things. You may not realize it, but the inheritance tax really disrupts farms. Of course, it disrupts a lot of things, but what I am getting at is this.

Most farmers have to own a lot of land to be farming and they have to keep that land in their name individually to borrow money to keep operating and have production money and when the head of that family farm dies and they are long on land and short on cash, they have got to have darn near a sheriff's sale of land to pay their really high rate of inheritance tax within 18 months.

If you beg and beg and beg I think they will give you some extension, but you have really have to have a case to get an extension.

I have seen it happen in our own areas, disrupted good farms, not 10 acres that maybe shouldn't be called a farm, I am talking about good farm operations held by family corporations or by an individual, but in order to meet those tax requirements they have had to disrupt that whole farm and sell that land to get the cash to pay the tax, and when you tear that farm up that is one more production unit that is not able to produce food for this country, and that is going to help push the price of food up, in my estimation.

That is all I have to say. Thank you very much.
Senator CHILES. Mr. Putnal?

STATEMENT OF ELLIS PUTNAL, MAYO, FLA.

MR. PUTNAL. Thank you, Senator. I want you all to know that I am strictly a farmer. That is what I do for a living.

Since sitting around here today and listening to the consumer, the plight that they are in, and so on, I had looked forward in my later years to retirement and living on a fixed income.

I don't know which is the worst, to be a consumer or a farmer, because I know what the farmer is doing. We are not making any

money. We are living, but that is all, and as far as—I didn't bring no facts and figures with me, Senator. I would be glad to answer any questions that I can about farming because that is all I have ever done and I still like it.

Senator CHILES. Henry, Mr. Putnal is a row farmer. He again is a little different from some of the citrus people we have had and he probably knows a little something about soybeans and he can probably tell us a little stuff about tobacco.

Mr. PUTNAL. Tobacco and corn. Tobacco is one of the few things that we made money on in the last few years.

Senator CHILES. What kind of tobacco allotment do you have?

Mr. PUTNAL. Oh, about 13 acres, I believe it is, Senator. It fluctuates because we have been irrigating for a good many years and when we go in our 10 percent that cuts our acreage the next year, and so it makes a difference.

Senator CHILES. What do you think about the present situation on the bill that we have on tobacco?

Mr. PUTNAL. Well, it has been being handled—I am pretty well satisfied with it. There is one thing I would like, and this would probably be where people could transfer their allotments across the county lines to where you could grow it in different counties.

I would like to see that happen because the fact the allotment is so small in the State of Florida until it is just not feasible for a man to go out there and grow 3 or 4 acres of tobacco any more, and harvesters is coming in, and I think by next year I think we are going to have a harvester that is going to get tobacco, and it is a \$15,000 outfit, but he is going to have to have more than 2 or 3 acres.

Senator CHILES. You can transfer your allotment, can't you?

Mr. PUTNAL. Not across county lines, just in your own county.

Senator CHILES. He was telling me even if you own both farms in both counties you can, you can transfer it to one place, yes.

Senator BELLMON. Well, the problem with transferring allotments is that the production tends to concentrate on the counties which had the best soil or had the best irrigation water and the counties that lost the allotment raises a bigger stink about this, not only the farm people, but the merchants who see their good high income crops moving away from them, so I think that Congress has to listen to both sides of this question.

I know in our State all of the peanut allotments were moving down to the Red River and the dryland peanut farmers were going out of business, so we had to stop the transfer across county lines.

Mr. PUTNAL. I would like to see it. It may not be the best thing to do. I am a farmer. I am looking at it from a farmers standpoint.

Senator BELLMON. At least you are honest. Do you raise corn?

Mr. PUTNAL. Yes, sir.

Senator BELLMON. Do you think the approach of the set-aside or would you prefer to go back to the acreage allotment system that we had?

