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DOLE, MC GOVERN REQUEST HEARINGS ON BEEF RESEARCH

WASHINGTON, D.C. -- Senators Bob Dole and George McGovern today urged Agriculture Committee Chairman Herman Talmadge to schedule hearings on human nutrition research as it relates to the cattle and beef industry. Following is the text of their letter to Talmadge:

Since our earlier discussion and exchange of correspondence, we are now prepared to offer specific topics which we consider to be important in the oversight hearings on the current situation and future of the U.S. beef cattle industry before the Senate Committee on Agriculture, Nutrition and Forestry.

Prices continue to be depressed throughout the beef cattle industry. There has been some improvement in calf prices, but they remain below the cost of production. Hopefully, the liquidation phase which has been occurring the past three years will stabilize and help raise beef cattle prices. We believe it to be extremely important that the cyclical nature of the cattle business be explored in the hearings.

Related to this is an apparent drop on the demand side. We are told that the percentage of net disposable income spent for beef had maintained itself at 2.5% since World War II. Beginning the third quarter of 1976, however, this figure dropped to about 2.2% and has remained there. No one seems to know exactly why, but we think that we might be able to learn some good answers during the course of the oversight hearings.

One of the most critical areas of need in the cattle and beef industry is human nutrition research. The industry had hoped to expend a large share of its own money if the referendum to create a Beef Board had passed. Since this is not the case, we feel strongly that an intensified effort should be set by the USDA to fill this need so that the questions of cardiovascular disease and colon cancer can be resolved. We believe we have to know what impact this will have on the future of the beef cattle industry.

The marketing of live cattle has changed dramatically in recent years. Most cattle are sold directly to slaughterers and feedlots. The meatpacking business has changed. They no longer operate at the large terminal markets, but have instead built plants closer to cattle supplies. Boxed beef has become a large part of the beef business and this has had an impact on cattle prices. We need to learn more about it.

Although we know that Senator Leahy's Subcommittee is going to have a hearing on antibiotics, the recent actions and statements by the Food and Drug Administration cast a shadow over future use of animal drugs. This needs to be covered in the hearings.

What we have outlined are only a few of the subjects that will unquestionably be touched upon. It is our hope that the hearings can be held in the first part of October. We suggest the dates of October 10, October 12 and possibly October 14, depending on the number of witnesses who desire to testify.

We would be pleased to learn of your reaction to this suggestion.