

GENERAL AGREEMENT ON TARIFFS AND TRADE

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DISPOSAL OF COMMODITY SURPLUSES

Reports by Contracting Parties

Addendum

UNITED STATES

Section I

DISPOSAL OF COMMODITY SURPLUSES

Part I - agricultural commodities

A. Public Law 480 operations in calendar year 1967

The value of commodities programmed under all titles of the Agricultural Trade Development and Assistance Act (Public Law 480) in calendar year 1967 totalled \$2,258 million; as compared to \$1,936 million in calendar year 1966.

The total value shown for 1967 includes \$1,222 million programmed for sales for foreign currencies under Title I Agreements entered into with twenty-two countries; \$130 million programmed for sales for long-term credit under sixteen agreements and \$153 million programmed for payment in convertible local currency. The total also reflects \$479 million in donations under Title II including government-to-government grants, and donations to the WFP, UNRWA and private and intergovernmental agencies assisting needy persons abroad. In addition, the total contains \$274 million under barter contracts in exchange for strategic materials, and foreign goods and services for the use of United States Government agencies (Department of Defense and Agency for International Development).

Shipments under Food for Freedom continued in 1967 at near the same levels as in the recent past, but on new terms placing new emphasis on self-help measures by the recipient countries designed to encourage achievement of a level of agricultural and economic development, so that they can either produce, or buy on commercial terms, the food they need.

This self-help requirement was one of the major changes made by Congress when it enacted new legislation, effective 1 January 1967, extending and amending Public Law 480 - the Agricultural Trade Development and Assistance Act of 1954. Other basic changes were elimination of the requirement that commodities to be offered under the programme must be "surplus" to United States needs and the imposition of a new requirement that steps be taken to assure a transition by the end of 1971 from sales for foreign currencies to sales for dollars.

While legal and policy changes were being made in the sales programme in 1967, the donations programme was highlighted by technological changes designed to upgrade the diets of needy children who are particularly vulnerable to protein deficiency. During 1967, the programme was responsible for distribution of more than 300 million pounds of a new high-protein, cornmealsoy flour-dry milk mixture. At the end of the year, a new wheat-based formulated food was ready for use. If these foods can be made commercially feasible, they offer the prospect of better diets at lower cost to millions of the world's undernourished.

B. Public Law 480 operations from July 1954 through December 1967

From the beginning of Public Law 480 in 1954 through 31 December 1967, 191 million metric tons of United States farm products worth over \$17 billion were shipped. Of this amount 127.6 million metric tons were sold for foreign currencies; 9.2 million metric tons were sold for long-term dollar credit; 23.4 million metric tons were donated; and 30.8 million metric tons were made available under barter transactions.

C. Safeguards

Policies and procedures have been evolved to safeguard normal patterns of production and international trade. These have served well and will be continued.

1. During the development of sales agreements, quantities of commodities are determined only after careful analysis of the effect of proposed programmes on the usual marketings of the United States and of friendly countries. Factors considered include historical commercial trade, stocks, production, consumption and import requirements.
2. Ordinarily, "usual marketing provisions" are included in sales agreements obligating recipient countries to maintain their normal commercial purchases from the United States and free world sources. The usual marketing requirement may be adjusted if the recipient country's financial situation warrants.
3. There are prior consultations regarding the amount and terms of the sale with other exporting countries known to have a trade interest in the market concerned. These are handled bilaterally in the main but, additionally, the FAO's Committee on Surplus Disposal is notified of proposed sales and given the opportunity to comment.
4. Sales agreements require recipient countries to submit formal assurances to the United States periodically that commodities are not being transshipped or otherwise diverted from intended use and that the import of such commodities is not resulting in an increase of exports of like or similar commodities from the recipient country.
5. The United States Department of Agriculture maintains a world-wide reporting system to insure compliance with the above provisions. In each recipient country the resident agricultural attaché, or other designated officer of the

American Embassy, is responsible for reporting on arrivals and proper disposition of shipments. The attaché or designated officer also reports compliance with usual marketing provisions and exports of like or similar commodities from the country.

D. New legislation

On 29 July 1968 the President approved the extension of the Food for Freedom programme for two years - through 31 December 1970. The bill includes several amendments one of which requires the President to take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the purchasing country.

