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Food Legislation

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There likely will not be a major omnibus farm bill for 1979; however the agricultural committees of the 96th Congress will deal with a wide range of issues and problems affecting both producers and consumers

Sugar

The attempt to pass sugar legislation will resume following the defeat of the Sugar Stabilization Act in the last moments of the 95th Congress. The major issues will be the economic viability of a domestic sugar and corn sweetener industry, the International Sugar Agreement (ISA), and market prices for sweeteners.

There is a general agreement among interested parties of the need for U.S. ratification of the ISA, which is aimed at stabilizing world sugar prices. Senate ratification of the ISA will be sought early in the new Congress. Administration officials and interested groups have been meeting to work out differences so that legislation can be presented with broad support. In the absence of new legislation, the President and the Secretary have the authority to adjust (within limits) import fees, change the current nonrestrictive import quota, maintain a price-support loan program, make market purchases of sugar, and reinstitute a payments program.

On the first day of the 96th Congress, Mr. McClure (R-Idaho) introduced Senate bill 17, the Sugar Act of 1979. Its stated purpose was to provide for and maintain the continued existence of a viable U.S. sugar industry.

Meat

The President vetoed a countercyclical meat import bill passed by the last Congress. The Administration favored the countercyclical feature but opposed the legislation because it curbed the President's authority to suspend the quota under certain conditions. The legislation also contained an unacceptable revision of the procedure for determining quota limits.

Under the Meat Import Act of 1964, the quota for fresh, chilled, and frozen beef, veal, mutton, and goat meat is tied by a formula directly to the domestic production of the same types of meat. The Act keeps imports of meat subject to the law to between 6.3 and 8.6 percent of

domestic production of similar meat. As was intended, imports have increased gradually along with domestic production to keep pace with the demand for meat from an expanding population.

However, import quotas also parallel sharp fluctuations in domestic beef production caused by the U.S. cattle cycle. Consequently, quotas are highest when domestic beef production is high, supplies are abundant, and prices are low. Quotas are lowest when domestic production is low, supplies are reduced, and prices are high. Therefore, although the formula provides for steady growth in the quota over long periods of time, it fluctuates with the U.S. market within the shorter time frame of a single cattle cycle, an average of 10 years.

The level at which the United States limits imports directly affects the marketing of cattle in foreign countries, primarily in Australia and New Zealand. A countercyclical adjustment of U.S. quotas could influence those nations to alter their present cattle production cycle—which now almost parallels the U.S. cycle. On the first day in session, Senators Pressler (R-S.D.) and Bensten (D-Tex.) introduced Senate bill 32 and Senate bill 55, respectively, to modify the method of establishing quotas on the importation of certain meat, and to include certain meats within such quotas.

To put things into finer perspective, the United States imports from 7 to 8 percent of its domestic beef production. Very little of it is grain-fed beef and most is used in hamburgers and other ground beef products such as pizza and chili. The United States also imports some processed, or cooked beef, most of it from Latin America.

The Administration will probably continue to support a countercyclical meat import bill if it assures maintenance of a minimum import quantity consistent with U.S. international trade obligations and maintains Presidential authority to suspend quotas if supplies under the quota are inadequate. Cattle producers want the minimum level of imports as low as possible and would like to see curbed the President's authority to suspend the quotas.

Dairy

Legislation supporting the price of

milk at a minimum of 80 percent of parity expires October 1, 1979, when the minimum support price reverts to 75 percent under permanent legislation. This raises the issue of the actual level at which milk will be supported after October 1.

The Food and Agriculture Act of 1977 raised the minimum support price for milk from 75 to 80 percent of parity for a 2-year period. It also required the support to be adjusted semiannually, through March 1981, to reflect the estimated change in the parity index. The semiannual adjustment must occur on April 1 of each year. Without new legislation, the minimum support level will automatically revert to 75 percent of parity on October 1, 1979. The Secretary of Agriculture can again establish supports at a level between 75 and 90 percent of parity.

The major issues concerning the price support decision relate to the level and stability of producer prices and incomes, consumer expenditures, and Government costs of Commodity Credit Corporation price support activities. Additional issues now include the Administration's fight against inflation and the negotiation of overall international trade agreements.

The Administration has not yet adopted a firm position, although Esther Peterson, President Carter's consumer affairs adviser, has suggested the lower support as a possible option for moderating food price increases. However, the producer position is quite clear. At the recent annual meeting of the National Milk Producers Federation, the board of directors passed a resolution advocating an amendment to the Agricultural Act of 1949 "... to support the price paid ... at a minimum of 80 percent of parity through September 30, 1981." Legislation to accomplish this has already been introduced.

