

MARKET EXPANSION FOR POULTRY  
REMARKS BY SENATOR BOB DOLE  
AT THE ALABAMA POULTRY FESTIVAL, BIRMINGHAM, ALABAMA  
JUNE 3, 1978

IT IS A GREAT PRIVILEGE TO BE ASKED TO MAKE THIS KEYNOTE ADDRESS AT THE SILVER ANNIVERSARY OF THE ALABAMA POULTRY FESTIVAL OF THIS GREAT ASSOCIATION. TO HAVE RISEN TO ALABAMA'S NUMBER ONE AGRICULTURAL INDUSTRY -- OVER ONE-THIRD OF THE STATE'S FARM INCOME -- SHOULD GIVE YOU GREAT PRIDE. MOREOVER, ALABAMA IS A SIGNIFICANT PART OF THE \$7 BILLION NATIONAL POULTRY AND EGG INDUSTRY. YOU ARE PART OF THE MOST EFFICIENT AGRICULTURAL PRODUCTION AND MARKETING SYSTEM EVER DEVELOPED. YOU ARE AN ESSENTIAL ELEMENT IN MAKING THIS THE BEST FED NATION ON EARTH.

FROM SUNDAY TREAT TO LOW COST STAPLE

WHEN THIS POULTRY FESTIVAL FIRST BEGAN, CHICKEN WAS THE SUNDAY TREAT. NOW, BROILERS IN ELEGANT RESTAURANTS, SHORT-ORDER CAFES, CARRY-OUT FOOD ESTABLISHMENTS, IN THE HOME, AND ON THE GRILL IN THE BACKYARD ARE PART OF TODAY'S AMERICAN CULTURE.

TWENTY-FIVE YEARS AGO, AMERICANS LOOKED TO COUNTLESS BARNYARD FLOCKS TO PROVIDE THEM WITH CHICKEN FOR THE TABLE. REVOLUTIONARY CHANGES IN PRODUCTION AND MARKETING HAVE TRANSFORMED THE BARNYARD FLOCKS INTO THE MODERN EFFICIENT U.S. BROILER INDUSTRY. THESE CHANGES RESULTED FROM THE TEAMWORK OF YOUR INDUSTRY, THE STATE AGRICULTURAL EXPERIMENT STATIONS, AND THE U.S. DEPARTMENT OF AGRICULTURE. ESSENTIAL IN THIS TEAM EFFORT WAS THE OPPORTUNITY TO MAKE A DECENT PROFIT.

ADVANCES HAVE BEEN DIRECTLY RELATED TO RESEARCH DEVELOPMENTS AND TO MARKET OPPORTUNITIES. APPLICATION OF THESE DEVELOPMENTS CHANGED THE BROILER FROM AN EXPENSIVE SPECIAL OCCASION FOOD TO AN ABUNDANT LOW COST STAPLE THAT EVERYONE CAN AFFORD.

THE CHICKENS OF 1953, AND THE METHODS USED FOR GROWING THEM HAD LITTLE IN COMMON WITH THE BILLIONS OF BROILERS NOW PRODUCED EACH YEAR IN THE UNITED STATES.

THE STORY OF THE GROWTH OF BROILER PRODUCTION FROM SMALL BARNYARD FLOCKS TO THE ENORMOUS INDUSTRY OF TODAY IS PARALLELED BY A STORY OF SCIENTIFIC BREAKTHROUGHS MADE IN THE AGRICULTURE EXPERIMENT STATIONS.

TODAY'S BROILERS START AS DAY-OLD CHICKS FROM THE GIGANTIC INCUBATORS IN HATCHERIES THAT PRODUCE UP TO ONE MILLION OR MORE CHICKS A WEEK. TODAY'S BROILER IS FED BETTER, HOUSED AND CARED FOR BETTER IN MANY WAYS. IT IS ALSO A DIFFERENT BIRD GENETICALLY THAN 25 YEARS AGO.