The United States Congress Conference Committee Report states on this section: "with reference to Sub-section 103(o) it is intended that, consistent with United States obligations under international agreements, the United States should benefit equitably from the development of new commercial markets in those countries now receiving United States food on concessional terms. The conferees intend that this amendment is designed to assist the United States achieve a growing commercial market for agricultural products as the economies of the respective development nations advance".

The "fair share" of an expanding market will depend on several factors. Considerations of comparative advantage will play a rôle, as will the pertinent government policies directly or substantially affecting the situation. This includes the policies of the country concerned and also the policies of other suppliers which are competing for that market.

The addition of this new Section 103(o) does not in any way change the provisions of Section 103(c). Section 103(c) of the Act states that the President shall take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries. This is the basis on which we have imposed usual marketings in the past and it is the basis which will be used in the future.

Attachments:

- Table I: "Value of United States farm products shipped under Government programmes, 1 July 1954 through 31 December 1967". (Note: Table 1 of 1967 report on Public Law 480).
- Table II: "Title I, Public Law 480 - quantities of commodities programmed under agreements signed in calendar year 1966". (Table 11 of 1967 report).
- Table III: "Title II - Public Law 480 - quantities of commodities under transfer authorization issues, calendar year 1967 (by purpose and country)". (Table 23 of 1967 report).
- Table IV: "Title II - Public Law 480 - quantities and value of commodities shipped for foreign relief through non-profit voluntary and inter-governmental organizations, calendar year 1967". (Table 27 of 1967 report).

Table 1
VALUE of United States farm products shipped under Public Law 480 compared with ^{1/}
total exports of United States farm products, 1 July 1954 through 31 December 1967

Calendar Year	Public Law 480						Mutual security AID ^{2/}	Total agricultural exports			PL 480 as per cent of total
	Sales for foreign currency	Long-term dollar credit sales	Government donations for disaster relief and economic development	Donations through voluntary relief agencies	Barter	Total PL 480		Total Government programmes	Commercial sales ^{3/}	Total agricultural exports	
	Million dollars										Per cent
1954 July-December	--	--	28	20	22	70	211	281	1,304	1,585	5
1955	263	--	56	186	262	767	351	1,118	2,081	3,199	24
1956	638	--	65	187	372	1,262	449	1,711	2,459	4,170	30
1957	760	--	39	175	244	1,218	318	1,536	2,970	4,506	27
1958	752	--	43	159	65	1,019	214	1,233	2,622	3,855	26
1959	731	--	32	111	175	1,049	158	1,207	2,748	3,955	27
1960	1,014	--	49	124	117	1,304	157	1,461	3,371	4,832	27
1961	878	1	93	151	181	1,304	179	1,483	3,541	5,024	26
1962	1,007	42	81	178	137	1,445	35	1,480	3,554	5,034	29
1963	1,162	52	99	160	74	1,547	11	1,558	4,026	5,584	28
1964	1,239	97	62	186	123	1,707	23	1,730	4,618	6,348	27
1965	926	143	73	180	188	1,510	26	1,536	4,693	6,229	25
1966	820	226	79	132	260	1,517	47	1,564	5,317	6,881	22
1967	716	187	108	179	314	1,504	33	1,537	4,849	6,386	24
1 July 1954 through 31 December 1967	10,906	748	907	2,128	2,534	17,223	2,212	19,435	48,153	67,588	25

^{1/} Export market value.

^{2/} Sales for foreign currency, economic aid, and expenditures under development loans (1964 and 1965). Public Laws 87-195-665 and 165.

^{3/} Commercial sales for dollars include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of short- and medium-term credit, export payments, and sales of Government-owned commodities at less than domestic market prices.