Mr. PUTNAL. I prefer the acreage allotment system that we had, now, just like it was. Now, like it is today, you could set aside so much, you have to plant so much, and I would like to see it where if a man wanted to set aside all of it he can set it aside, but I would still like for it to be controlled to where should we have a shortage of grain we would say you would have to plant this corn, then, too, not say we just will

go completely away from it, because you take corn, I raise hogs and corn was costing me \$1.85 a bushel last year and I was feeding then 16¢ hogs. This was just on account of the corn blight but still it was \$1.85 corn feeding 16¢ hogs, about \$5 or \$7 a head we were losing on every one we sold.

Senator BELLMON. So you don't like to set aside the produce, then?

Mr. PUTNAL. Not too much; no, sir. I like it much better than we did the old program back where you put the corn in the bin and stored it and found out that there was a lot of bins that didn't have the corn in it when it wound up. I like it better than I did that; yes, sir.

I think anytime that any program that you could have for the farmer where you pay directly to the farmer, we farmers, if we get \$1, we are going to spend it. If you pay it directly to the farmer he is going to put it in circulation because he has to. He cannot keep it.

He has got to spend it, and where we are getting a direct payment, we are going to directly give it back to the people that we owe for machinery and fertilizer and seed and whatnot. We don't keep that money. If we farmers get any money, we are going to keep the economy high because we are going to turn it loose.

Senator CHILES. Do you have anything else?

Senator BELLMON. No, sir.

Senator CHILES. Thank you, Mr. Putnal. Now, if we could come around the room here a minute. We would like to hear from anything that you, any information that you think we might need. We have been talking about food prices.

We are also very interested in what we should be thinking about in writing a farm bill for next year, so, Buford, let's start with you.

STATEMENT OF BUFORD COUNCIL, PRESIDENT, FLORIDA FRUIT AND VEGETABLE ASSOCIATION, RUSKIN, FLA.

Mr. COUNCIL. My name is Buford Council. I am from Ruskin, and I am a tomato farmer, also cattle and citrus, but primarily a tomato farmer.

I am president of the Florida Fruit and Vegetable Association and Lee Thompson, representing F.F.V.A., has already filed a statement that I am sure will cover this subject of food prices.

I am not prepared to give a presentation. I appreciate, Senator, the invitation to lunch. I have enjoyed it.

I would like to make one point. There is no way for farmers, and I am talking about tomatoes because that is the thing that I am most familiar with, to put tomatoes in the store in the wintertime cheap.

For example, at a tomato committee meeting last winter, tomatoes were very cheap due to the Mexican import situation, and a couple of brokers attended the meeting from New York. Abe Solomon was one and I forget the name of the other. They stated that they had bought tomatoes that day, several carloads of small tomatoes in 40-pound containers, for \$1.50 each. That happened to be the packing charge, not the harvesting charge, just the packing charge, and I asked in the meeting what would these tomatoes sell for in the stores in New York, and they said, well, with the brokerage and transportation and the repacking, there would be four tomatoes in a plastic tube and they would sell for .29¢ a pound.

Now, here is a farmer furnishing tomatoes at a loss to himself because he lost the harvesting cost and, growing cost and yet the consumer was going to be forced to pay 29¢ a pound, so if we give a crop away in its raw state in the field, it is not going to be cheap when it gets in the store. I make that point, and I will sit down.

Senator CHILES. Buford, would you share with us a little bit more for Senator Bellmon a little of the plight that we have on the Mexican tomato situation and where we find ourselves in Florida with regard to trying to grow tomatoes?

Mr. COUNCIL. Senator, in the last 10 years the Mexican import problem has steadily increased. It has increased to the point that where 10 years ago they were probably 30 percent of the action, now they are well over half of the U.S. market during the winter months.

When the rapid increase is plotted on a chart, it is alarming to project the rise into the future, because it indicates that we will be out of business in another year or 2 or 3 in Florida during the midwinter months.

Tomato imports have increased so dramatically that we have introduced legislation. We don't know how it is going to make out, or how it is going to ever get out of the House Ways and Means Committee.