POULTRY BREEDERS ARE STILL EXPERIMENTING WITH VARIOUS TYPES OF BREEDING AND CROSS-BREEDING. THEIR GOAL IS TO PRODUCE CHICKENS WITH EVEN BROADER BREASTS, THICKER DRUMSTICKS, FLATTER AND BROADER BACKS, UNBLEMISHED SKIN, AND NO GENERAL UNDESIRABLE CHARACTERISTICS, AT LEAST FEED COSTS. MORE OF THE MEATY PORTION WE ALL LOVE TO EAT IS THEIR CONSTANT GOAL.

THEY CREATED A BARNYARD REVOLUTION, AND CHANGED MEAT-TYPE CHICKS. THEY PROVED THAT MUCH IMPROVED CHICKENS FOR TABLE USE COULD BE PRODUCED ECONOMICALLY AND PROFITABLY. THEY REDUCED THE COSTS OF PRODUCING CHICKENS. THEY LOWERED FEED COSTS, GOT SHORTER GROWING PERIODS, AND MORE MEAT.

THE ACCEPTED NATIONAL FEED CONVERSION RATIO WAS FOUR POUNDS OF FEED TO ONE POUND OF CHICKEN, 25 YEARS AGO. NOW IT IS ABOUT TWO POUNDS OF FEED TO ONE POUND OF CHICKEN. IT REQUIRED 14 TO 18 WEEKS TO PRODUCE A CHICKEN THAT WEIGHED FOUR POUNDS. TODAY A FOUR-POUND CHICKEN IS RAISED IN LESS THAN NINE WEEKS. I UNDERSTAND THAT ONE BELTSVILLE SCIENTIST HAS STATED THAT HE WILL NEVER BE HAPPY UNTIL HE FINDS A WAY TO HATCH A THREE POUND CHICK!

POULTRY BREEDERS AND RESEARCH WORKERS AT LAND-GRANT UNIVERSITIES ARE CONTINUING THEIR EFFORTS TO PROVIDE BETTER BROILERS AT MORE ECONOMICAL PRICES. THE CONSUMER CONTINUES TO ENJOY THEIR SUCCESSES.

## POULTRY PROGRESS - A DRAMATIC STORY

IT'S A DRAMATIC STORY -- THE STORY OF THE SCIENTIFIC BREEDING OF A BETTER CHICKEN FOR AMERICAN TABLES AND FOR TABLES ALL OVER THE WORLD.

JUST AS DRAMATIC ARE THE FEEDING DISCOVERIES THAT MAKE THE DIETS OF TODAY'S CHICKENS MORE NUTRITIOUS AND MORE EFFICIENT. YOU ARE PART OF A CONTINUING DRAMA OF IMPROVEMENT AND EFFICIENCY.

JUST THINK OF A BILLION-DOLLAR SAVING THROUGH JUST ONE PIECE OF AGRICULTURAL RESEARCH! THAT'S AN ESTIMATE OF THE WORLDWIDE ECONOMIC VALUE OF A VACCINE TO PROTECT POULTRY AGAINST NEWCASTLE DISEASE. THE VACCINE WAS DEVELOPED AT THE VIRGINIA AGRICULTURAL EXPERIMENT STATION. WHAT A PAY-OFF FOR RESEARCH!

I NOTE WITH GREAT INTEREST THAT 1978 WILL BE A RECORD LARGE BROILER PRODUCTION YEAR, ENCOURAGED BY STRONGER BEEF AND HOG PRICES. THE BROILER INDUSTRY, WITH ITS QUICK TURNOVER TIME FOR PRODUCTION RESPONSE, IS REACTING TO STRONGER RED MEAT PRICES. LAST FALL, BROILER PRODUCTION WAS UP ONLY 3 PERCENT, BUT IT WAS UP AROUND 8 PERCENT DURING JANUARY-MARCH. REPORTS ARE THAT ALL EGGS FROM THE BROILER HATCHERY SUPPLY FLOCKS ARE BEING UTILIZED. BROILER OUTPUT FOR THE REST OF THE FEEDING SEASON WILL LIKELY AVERAGE ABOUT 7 PERCENT MORE THAN LAST YEAR.

## EXPORT EXPANSION NEEDED

THESE BILLIONS OF BROILERS HAVE IMPROVED THE LEVEL OF NUTRITION IN THE UNITED STATES. NOW YOU ARE GOING AFTER THE INTERNATIONAL MARKETS.