Table 11

Title I, Public Law 480

QUANTITIES OF COMMODITIES PROGRAMMED UNDER AGREEMENTS SIGNED
IN CALENDAR YEAR 1967

(By country of destination)

Area and country	Wheat and flour	Feed- grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils
	'000 bushels	'000 bushels	'000 cwts.	'000 bales	'000 lb.	'000 lb.	'000 lb.
<u>Europe (total)</u>	186	-	-	-	745	-	-
Iceland	186	-	-	-	745	-	-
<u>Africa (total)</u>	22,554	10,871	854	112.2	9,589	-	182,541
Congo	2,315	-	330	49.0	7,275	-	-
Ghana	503	-	440	15.0	1,874	-	29,321
Guinea	553	-	-	9.2	-	-	11,023
Liberia	-	-	84	-	-	-	-
Morocco	11,463	-	-	30.0	-	-	26,456
Sudan	-	7,874	-	-	440	-	-
Tunisia	7,720	2,997	-	9.0	-	-	115,741
<u>Near East-South Asia (total)</u>	291,352	87,110	-	50.0	4,221	8,994	945,782
Afghanistan	1,470	-	-	-	-	-	8,818
Ceylon	4,026	236	-	-	-	-	-
India	228,726	69,878	-	30.0	-	-	412,263
Iran	-	-	-	-	-	-	17,637
Israel	-	16,996	-	-	253	-	33,069
Pakistan	57,130	-	-	20.0	3,968	8,994	473,995

Table 11 (cont'd)

Area and country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils
	'000 bushels	'000 bushels	'000 cwt.	'000 bales	'000 lb.	'000 lb.	'000 lb.
<u>Far East-Pacific (total)</u>	10,844	3,264	20,064	480.0	11,684	4,100	116,845
Indonesia	1,008	-	2,204	-	-	-	-
Korea	6,816	902	-	280.0	-	-	63,934
Taiwan	-	-	-	200.0	11,684	-	52,911
Viet-Nam	3,020	2,362	17,860	-	-	4,100	-
<u>Latin America (total)</u>	35,640	984	-	90.0	1,323	6,614	46,737
Brazil	18,371	-	-	-	-	-	-
Chile	4,409	984	-	90.0	1,323	6,614	33,069
Guatemala	-	-	-	-	-	-	13,668
Paraguay	12,860	-	-	-	-	-	-
GRAND TOTAL	360,576	102,229 ^{1/}	20,918	732.2	27,562	19,708 ^{2/}	1,291,905 ^{3/}

^{1/} Corn 11,680
Grain sorghums 89,126
Barley 1,423
Total 102,229

^{2/} Non-fat dry milk.

^{3/} Tallow 396,830
Cottonseed/soyabean oil 895,075
Total 1,291,905

Table 23

TITLE II, PUBLIC LAW 480, GOVERNMENT-TO-GOVERNMENT AND WORLD FOOD PROGRAM
QUANTITIES OF COMMODITY GROUPS UNDER TRANSFER AUTHORIZATIONS ISSUED CALENDAR YEAR 1967 (BY PURPOSE AND COUNTRY)

Purpose and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Blended food	Other
Metric tons								
Refugees (total)	142,589	135,131	2,565	4,893	--	--	--	--
UNRWA	135,719	131,034	--	4,685	--	--	--	--
World Food Program	6,870	4,097	2,565	208	--	--	--	--
Disaster (total)	636,406	352,470	230,541	26,381	4,911	7,230	14,873	1/
India	184,943	103,943	69,000	7,000	--	5,000	--	--
Korea	167,628	167,628	--	--	--	--	--	--
Laos	2,577	351	1,596	130	--	--	--	1/
Mali	5,000	--	5,000	--	--	--	--	--
Niger	3,000	--	3,000	--	--	--	--	--
Uruguay	5,000	--	5,000	--	--	--	--	--
Viet-Nam	212,858	62,648	108,945	19,251	4,911	2,230	14,873	--
World Food Program	55,400	17,400	38,000	--	--	--	--	--
Total emergency programmes	778,925	487,601	233,106	31,274	4,911	7,230	14,873	1/
Economic development (total)	728,922	544,083	161,226	8,219	--	15,374	20	--
Brazil	13,377	--	12,500	--	--	877	--	--
El Salvador	753	395	168	85	--	105	--	--
Indonesia	1,430	574	769	67	--	--	20	--
Iraq	6,949	6,479	--	470	--	--	--	--
Korea	151,438	151,438	--	--	--	--	--	--
Morocco	185,000	185,000	--	--	--	--	--	--
Tunisia	19,095	19,095	--	--	--	--	--	--
World Food Program	350,880	181,102	147,789	7,597	--	14,392	--	--
Child feeding (total)	130,281	80,681	32,183	7,348	--	8,218	1,145	--
Brazil	59,735	34,476	22,346	2,911	--	--	--	--
China, Republic of	14,821	12,301	--	720	--	1,800	--	--
Costa Rica	363	--	--	--	--	363	--	--
Jamaica	6,064	2,511	1,069	603	--	1,130	751	--
Korea	19,205	13,915	3,816	474	--	606	394	--
Peru	11,076	5,618	1,654	933	--	2,871	--	--
Tunisia	11,307	7,628	1,622	969	--	1,088	--	--
World Food Program	7,712	4,232	1,682	738	--	1,060	--	--
Total economic development and child feeding	859,203	624,764	193,415	15,567	--	24,292	1,165	--
Grand total	1,638,198	1,112,365	426,521	46,841	4,911	31,522	16,038	1/

