

Agriculture's Challenge in Florida

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We in the Florida Department of Agriculture and Consumer Services share a concern with you that has become even more critical with the recent trend to higher food prices. We, like you, are concerned that the public have access to an adequate food supply that is wholesome, nutritious and palatable. Unfortunately there are a few who would take shortcuts in this area to help offset higher prices which result in consumer resistance at the supermarket. We cannot allow this to happen because substandard foods at any price are not bargains. And I think the consumer would agree with us on that point.

INSPECTION

We have inspectors in the field who constantly monitor the quality of foodstuffs offered for sale in Florida. On-site inspections in slaughter-houses, packing plants and in supermarkets help insure that consumers have access to the quality food items that they have come to expect. We also certify scales and other weighing devices so that the purchasing public is sure to receive the correct quantities that they are paying for.

In addition to our on-site inspections, we have road-guard checkpoints which have been strategically placed on the major highway routes coming in and going out of the state. Inspectors at these stations serve many important functions and high on the list of these duties is to make sure that agricultural shipments to and from Florida are certified disease-free.

Our dairy inspection station located on I-75 rejected a total of 40 tanker loads of milk destined for consumption here in Florida during 1978. With nearly 2900 tankers coming through the station that year, you might feel that the 40 tankers that were rejected represent an insignificant number, roughly 1.4%. However, had our inspectors not been there to turn those trucks around, approximately 220,000 gallons of substandard milk would have been offered for sale on the grocery shelves in Florida. To me that figure is not insignificant. Hopefully the day will come when we are not forced to reject any milk shipments coming into the state. Technological advances coupled with industry awareness that Florida will not accept shipments of substandard dairy products may some day bring us closer to that goal.

As should be obvious from the remarks I just made, Florida is forced to rely on domestic milk imports to meet the consuming needs of its citizenry. I believe Florida's

dairy industry has responded to the challenge of meeting this demand by maximizing in-state production and using milk from other states to see that the total dairy needs of the state are met. We currently import about 6% of our total consumption, but this figure is expected to rise, primarily due to a rapidly-expanding population. With cooperation of everyone involved, from producer to consumer, I remain confident that Floridians will continue to have adequate supplies of milk and other dairy products at prices that are fair.

AGRICULTURE IN THE NATIONAL ECONOMY

Despite some of the problems that all of us in the agricultural sector have faced recently, I still believe that American agriculture can be a major force in improving and then stabilizing the economy of our nation. In the 7 months from October, 1978 through April, 1979 our agricultural trade balance showed a surplus of \$9.1 billion. At the same time, our non-agricultural trade balance showed a deficit of \$22.4 billion. This comes to a total trade deficit of \$13.3 billion. Hence American agriculture is doing more than its fair share for this country in the international trading arena. I firmly believe that the major challenge facing both American and Florida agriculture is to do more business on the export market. We have the production capabilities and the market for our farm products is there. We must not let any past political or ideological differences stop us from fostering these markets.

A few months ago I hosted a group of 21 high-level representatives of the People's Republic of China who were here for a 6-day agricultural tour of our state. They had a real interest in our technology but no less an interest in our agricultural products. Now the People's Republic of China is by no means a wealthy country, but I suspect that they have something much more valuable than currency with which to barter. I think they have oil. As a matter of fact, I think they have lots of oil. What they lack is the technology to explore for and discover the oil. We have the technology to find that oil, and we also have the meat, corn, citrus, phosphate and a host of other products that we can trade them for that oil. It's a possibility that I feel is worth pursuing, especially when we are now enjoying such amiable relations with China. If we don't at least explore those possibilities, it may be something we will severely regret 10 years from now. Let's face it; until we more fully develop alternative

forms of energy, we're going to be highly dependent on foreign oil. If we can replace the money that goes to purchase it with agricultural products, we may some day soon see our balance of payments climb out of the red. In the context, I think food for crude is a reasonable alternative.

ENERGY PROBLEMS

Let me briefly bring you up to date on transportation and related energy problems that have troubled us here in Florida and have significantly contributed to rising food prices. Although I will concentrate on the Florida situation, it should become obvious to you that it is reflective of a more extensive national problem.

Transportation tie-ups in May and June clearly illustrate the problem facing the food industry and consumers in Florida and throughout the United States. Without adequate, reliable transportation, both the Florida farmer and the national consuming public suffer.

The transportation problems affecting Florida agricultural have national implications since most of our fresh fruits and vegetables go to market outside our state. Because of this, what happens in other States and on a national level will have profound effects.

The strike by regulated, organized truckers early this spring, followed by the shutdown of independent haulers of exempt commodities later, presented problems that could not be resolved solely within our State. National remedies must be forthcoming if such actions to halt the flow of food from producing areas to consumers are to be avoided in the future.

One of the complaints of independent haulers during their shutdown was that other States have weight and length restrictions on trucks that haul exempt produce. Other complaints were the sudden rise in costs of diesel fuel, restrictions on backhauls and inflexibility of State regulation on rates.

To seek a solution to the conflict of interstate regulation, I have called on those States with significantly different weight and trailer length regulations to offer legislative relief. Alternatively, I have sought to establish interstate highway corridors on which State regulations would not apply. Federal interstate highways in other States should have the same cargo-carrying capacity as Florida interstates.