I AM MUCH IMPRESSED BY THE ACTIVITIES OF THIS INDUSTRY IN THE EXPORT AREA. EACH YEAR FOR THE LAST 6 YEARS, POULTRY AND EGG EXPORTS HAVE ATTAINED NEW RECORDS. EXPORTS IN 1977 AT \$283 MILLION WERE MORE THAN 3 TIMES THE LEVEL OF 1972. YOU HAVE OVERCOME CONTAINER STRIKES, INCREASED PRODUCTION IN COMPETING COUNTRIES, CONTINUED LIMITED ACCESS TO THE EUROPEAN ECONOMIC COMMUNITY -- GOVERNMENT SUBSIDIZED COMPETITION FROM THE EEC AND BRAZIL.

THESE CONTINUALLY EXPANDING EXPORTS HAVE INCLUDED "BOOM AND BUST" YEARS ON THE DOMESTIC MARKET. THE U.S. POULTRY AND EGG INDUSTRY HAS ADOPTED A NEW APPROACH TO FOREIGN MARKETS. AN INCREASING NUMBER OF FIRMS ARE INCLUDING THE CONCEPT OF EXPORTS ON A PROFITABLE BASIS IN THEIR MARKETING PLANS. YOU CAN AND MUST DO EVEN BETTER AS A CUSHION OF A POSSIBLE "BUST" YEAR DOMESTICALLY. YOUR GOVERNMENT MUST DO BETTER IN KEEPING DOORS OPEN THAT YOU HAVE UNLOCKED. I SHALL COME BACK TO THIS MATTER SHORTLY.

THE MAJOR EXPORT OUTLET FOR POULTRY AND EGG PRODUCTS IN 1977 WAS JAPAN AT \$51 MILLION WORTH -- 70 PERCENT OVER 1976. THIS ISLAND NATION LOOKS GOOD AS A GROWTH MARKET WITH ONLY ONE PROVISIO. WILL THE GOVERNMENT OF JAPAN LIMIT CONTINUED ACCESS?

THE OTHER LEADING EXPORT MARKETS IN 1977 WERE CANADA, \$41 MILLION; THE CARIBBEAN \$31 MILLION; EEC, \$30 MILLION, AND HONG KONG \$26 MILLION.

THE VALUE OF EXPORTS TO THE CANADIAN MARKET FELL BY 19 PERCENT FROM THAT OF 1976, AND SHIPMENTS TO THE EC WERE OFF 15 PERCENT. HOWEVER, U.S. EXPORTS TO THESE MARKETS ARE STRONGLY AFFECTED BY TRADE BARRIERS AND, THEREFORE, THE DROP IN EXPORTS TO THESE MARKETS DID NOT REFLECT THE TRUE NEEDS OF THESE MARKETS. EXPORTS OF EGGS AND EGG PRODUCTS TO CANADA ARE SUBJECT TO QUOTAS, WHILE ENTRY OF ALL POULTRY AND EGG PRODUCTS -- EXCEPT FOR PREPARED ITEMS -- INTO THE EC IS SEVERELY LIMITED BY THE HIGHLY RESTRICTIVE EC IMPORT SYSTEM. HOWEVER, PREPARED ITEMS SHIPPED TO THE EC ARE BOUND UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE AT 17 PERCENT AD VALOREM DUTY, AND OUR SHARE OF THESE PRODUCTS CONTINUED TO INCREASE.

WE HAVE A NOTABLE SITUATION IN WEST GERMANY WHICH IS THE WORLD'S LARGEST POULTRY IMPORTING NATION -- 50 PERCENT OF ITS CONSUMPTION. NEVERTHELESS, THEY ARE COMPETING WITH YOU IN EXPORTING WHOLE BROILERS TO THIRD COUNTRIES WITH AN EXPORT SUBSIDY OF ABOUT 10 CENTS PER POUND AT TIMES IN 1977.