1/ 385,000 metres of cotton cloth.

Table 27

TITLE II, PUBLIC LAW 480, FOREIGN DONATIONS
QUANTITIES AND VALUE OF COMMODITIES SHIPPED FOR FOREIGN RELIEF THROUGH NON-PROFIT
VOLUNTARY AND INTERGOVERNMENTAL ORGANIZATIONS, CALENDAR YEAR 1967

	Europe	Africa	Near East and South Asia	Far East and Pacific	Latin America	Total	Estimated CCC Cost
	Million pounds						Million dollars
Beans	0.4	5.2	5.1	0.5	19.0	30.2	2.0
Blended food	15.4	10.4	161.2	18.7	66.8	272.5	25.8
Bulgur	--	24.6	173.3	31.7	51.0	280.6	11.7
Butter	--	--	--	--	0.1	0.1	1/
Corn	--	2.0	--	10.8	7.2	20.0	0.6
Cornmeal	7.2	96.0	71.7	31.7	92.6	299.2	12.8
Flour	65.9	84.8	143.7	67.2	65.3	426.9	16.6
Grain sorghum	2.6	32.0	22.7	--	--	57.3	1.4
Non-fat dry milk	27.2	34.5	85.8	34.2	86.8	268.5	57.2
Oats, rolled	0.2	18.7	0.8	3.5	11.3	34.5	2.3
Vegetable oil	26.6	41.2	83.3	12.2	70.5	233.8	38.9
Wheat	--	92.8	93.2	--	--	186.0	6.0
Wheat, rolled	1.0	6.6	41.0	2.2	43.6	94.4	4.2
Total	146.5	448.8	881.8	212.7	514.2	2,204.0	179.5
Thousands of metric tons	66.5	203.6	400.0	96.5	233.2	999.8	

Part II - Strategic and industrial materials

The United States Government continues to follow its policy of disposing of stockpile surpluses in accordance with long-term disposal plans drawn up after careful investigation of the market situation and consultations with friendly governments having a substantial interest in the commodities involved. Such programmes are kept under continuous review and have sufficient flexibility built into them as to permit periodic adjustments in the rate and terms of release in light of changing demand and market conditions. Thus it proved possible to accelerate the rate of disposals in 1965 and early 1966 for many industrial materials in strong demand without damage to normal trade, but rather with benefit to market conditions. More recently, the overall rate of disposal has declined, partly because of the levelling off of demand, which reduced sales below target, or because of adjustments made in certain disposal programmes to accommodate new circumstances. In addition, surpluses of some of the most marketable commodities have been dissipated.

Disposals for the year ending 30 June 1966 totalled \$644 million (exclusive of the exceptional copper sale which covered material from within the stockpile objective, not surplus stocks). Sales dropped back to \$467 million, in fiscal 1967 and \$129 million in fiscal 1968.

These declines in sales do not imply a phasing out of United States stockpile disposals. There remain substantial surplus inventories and it is in the best long-term interest of all concerned that the process of liquidation, once begun, be continued on an orderly and steady basis. In addition, there are balance-of-payments and budgetary reasons why the United States Government feels it must maintain its sales of surplus stockpile material as high as possible, consistent with its objective of not disrupting the market. The data which have been cited and the experience with particular programmes attest, however, to the readiness and ability of the United States Government to adapt its disposal activities to the requirements of changing circumstances.

A summary of disposal activity for the most important materials in the stockpile during fiscal year 1967 and fiscal year 1968 is shown in the attached table.

The following paragraphs give additional background on certain disposal programmes in which there is special interest abroad.