It has been introduced before and it never made it out of committee. The bill is called the Share the Market Act. It has been introduced by both of our Senators.

I think it is very good bill. It would place a quantitative limitation on the import of tomatoes if the President failed to take action. The bill would work similar to the bill on beef imports.

This authorized the President to negotiate. He cannot negotiate without this. He cannot negotiate on any farm item unless it is a subsidized item or quota or a—well, "subsidized" would be the proper word.

Anyway, this is what the situation is now. We have periods during the winter, when Florida is only 10 or 15 percent of the action. Mexico was 75 or 80 percent of the action, and they completely dominated the market, and they marketed only one-third of what they had on the farms and they took a beating, our Florida farmers took a beating, also.

We have a Federal marketing order in effect, but when we are only 10, 15, or 20 percent of the action, you know what I mean by action, the total U.S. supply, there is nothing we can do as individual farmers in the way of withholding supplies to be effective, so this is a serious situation.

I have been wrestling with it for some years. We have negotiated to no particular conclusion. We are still trying. We will continue to try.

Senator CHILES. You are talking about a voluntary restraint program in regard to Mexico in certain months that they will—

Mr. COUNCIL. That is right, and I don't know what the answer is, but we will keep trying. Any further questions?

Senator CHILES. Can you tell me, give us any idea of what the acreage is now as opposed to what it was 5 or 10 years ago in regard to tomatoes, the number of growers?

Mr. COUNCIL. In Florida?

Senator CHILES. Yes, sir.

Mr. COUNCIL. Well, our Florida production is normally about 16 million 40 pound equivalents, we have gone down perhaps to 14 million, but it varies. It is fairly stable. Increased conservation due to increase in population, has been taken up by Mexico, you see, and they are dominating the market during the winter season, and the ones who are severely injured are those producing in the midwinter months, we will say south Florida, Dade County and Ft. Myers and Immokalee, and up at Delray, and up in that area.

Now, the most of Florida production is early before Mexico comes in, and late after it gets too hot for Mexico to ship, don't you see, and Mexico completely dominates January, February, March, and April. Florida is decreasing rather than increasing during the midwinter months.

Mexico is taking all of the increases and they have increased dramatically. I don't have the figures. I wasn't prepared to make a presentation, but Senator, it is alarming.

I am sure you have seen the charts and projected increases. They have over produced so badly they have become their own worst enemy. They lost their shirts, too, during those winter months.

Senator CHILES. Thank you. Brother Bordman, do you have anything?

STATEMENT OF WILLIAM BOARDMAN, EXECUTIVE VICE PRESIDENT, DAIRY FARMERS, ORLANDO, FLA.

Mr. BOARDMAN. I don't think I have anything to add to what Mr. Larson said except we do believe that the Federal marketing order has served the dairy industry in Florida very well, and while we can think of no reason for it to be strengthened at this time with the exception of what Mr. Larson alluded to that quite possibly in the future it will be necessary for us to ask the Government to have a supply or market discipline program of some type.

I realize this is very controversial over the country, but we feel in the long range it will be a part of it.

One other item, too, is the strengthening of the bargaining act for cooperatives is not necessarily for the dairy industry, itself, but for all commodity groups and it might be something that the Senate and the Congress should give us serious consideration to at some time.

I know they are going to give it serious consideration, but we feel the cooperative movement has been and the Federal Marketing Act have been the two things that allowed the dairy industry to be as stable as we think it is today.

Senator CHILES. Thank you, sir. Mr. Lykes.

STATEMENT OF CHARLES LYKES, LYKES BROS., TAMPA, FLA.

Mr. LYKES. I am Charlie Lykes, with Lykes Brothers in Tampa, Fla. I do not have anything prepared, Senator. I am sure that various commodity groups have testified as to their specifics.