Food Aid

Food aid interest will focus on lifting the food stamp authorization cap because of rising food prices, and on standardizing and integrating procedures of the various welfare programs.

Only minor legislative proposals affecting food aid are anticipated. They include: (1) standardization of the na-



tional minimum cash standard with a combination of food stamps and Aid for Families with Dependent Children (AFDC) cash benefits; and (2) standardization of the income-asset determination procedures for recipients of food stamps, AFDC, and other aid programs.

Food Commission

Widespread public concern about rising food prices likely will provide the incentive for Congressional inquiries on food industry costs, pricing practices, and profits.

Public concern over rising food prices in the past has generally resulted in the introduction of Congressional legislation requiring an extensive investigation of food chain costs and profits. And this year, legislation for a national food commission to conduct such an inquiry could receive more than normal attention because of the recently higher food prices.

Additional Congressional hearings on meat pricing practices and the role of the "Yellow Sheet" in setting and reporting prices are likely. Also the Fair Meat Reporting Act, with some revisions, will apparently be reintroduced for enactment in the House of Representatives.

Interest is growing in the Congress on the subject of pricing practices used by firms engaged in marketing other non-meat foods. This could result in additional legislative proposals to end what

are considered to be deceptive and unfair practices.

Nutrition and Labeling

Debate on nutritional labeling, education, and guidelines will continue in 1979. The labeling debate will focus on presenting nutritional information in a form more easily used. As consumers increase their plea for nutrition education materials, there could be more pressure to sponsor research to develop the needed information. This is likely to initiate additional debate on research needs, appropriations, and organization of Government agencies to conduct any authorized program. Debate over the validity and impacts of the controversial nutritional guidelines published recently will continue.

Early in this new session, a "Consumer Nutrition Information Act" could be introduced, according to one of the sponsors of such legislation in the last Congress, Rep. Margaret Heckler (R-Mass). The measure would, among other things, establish a National Nutrition Education Council that would be charged with reviewing nutrition education efforts of various Federal agencies. It also would be expected to make recommendations for coordinating and improving these programs. In the last Congress, the proposal was approved by the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition—but that's as far as it got.

Bills will be introduced again in Congress to mandate "open dating," "unit pricing," and ingredient and nutritional labeling. But there is little likelihood of hearings or enactment.

A revision in net weight labeling standards for meat and poultry proposed by USDA will be the subject of further study and debate—focusing on the question of cost effectiveness.

Food Safety

Evidence implicating certain pesticides, animal drugs, and food additives as potential human carcinogens or toxic agents continues to concern lawmakers, as does the effect of restricting their use. Existing statutes and regulations are perceived, generally, as coping rather ineffectively with these tradeoffs.

Uncertainty about the importance of saccharin, sodium nitrite, food additives, DES, and furazolidone animal drugs as carcinogenic agents will provoke further debate on the merits of the proposals to ban or restrict their use. Economic losses from implementation of such proposals are thought to be large by many. Some are concerned that the costs may not be offset by benefits in the form of lower medical costs from a reduction in the incidence of cancer and other diseases. The problem is further complicated because some suspected additives are currently used to prevent outbreaks of other diseases. The uncertainty could result in Congressional attempts to extend the use of some of these agents as was the case with saccharin.

The exact nature of the Delaney clause of the Food, Drug and Cosmetic Act is the source of much of the current controversy. Attempts could be made to amend it. The debate would probably focus on amending the "zero tolerance" feature to one of "acceptable risk" in the use of food additives and animal drugs. Attempts to define acceptable risk could prove difficult.

Regulatory efforts to curb the widespread use of antibacterials as feed additives to stimulate animal growth will continue. Administrative hearings on existing and additional proposals will be held by the Food and Drug Administration and could spark further debate on the need for control measures. Strong opposition by groups with a vested interest could prevent implementation this year.

Criticism of the efficiency and effectiveness of USDA meat and poultry inspection and residue monitoring programs could provide the incentive for Congressional debate on needed changes. High costs and reservations about the adequacy of existing inspection techniques are the issues. Complaints about the residue program include inadequate sampling and coverage of potentially hazardous chemical residues, testing procedures, lack of on-farm quarantine authority, and lack of a mandatory animal identification law. Attention will focus on reducing the widespread violative level of sulfa residues in pork and antibiotic residues in dairy cow carcasses during 1979. ■