Rubber

A decline in natural rubber prices, first evident in the latter part of 1966, persisted and deepened in 1967 as short-run weakness in demand in certain major markets, such as the United States, aggravated more fundamental problems such as competition from synthetics. Therefore, on 9 June 1967 the United States Government announced a further reduction in the annual rate of disposal by the General Services Administration (GSA) which, effective 1 July 1967, was limited to actual Government use or 70,000 long tons, whichever is higher. Although natural rubber prices have strengthened somewhat in 1968, this same disposal programme continues in effect.

As of 30 September 1968 there remained for disposal approximately 283,076 long tons. Since 16 October 1959, when the disposal of stockpile rubber was begun, approximately 796,605 long tons have been sold.

Tin

The United States has been disposing of surplus tin since the autumn of 1962. These sales alleviated a world shortage which persisted for five or six years but has now been overcome.

Throughout this period, the United States Government has kept in close touch with the International Tin Council and has consulted regularly with interested producer governments. An important stage in these consultations was reached in October 1966, when, after talks with the International Tin Council, the United States announced it would "moderate its tin sales programme if it should be inconsistent with contingent operations authorized between the International Tin Agreement ...", and that co-ordination between the Tin Council and the United States Government would be arranged for this purpose. This undertaking was made in recognition of the difficulties which would arise if the United States Government were selling tin when the Tin Council, under provisions of the Tin Agreement, was buying. The new arrangement has worked to the satisfaction of both sides.

During fiscal year 1968, tin sales declined to 3,435 tons most of which was shipped on AID contracts. During the period January-June 1968, less than 100 tons were sold in the commercial market. On 30 June 1968 the General Services Administration suspended commercial sales altogether pending a review of the disposal programme within the United States Government. We have told the International Tin Council and the interested producing country governments that we will, as usual, consult with them before adopting any new disposal programme.

Tungsten

Since December 1966, sales of tungsten by the General Services Administration (GSA) have been made "off-the-shelf" on the basis of the United States market price of \$43 per short ton unit, adjusted for premiums and penalties. There is no limit on sales as long as they do not have an undue impact on the market. Continuation of this disposal programme, unchanged, was confirmed by a GSA announcement on 27 June 1967.

Interested governments have been assured that in the event that a change in the GSA selling price should seem desirable, the United States Government would review the programme and that any decision to change the price from \$43 would be the subject of consultations with these governments.

As of 30 September 1968 approximately 143 million pounds of tungsten remained for disposal by GSA.

DISPOSAL OF STOCKPILE MATERIALS
FISCAL YEARS 1968 AND 1967

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Commodity	Unit	Sales Fiscal Year 1968		Sales Fiscal Year 1967	
		Quantity	Value \$'000	Quantity	Value \$'000
Aluminum	ST	33,253	16,574	127,586	62,993
Bauxite refractory	LDT	49,416	2,028	29,763	2,170
Bismuth	Lb.	290,000	1,160	212,315	849
Cadmium	Lb.	280,302	710	1,358,108	3,316
Castor oil	Lb.	32,355,454	6,515	37,684,110	5,779
Chromite-met	SDF	12,610	296	633,984	14,931
Cobalt	Lb.	5,045,875	8,560	5,465,629	8,944
Columbium	Lb.	1,159,087	1,488	1,498,702	10,465
Copper	ST	-	-	150,022	114,907
Cordage fibre-ataca	Lb.	12,819,591	1,570	10,095,600	1,664
Cordage fibre-sisal	Lb.	39,678,330	2,862	44,187,476	3,490
Diamond stones	KT	30,350	286	-	-
Fluorspar-acid grade	SDF	2,800	122	29,846	937
Lead	ST	37,658	10,309	49,016	13,758
Magnesium	ST	-	-	14,634	8,889
Manganese	SDF	173,919	3,744	247,887	5,843
Mercury	FL	19,161	10,083	13,433	6,412
Mica	Lb.	359,409	223	224,580	148
Molybdenum	Lb.	2,667,251	4,440	1,774,052	3,232
Nickel	Lb.	-	-	51,217,735	45,274
Platinum	Tr. Oz.	-	-	10,337	1,010
Rubber	LT	70,000	26,148	144,944	66,588
Tin	LT	3,435	11,592	11,723	40,507
Titanium	ST	133	279	902	1,921
Tungsten	Lb.	3,161,161	7,867	9,342,704	23,288
Vanadium	ST	-	-	1,681	7,325
Zinc	ST	29,686	8,211	26,604	7,752
Miscellaneous			3,812		5,422
Total			128,879		466,901