I would just like to back up Mr. Dickman's comments on our public image, agriculture. We seem to be the whipping post these days, probably brought about because of price controls and also ecology, and so forth, from the land-grant colleges to the small cattlemen. We are catching it from all sides, and I think it is imperative that those in

your position look on the true facts and not on just the publicity, the front pages.

I think you are going to have to get down and get to the meat of it. I am sure you will and I know that these hearings will give you some information from which you can do it.

I sure appreciate being here and appreciate being asked and I think that getting around and talking like this will greatly inform all of us.

Thank you for the invitation, sir.

Senator CHILES. Mr. Bryan, go ahead.

STATEMENT OF ERWIN BRYAN, JR., CENTER HILL, FLA.

Mr. BRYAN. I hesitate to tell these people what I am. I am in the beef business. That seems to be the whipping post on the prices, just talking to—

Senator CHILES. Having heard everything today, you are the one making all of the money.

Mr. BRYAN. If you took the net profit, the packers and the retailers and I understand you heard from the retailers this morning, you would take 3 percent on the price of beef between the two. In fact, it will average 1 percent net after taxes and retail, 2 percent. This is normal.

We don't do quite that well. I would like to make a comment on something in a little different vein. I want to apologize to Mr. Council. I used to buy cattle from his brother and daddy and years ago there was a gambling tax, and the old man told me he wouldn't pay a dollar on a horse race, but he would bet \$100,000 that it didn't rain too much.

Senator CHILES. Mr. Lee.

STATEMENT OF ROBERT C. LEE, ADMINISTRATIVE ASSISTANT TO THE PRESIDENT, UNITED STATES SUGAR CORP., CLEWISTON, FLA.

Mr. LEE. I am Bob Lee with the U.S. Sugar Corp. I am administrative assistant to the president.

I am one who argues that we are our own worst enemy. We have not told our own story.

A Spanish fellow told me 4 years ago that he was going to South America to farm government-owned land at a ridiculously low rental price and that marketing outlets were established at Tampa, New Orleans, and Miami. These gentlemen right now are talking about Florida grown tomatoes and peppers that are affected by this produce that is coming in.

We are considered to be a big farming operation. The smaller farmers, the ones that have historically provided food for folks, are on the decline, numerically speaking.

The number of folks we have to feed, Senator, is climbing every day. You take housing alone. Some of these smaller farmers have quit farming because they really can't afford to build housing, the type that some would like to see us build.

They have left old housing many times for older workers who are unable to work and who don't have a place to go and they have been criticized for this. For your information, our company has spent over \$6 million in providing housing for our agricultural workers.

We house over 3,400 people at the height of our harvesting season. Average, middle range, or mediocre type farming operations cannot afford this expense. These are the things that we are concerned about. The sugar price, as you well know, is regulated by the Federal Sugar Act.

We think the act does the job it is supposed to do. It provides the housewife with a 5-pound bag of sugar at a very reasonable cost that doesn't fluctuate. We are concerned about the availability of land that is being set aside for farming and also ways to encourage more people to stay in and get in the farming community rather than get out and give up and sell their land.

Senator CHILES. Henry, do you have any questions? This is one of the large corporate farmers you were talking about.

Senator BELLMON. Is there something about the sugar business that gives a large operation an advantage over a smaller one?

Mr. LEE. No. I think the sugar business is a business where everyone is pretty well on common ground. We are regulated as you well know under the terms of the Sugar Act, and whether you are a small grower or big grower, the price you are paid for a ton of sugar cane that you produce is uniform in Florida as it is in Louisiana.

We will produce this year in Florida about 7 percent of the total amount of sugar that will be consumed in the United States. There are cooperative sugar organizations in Florida where a little farmer has been able to survive by being a member. A tractor that we use in sugar cane harvesting is a diesel-powered tractor that will cost \$25,000; other field equipment as much as \$50,000.

A cooperative of 50 growers put together an operation in Belle Glade that has been tremendously successful. They have a fleet of trucks and tractors and manpower and know-how that does the harvesting job for all of the little farmers. This is the way that they are able to compete and stay in business.