BUT YOU HAVE THE GUTS TO PERSIST, IN SEEKING NEW EXPORT OUTLETS AND INTRODUCING NEW PRODUCTS INTO ESTABLISHED MARKETS. HOWEVER, EXPORT SUBSIDIES FROM THE EEC AND BRAZIL MAKE IT TOUGH FOR FREE ENTERPRISERS WHO MUST COMPETE WITH THE GOVERNMENT TREASURIES AND OTHER RESTRICTIONS ON EXPORTS. THEY ARE KEEPING YOU FROM REACHING YOUR FULL POTENTIAL IN AN AREA WHERE YOU HAVE A GREAT COMPARATIVE ADVANTAGE.

## TRADE NEGOTIATIONS IMPORTANT

RIGHT NOW, IN GENEVA, REPRESENTATIVES OF 90 NATIONS ARE GATHERED IN AN EFFORT TO ACHIEVE A MORE LIBERAL WORLD TRADE SYSTEM. THE MAIN GOAL, AS DEFINED IN THE TOKYO DECLARATION THAT OFFICIALLY OPENED THESE NEGOTIATIONS IN SEPTEMBER, 1973, IS TO:

"--ACHIEVE THE EXPANSION AND EVER-GREATER LIBERALIZATION OF WORLD TRADE AND IMPROVEMENT IN THE STANDARD OF LIVING AND WELFARE OF THE PEOPLE OF THE WORLD, OBJECTIVES WHICH CAN BE ACHIEVED THROUGH THE PROGRESSIVE DISMANTLING OF OBSTACLES TO TRADE AND THE IMPROVEMENT OF THE INTERNATIONAL FRAMEWORK FOR THE CONDUCT OF WORLD TRADE."

WHILE THESE ARE NOBLE INTENTIONS, WE ARE NOW FACING FORMIDABLE OBSTACLES TO THEIR ACHIEVEMENT.

A FEAR OF FUTURE FOOD SHORTAGES IS ENCOURAGING NEW AND SOMETIMES QUESTIONABLE POLICIES OF SELF-SUFFICIENCY.

THE HIGH PRICE OF PETROLEUM HAS BROUGHT A REVIVAL OF PROTECTIONIST FEELING IN ALMOST EVERY TRADING COUNTRY.

THE GROWTH IN REGIONAL ORGANIZATIONS HAS, UNFORTUNATELY, ENCOURAGED TRADE RESTRICTIONISM WITHIN BLOCS OF COUNTRIES.

DEVELOPING COUNTRIES ARE LOOKING FOR PREFERENTIAL TREATMENT IN TRADE -- WITHOUT WISHING TO GIVE UP ANYTHING IN RETURN.

THERE WILL BE DIFFICULTIES IN GETTING A DRAMATIC BREAKTHROUGH IN TRADE LIBERALIZATION. NEVERTHELESS, WE MUST AND WILL SUCCEED. THIS IS A TRADE NEGOTIATION THAT MAY SET PATTERNS IN WORLD TRADE FOR THE REMAINDER OF THIS CENTURY. THAT'S HOW IMPORTANT IT IS.

IN A MAY 18, 1978 SPEECH, AMBASSADOR WOLFF OF THE OFFICE OF SPECIAL TRADE REPRESENTATIVE SAID:

"FIRST, WE SHOULD ACHIEVE TANGIBLE RESULTS IN THE TOKYO ROUND BY REDUCING TARIFF AND NON-TARIFF BARRIERS, AS WELL AS BY ACHIEVING ADDITIONAL DISCIPLINES ON THE USE OF SPECIFIC EXPORT SUBSIDIES. TANGIBLE RESULTS CAN TAKE THE FORM OF REDUCED TARIFFS, EXPANDED QUOTAS, LIBERALIZED LICENSING SYSTEMS, AND THE REMOVAL OF STANDARDS DESIGNED AS BARRIERS TO TRADE, TO NAME A FEW CONCRETE EXAMPLES.