UNITS: ST=Short tons SDF=Short dry tons Tr.Oz=Troy ounces LDT=Long dry tons Lb.=Pound FL=Flask

Section II

EXPORT-PAYMENT ASSISTANCE TO UNITED STATES AGRICULTURAL EXPORTS, FISCAL YEAR 1966/67

Introduction

United States dollar exports of farm products were \$6,761 million in the 1966/67 fiscal year, \$85 million above the year-earlier total. Shipments under Government-financed programmes amounted to \$1,578 million, 2 per cent below the 1965/66 total.

During this period, a limited number of price-supported agricultural commodities received some form of compensation to the exporter who purchases at the higher domestic price and sells in foreign markets at a lower world price. This compensation consisted primarily of export payments in cash, but included payments in kind during the early part of the year and reductions below domestic price on sales of a few commodities from Commodity Credit Corporation (CCC) inventory at competitive world prices.

United States export-payment programmes are designed and administered to assure equitable shares of world trade for United States commodities and are operated in conjunction with price-support and production-adjustment programmes. They are subject to continuous review and revision to meet changing supply and demand situations. They are also subject to revision by agricultural legislation. Minimum resort to export payments has been a guiding principle in the design of United States price-support programmes for several years. One consideration in the formulation of the United States wheat and feedgrain programmes (first enacted in 1962) and the cotton programme (enacted in 1965) was to set price-support loan levels on these commodities at or near competitive world prices.

Summary of Export-Payment Assistance, 1966/67

Commercial (dollar) exports of United States agricultural commodities totalled \$5,183 million in 1966/67, 76.7 per cent of the \$6,761 million total value of all exports. Dollar exports valued at an estimated \$1,341 million (19.9 per cent of total exports) received export-payment assistance, while \$3,842 million (56.8 per cent) did not receive such assistance (Table 1).

Assisted dollar exports were more than \$100 million higher than a year earlier. However, they made up only a slightly larger percentage of total exports, 19.9 per cent compared with 18.2 per cent in 1965/66. The rise was largely due to increased dollar exports of wheat and to the initiation in July 1966 of a broadened export-payment programme for tobacco. The increases in assisted dollar exports of wheat and tobacco were partially offset by the elimination of the export payment-in-kind programme for upland cotton on 1 August 1966, and by the suspension of export-payment programmes for dairy products (with the exception of limited export sales to other governments for school lunch programmes) in the spring of 1966.

Exports under Government-financed programmes amounted to \$1,578 million (23.3 per cent of total exports). An estimated \$779 million (11.5 per cent) received export-payment assistance; \$532 million (7.9 per cent) did not receive such assistance; and \$267 million consisted of donations under programmes authorized by Public Law 480.

The decline of about \$250 million in assisted exports under Government programmes from a year earlier was due in part to smaller programme shipments of wheat and to the inclusion in programme exports of sizeable quantities of white wheat from the West Coast and soft red winter wheat which did not require export payments during part of the year. The elimination of export payments on upland cotton also contributed to the decline.

Total export payments dropped over \$300 million to \$288.8 million from \$596.8 million a year earlier. Reduced exports of wheat grain (due to lower shipments under Government-financed programmes), coupled with a drop in the average export payment to 22.2 cents per bushel compared with 46.7 cents a year earlier (including in 1965/66 a refund of all or part of an export marketing certificate of 30 cents per bushel), accounted for over \$200 million of the decline. Other major contributing factors were the elimination of export payments-in-kind on upland cotton on 1 August 1966, the suspension of export-payment programmes for dairy products, and a drop of nearly \$1.00 per hundredweight in the average export payment on rice (Tables 2 and 3).