Of course, a lot of the farmers around the lake area where I am from, as Doyle will attest to, have gotten out of leaf production. They have gotten out of the corn production and gotten out of the variables because of all of the other problems. They have gone into sugar cane, cattle, and celery. Sugar cane and celery are more stable in terms of price and reduce the possibility of crop loss.

Senator BELLMON. That is all.

Senator CHILES. I think we again have a number of people from Doyle's staff and we have some people from the university. I think this is mostly people that we invited that testified before us this morning that are here now.

Are there any other questions that you just might have and we might try to get somebody to answer them?

Senator BELLMON. Lawton, let me just say to you and to our guests that it has been a great privilege for an Oklahoma farmer to come to Florida, and I am glad to find out how diversified Florida is. In our State you raise wheat or cotton or peanuts or soybeans or you are probably not in the farming business, so I am amazed and delighted to have a chance to see how broad the industry of agriculture is here in Florida.

I think most of you know that Congress is increasingly becoming urbanized. I don't know if anyone has a figure on this, how many

Members of the Senate have a predominantly agricultural constituency. This makes us very difficult to pass because the interests of the Congress are primarily consumer matters.

This is why I think we need to do two things. First, we need to be sure that the legislation that we write is good legislation, and, second, we have to be sure that people understand it.

Now, there hasn't been a single witness here this morning that I have heard that even participated in any of the crops that are subsidized with a possible exception of tobacco where there may be some subsidy tobacco, but most of the other commodities are grown in a free commodity except from the competition you get from the foreign producer. But I think you will find that a lot of the Members of the Congress and a lot of the consumers around over the country feel that we are spending an awful lot of money to keep farm prices low and yet most of our commodities have no support programs at all and even those that are supported, generally, the support money helps to keep the food price down. Because if we don't have the support payment, then the consumer would have to pay more at the market because farmers aren't making much money anyway, so what I think what all of you could help us with and help agriculture, generally, is to try to do a better educational job so that people understand that our farm program is not burdensome and it really is a program that helps consumers as much as it helps agriculture.

I want to say again it has been a great pleasure to have a chance to come to Florida and meet some agriculturalists. When you usually come around here, you meet people at Miami Beach that aren't interested in anything except the money farmers bring down. It has been a great pleasure to be with you.

Senator CHILES. We are delighted to have you visit here and I want to thank all of you for coming to the meeting this morning and for visiting with us at lunch and helping us try to get some information on it.

Doyle, we certainly appreciate the help of your staff and are delighted to have, and I guess we ought to call on just before we close, the chairmen of both of the agricultural committees here, Senator Bishop and Representative Nixon, because they both are farmers and they both do understand some of the things and we would like to hear from you. Do you have a minute?

STATEMENT OF W. E. BISHOP, CHAIRMAN, AGRICULTURE COMMITTEE, FLORIDA STATE SENATE, LAKE CITY, FLA.

Mr. BISHOP. I have said many times and I will say it again that I think the thing that farmers need to do is to get off the defense and get on to the offense, because we have been on the defense ever since I can remember as a little boy, and we are producing the food and fiber and unless we get organized in our Government, both local level, State level, and Federal level, we are going to continue to be dominated by urbanized people who have no interest in agriculture except seeing the beans and the meat on the table at a price, and if we do not start that, and as a coach, the best defense I know of is a good offense, and we need to certainly move in this direction.

I think one thing that in regard to row crop farming as Mr. Putnam mentioned there that Congress could take a look at and I am not

adverse to our friends in the other States north of us here, tobacco production, flue cured tobacco, cigarette tobacco, that is, that there should be a floor on the number of acres that a farmer could produce, because this is the cash crop for this area, beginning in Jefferson County and going south through Alachua County. Some of them have one or two acres, and some of them have eight-tenth of an acre, and this is not economical for them to produce and that is what Mr. Putnam was talking about transferring a tobacco allotment.