Deadhead returns of truck combinations add to the rising cost of transporting Florida crops. Where such regulations no longer serve any useful or rational purpose, they should be reduced or eliminated to facilitate backhauls and spread the cost of the round trip.

Expansion of the agricultural exemptions on cargo to include farm production input items such as fertilizer, feed, seed and implements would give exempt haulers more flexibility in scheduling routes over which they must travel on the return trip to producing areas. This would ease the backhaul problem tremendously.

Each dollar a consumer spends in a supermarket for

food includes about 60 cents for marketing; the farmer's share is now about 40 cents. Transportation is a major and increasing component of the marketing cost of food, and present and future fuel shortages and rising costs will make the transportation component even more important in the ultimate price of food.

If retail food prices rise from 12 to 15% this year, it is not likely that the farmer's share of the consumer food dollar will increase, since the cost rise will be attributable to the increased cost of hauling, handling and associated inputs. Included in the mix of price increases affecting the retail price of food at the supermarket are higher prices for tractor-trailer combinations, higher insurance rates to cover the more expensive equipment, wage increases for drivers and such hidden costs as product losses through transportation failures due to misallocations of diesel fuel.

The Florida food industry's dependence upon truck transportation is evidenced by the losses incurred in the late June shutdown by watermelon growers in North Florida. Conservative estimates of farmer losses ran to about \$1 million. Losses to farmers and shortages in the supermarket would have been much greater if the truck shutdown had occurred during the vegetable harvest season in South Florida.

Florida shipments to major markets throughout the Eastern U.S. are almost totally dependent today upon trucks, while as recently as 1968, about 25% of the fresh commodities were shipped by rail. The railroads have given up the fresh produce traffic for a number of reasons, including the former abundance and relative low cost of diesel fuel and the increased convenience of trucks to shippers.

However, the truck strike and refusal of exempt haulers to move cargo clearly illustrates the dangers to our food industry of an unbalanced transportation system. In my view, high priority must be given to a national effort to encourage railroads to put modern refrigerated equipment into use and regain its position as a major transporter of perishables. The recent deregulation of railroad shipment of fresh commodities is a step in the right direction, although it must be admitted that rates for rail shipments rose markedly during the truck shutdown.

Shortages of rail cars are a constant problem for agriculture. The current shortfall in rail cars is estimated at 235,000, especially for equipment to haul bulk farm commodities. It may be necessary and desirable to provide some kind of government incentives to the railroads and to the shippers to add new rail equipment.

Without modern equipment, railroads cannot compete. In 1930, the nation's railroads carried 74% of intercity freight ton-miles; by 1977, that share was reduced to 36%. The rail's share of total freight revenues dropped even more precipitously — from 70% in 1930 to 21% in 1977. This does not encourage investment in modern equipment or improved trackage, although in 1978 the railroads spent an estimated \$10 billion on new

locomotives, cars and track improvements.

With ample justification, railroads point out that Federal subsidies to highway construction and waterway carriers makes the competition unfair. Government takeover and operation of the rails is not the solution. Since investor-owned railroads offer the most efficient means of moving agricultural products, it is in the national interest to provide incentives to railroads and shippers on a basis which is at least comparable to those of highway and waterway users.

Greater public understanding of the problems involved in food transportation and marketing, and a unified national approach to solving those problems, will be necessary to minimize the impact of the energy crisis on our food industry.

IN CONCLUSION

As I conclude let me say that Florida will continue to take a leadership role in areas of significant national concern. We will continue to encourage the expansion of our agricultural export markets through our sponsorship and participation in export seminars, trade shows and related efforts.

Our Department and Industry people will continue to take an active role in national organizations such as your own, which seek to improve the quality of life here and abroad. I'm proud that Jay Boosinger, our Dairy Division Director, is currently the Chairman of the National Conference on Interstate Milk Shipments in addition to being Vice-President of NASDA's Dairy Division. Red Larson, one of our prominent Florida dairymen, is now serving as President of the National Milk Producers Association. I could go on but I won't.

Staphylococcal Food Poisoning at Wedding Reception

A number of guests at a wedding reception in Sussex County, Delaware, earlier this year contracted acute gastrointestinal disease. Among the 107 guests present, 64 had one or more of the following symptoms: vomiting, nausea, abdominal cramps, or diarrhea. Thirty-eight required emergency room attention but none were hospitalized.

Among the 103 guests from whom

food histories could be obtained, chicken salad was the food implicated in the illness. The attack rate among those who consumed the salad was 76% as compared to 9% of those who did not eat it. Coagulase-positive *Staphylococcus aureus* was later isolated from the chicken salad and the food grinder used for preparation.

Most of the food for the reception was prepared in private homes. Chicken used for the salad was cooked, deboned, and stored in a refrigerator in a large, plastic wash-tub on March 8.

The following day the salad was prepared in a grinder and returned to the same tub. On the day of the reception, March 10, the salad was not refrigerated for a period of about 7 hours as it was transported to and used at the reception. Persons serving the salad noted that salad from the central part of the container felt warmer than that from the top, indicating uneven and inadequate refrigeration.

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