"THE QUESTION OF EXPORT SUBSIDIES MUST ALSO BE ADEQUATELY DEALT WITH. EXPORT SUBSIDIES, IN PARTICULAR, HAVE BEEN A LONG-STANDING PROBLEM IN THE TRADE OF PRIMARY PRODUCTS. THE SUCCESSFUL NEGOTIATION OF A CODE WHICH WOULD DISCIPLINE THE USE OF EXPORT SUBSIDIES FOR AGRICULTURAL COMMODITIES, WOULD PROVIDE, IN MY VIEW, A NECESSARY ELEMENT FOR A SUCCESSFUL TOKYO ROUND PACKAGE."



A SENSE OF URGENCY IS NECESSARY

IT APPEARS TO ME THAT THIS EXPORT MATTER SHOULD DEMAND MORE AND MORE OF YOUR ATTENTION IN THE PERIOD IMMEDIATELY AHEAD. I URGE YOU TO EXAMINE SECTION 301 OF THE 1974 TRADE ACT UNDER WHICH THE PRESIDENT IS AUTHORIZED TO RETALIATE AGAINST FOREIGN COUNTRIES WHICH USE EXPORT SUBSIDIES IN AN AGGRESSIVE MANNER TO OBTAIN MORE THAN ITS FAIR OR EQUITABLE SHARE OF THE WORLD POULTRY MARKET. WE ARE TALKING ABOUT EXPORTS TO THIRD COUNTRIES. I URGE YOU TO MAKE THE IMPORTANT POINTS OF LOST MARKETS DUE TO EXPORT SUBSIDIES AND OTHER TECHNIQUES QUICKLY TO YOUR CONGRESSIONAL REPRESENTATIVES -- ESPECIALLY MEMBERS OF THE SENATE FINANCE COMMITTEE AND THE HOUSE OF REPRESENTATIVES WAYS AND MEANS COMMITTEE.

THE REASON FOR THE URGENCY IS THAT THE EXECUTIVE BRANCH NEGOTIATORS MUST BE MADE TO UNDERSTAND THAT THEY HAVE A DUTY TO RESOLVE YOUR PROBLEMS IN GENEVA IN THIS TOKYO ROUND.

THIS IS A PERIOD WHEN WE TALK ABOUT BOTTOM LINES. ALL YOU ARE REALLY ASKING OF YOUR GOVERNMENT IS TO CLEAR THE WAY SO THAT YOU CAN COMPETE ON A FREE AND FAIR BASIS ON THE POULTRY AND EGG MARKETS OF THE WORLD.

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### INFLATION RATE INCREASING

UNFORTUNATELY, A BALANCED INTERNATIONAL TRADE POLICY IS ONLY ONE OF THE CHICKENS THAT HAVE YET TO COME HOME TO ROOST FOR YOUR INDUSTRY. THERE ARE A FLOCK OF OTHER CHICKENS WHICH ARE "FOWLING" UP THE WORKS FOR YOUR INDUSTRY AND FOR BUSINESSMEN AND WOMEN EVERYWHERE.

INFLATIONARY COST PRESSURES CONTINUE TO TROUBLE BOTH INDIVIDUALS AND BUSINESSES. HARD WORKING LOW AND MIDDLE INCOME FAMILIES ARE FINDING IT HARDER AND HARDER TO COPE WITH THE EVER-ESCALATING COST OF LIVING. AND BUSINESSES FIND BUDGETING DIFFICULT BECAUSE GOVERNMENT-INDUCED INFLATION CONSTANTLY INCREASES THE COST OF MAKING A PROFIT. WITH INFLATION NOW RUNNING IN DOUBLE DIGIT LEVELS ONCE AGAIN, IT'S HARD TO BELIEVE THAT AT THE END OF 1976 PRESIDENT FORD HAD ACTUALLY BEATEN INFLATION DOWN TO LESS THAN 5% A YEAR.

ALL OF THE SIGNS POINT TO CONTINUING INFLATIONARY PRESSURES IN OUR ECONOMY. AND THERE IS LITTLE REASON TO BELIEVE THAT THE GOVERNMENT WILL BE DOING ANYTHING SUBSTANTIAL TO EASE THESE PRESSURES. INSTEAD, THERE WILL BE CONTINUING CALLS FOR INCREASING THE ALREADY BURDENSOME LEVEL OF GOVERNMENT REGULATION AND REDTAPE -- REGULATIONS WHICH TOOK OVER 70,000 PAGES IN THE FEDERAL REGISTER LAST YEAR ALONE -- REGULATIONS WHICH ARE COSTING BUSINESS AND THE AMERICAN CONSUMER OVER \$100 BILLION EACH YEAR IN ADDED PRODUCT COSTS.