I know that many farmers, for example, which is the old belt tobacco production will produce practically all of their entire farm on tobacco, and a small farm, and I think that the Florida market, particularly buying our tobacco for export and for tobacco grown in the Florida belt, type 14 tobacco, we call it, over North Carolina tobacco and the old belt tobacco, and another thing is, I think there should be some type of regulations so that the farmers who produce the tobacco in Florida and Georgia do not have to put up with the importation from North Carolina and South Carolina to the tobacco that comes in and takes up our selling time on our markets, because the quality of the tobacco they are bringing down is not the same type of tobacco, the same quality of tobacco that we produce in Georgia and Florida.

I think this is definitely a problem. It is a problem we have had before. We have been working on trying to reach an agreement. The tobacco industry, as you know, is controlled by North Carolina, South Carolina, and Virginia, and that is where all of the regulation is involved in here.

I think that we should be concerned as pointed out by Mr. Lee here, the big farmers are more able to take care of themselves than the small farmers who are producing the real food and fiber that goes on the table day in and day out and we have to look toward helping them as much as possible because gradually I think the small farmers are disappearing from the face of the earth in Florida and particularly probably throughout the United States.

Senator CHILES. Wayne, do you have anything to say?

STATEMENT OF WAYNE MIXSON, CHAIRMAN, AGRICULTURE COMMITTEE, FLORIDA HOUSE OF REPRESENTATIVES, MARIANNA, FLA.

Mr. MIXSON. I appreciate the opportunity to come here and I can probably make Senator Bellmon feel more at home because I am a peanut farmer, a hog farmer, and corn and soybeans, and those are the commodities that I know he is familiar with in Oklahoma.

I know that you are concerned. I have attended your Senate hearings in Washington and tried to help to "keep them down on the farm." In these days and times with the growing problems of urban areas we must double our efforts to try to make the rural area a little more attractive.

I don't see anything in the cards that is promising right now. Peanuts are running into problems with the new high yielding varieties and the great big nucleus of income for farmers in my area, is peanuts.

We have soybeans and they are not allotted, but this is a big farming type operation not adopted to small operations. This takes huge investments of big machinery, and massive acreage because you can-

not generate a lot of income on very small acreages that way. Cattle, is an inviting thing. It is interesting to us old cowboys, but here you are talking about money; big investments. We were talking about hogs but you have already heard from Mr. Putnam over there that this is not a too attractive situation in some areas.

Our efforts to feed cattle have not been overly successful, so I do want to commend you for looking beyond this.

Looking west of here in the four counties I represent, we are losing population. Many are unemployed and underpaid. Twenty years ago it took 30 man-hours to harvest an acre of peanuts. Today it takes 1 hour, and the people that were laborers on the peanut farms are on the lake or on the labor market in town. I meet them when I go to the migrant labor hearings in south Florida. I meet people that were in my county that are not there anymore because they are looking for greener pastures. They are not migrants as such. They are unemployed migrants in that they had to seek employment somewhere else; better times.

We must offer inducements to industrial economic development in the countryside, and not be put out of business with too restrictive pollution laws. These kind of things we must give investment credits or whatever kind of incentives, Senator, that will put us in business and divert this flow from the lower east coast and Miami where they say they don't want any more people.

My neighbor says when you are in a traffic jam that is 24 miles long in Miami, you cannot explain to any other person in Miami why you need one more person in Florida. They are going to come, though. You have made this effort and I hope we can tie it together with State legislation that will enable us to develop these rural areas and solve our problems while we are solving their problems, too.

We appreciate your coming very much. Thank you.

Senator CHILES. I thank you very much. Is there anything else that anybody has to give? We will be happy to hear it. If not we will adjourn and again I thank you very much for being with us today.

(Whereupon, at 2:30 p.m., the hearing in the above-entitled matter was closed.)