### TAXES RISE WITH INFLATION

AND AS INFLATION RISES, BOTH YOUR PERSONAL AND BUSINESS TAXES WILL ALSO RISE. ON THIS FRONT, AT LEAST, I THINK CONGRESS IS FINALLY GETTING THE MESSAGE -- THAT TAXES ARE TOO HIGH, THAT BOTH BUSINESS AND INDIVIDUALS NEED TAX REDUCTIONS IF OUR ECONOMY IS TO GROW. YOU SHOULD BE ESPECIALLY PLEASED THAT A CONSENSUS MAY BE EMERGING IN THE CONGRESS TO SUBSTANTIALLY PARE BACK THE RATE OF TAXATION ON CAPITAL GAINS AND THAT THERE IS WIDE BIPARTISAN SUPPORT IN CONGRESS FOR INDIVIDUAL TAX CUTS.

BUT IF THE PROSPECTS FOR TAX RELIEF ARE PROMISING, SO, TOO, ARE THE CHANCES FOR PASSAGE OF THE ADMINISTRATION'S SO-CALLED "LABOR REFORM BILL", A ONE-SIDED PIECE OF LEGISLATION DESIGNED TO PROMOTE THE INTEREST OF UNION LEADERS AT THE EXPENSE OF THE RIGHTS AND FREEDOMS OF INDIVIDUAL UNION AND NON-UNION WORKERS AND THEIR EMPLOYERS.

#### LABOR BOSSES ARE ACTIVE

ORGANIZED LABOR LEADERS ARE DESPERATE FOR A VICTORY. UNION MEMBERSHIP HAS DROPPED TO 25% OF THE NON-FARM LABOR FORCE. UNIONS LOST MORE THAN HALF OF ALL CERTIFICATION ELECTIONS LAST YEAR. BUT DOES THAT JUSTIFY SO-CALLED "REFORMS" WHICH WOULD MAKE GOVERNMENT THE ENFORCER OF UNION DEMANDS? I DON'T THINK UNION BOSSES SHOULD GO OVER THE HEADS OF THE WORKING MEN AND WOMEN OF THIS NATION BY PUSHING ILL-CONCEIVED LEGISLATION WITH ONLY ONE GOAL IN MIND: TO MAKE ORGANIZING IN NON-UNION STATES SUCH AS ALABAMA EASIER FOR LABOR LEADERS.

So, I URGE YOU, THE LEADERS OF THE POULTRY AND EGG INDUSTRY, TO GET INVOLVED, TO EXPRESS YOUR VIEWS NOT ONLY ON LEGISLATION AND REGULATION DIRECTLY AFFECTING YOUR INDUSTRY, BUT ON ALL GOVERNMENTAL POLICIES WHICH AFFECT THE GROWTH OF OUR ECONOMY AND THE FREE ENTERPRISE SYSTEM. YOUR INDUSTRY HAS COME A LONG WAY. IT HAS BETTERED THE LIVES FOR PEOPLES IN AMERICA AND THROUGHOUT THE WORLD. YOU HAVE HELPED MAKE THIS NATION'S FOOD POWER A MAJOR WEAPON IN WINNING THE BATTLE FOR HEALTH AND COMFORT THROUGHOUT THE WORLD. AMERICAN AGRICULTURE HAS BECOME A MAJOR WEAPON FOR PEACE AROUND THE GLOBE.

MANY CHALLENGES TO YOUR INDUSTRY, AND TO BUSINESS GENERALLY, LIE AHEAD. WE NEED YOUR HELP IN SHAPING POLICIES WHICH PROMOTE A HEALTHY POULTRY INDUSTRY AND FURTHER SECURE THE FOUNDATIONS OF THE FREE ECONOMY UNDER WHICH WE ALL CAN PROSPER.