Major Change in Export-Payment Programmes in 1966/67

In August 1966, the Commodity Credit Corporation discontinued the use of export commodity certificates (with the exception of CCC credit sales from private stocks) and resumed cash export payments - the practice prior to 1956. Export payments in cash were extended to CCC credit sales from private stocks on 27 April 1967. The payment-in-kind export-payment programmes were a means of using Government-owned surpluses to pay export subsidies and at the same time reduce surplus stocks. The discontinuance of payments-in-kind marks the success of domestic and export programmes in bringing production in line with demand and in reducing burdensome surpluses. Changes in export-payment programmes for individual commodities are discussed in the appropriate commodity reviews.

Extent of Export-Payment Assistance by Commodity Groups

Wheat and flour - Dollar exports of wheat and flour totalled \$668 million, more than two fifths above the previous year's total. Because of concern over small prospective world wheat supplies, increased purchases in the world market by the Soviet Union and Mainland China, and continued heavy requirements by India, many wheat importers made heavier than usual purchases in the first half of the year to cover their anticipated needs. Exports under Government-financed programmes were less than in 1965/66 because of restrictions on sales to some countries, smaller requirements in others, and reduced United States supplies.

Table 1

UNITED STATES AGRICULTURAL EXPORTS FOR DOLLARS AND UNDER GOVERNMENT-FINANCED PROGRAMMES, WITH AND WITHOUT EXPORT-PAYMENT ASSISTANCE:
VALUE BY COMMODITY, YEAR ENDING 30 JUNE 1967

Commodity	Commercial sales for dollars			Exports under Government-financed programmes ^{1/}				Total agricultural exports ^{2/}			
	With export payments ^{3/}	Without export payments	Total	With export payments ^{3/}	Without export payments	Donations	Total	With export payments ^{3/}	Without export payments	Donations	Total
Million dollars											
Wheat and wheat flour	649	19	668	499	67	78	644	1,148	86	78	1,312 ^{4/}
Feed grains, excl. products	58	887	945	24	165	19	208	82	1,052	19	1,153 ^{4/}
Rice, milled	169	2	171	136	1	--	137	305	3	--	308
Cotton	9	364	373	12	157	--	169	21	521	--	542
Tobacco, unmanufactured	410	34	444	103	3	--	106	513	37	--	550
Oilseeds and products	33	1,081	1,114	--	83	47	130	33	1,164	47	1,244
Peanuts	10	1	11	5	--	--	5	15	1	--	16
Dairy products	3	33	36	--	20	82	102	3	53	82	138 ^{5/}
Animals and products, except dairy products	--	566	566	--	28	--	28	--	594	--	594
Fruits and vegetables and preparations	--	492	492	--	6/	6/	6/	--	492	6/	492
Other	--	363	363	--	8	41	49	--	371	41	412
Total	1,341	3,842	5,183	779	532	267	1,578	2,120	4,374	267	6,761
Column total as percentage of total exports	19.9	56.8	76.7	11.5	7.9	3.9	23.3	31.4	64.7	3.9	100.0

^{1/} Includes programmes authorized by P.L. 83-480, Agricultural Trade Development and Assistance Act of 1954, as amended, and P.L. 87-195, Act for International Development of 1961, as amended. Donations are Government-to-Government and through voluntary relief agencies authorized by P.L. 480. See "Increased Dollar Exports in Fiscal Year 1966/67 Bring United States Exports of Farm Products to Record Level for Fourth Consecutive Year", ERS-Foreign-206, November 1967.

^{2/} Declared value of export does not include export payment since exporter does not receive the amount of the export payment from importer (see Table 3).

^{3/} Exports of wheat grain (except soft red winter and white wheat during certain periods); rice; and flaxseed and linseed oil [included in oilseeds and products] received payments in kind during the early part of the year and later payments in cash. Exports of wheat flour and tobacco received payments in cash. Upland cotton exported during July 1966 - the last month of the August-July 1965/66 cotton marketing year - received payments in kind. Beginning 1 August 1966 upland cotton moved in domestic and export channels without equalization or export payments. Exports from Government-owned stocks at competitive world prices included about one fourth of the exports of grain sorghums [included in feed grains]; exports of domestically-produced extra-long staple cotton; a limited quantity of non-fat dry milk [included in dairy products] sold to foreign governments for school lunch programmes; and nearly all exports of shelled and unshelled peanuts (sold at less than domestic market price for edible purposes).

^{4/} Total exports of feed grains include the estimated value of donations of grain sorghums through voluntary relief agencies, not separately reported by the Bureau of the Census.

^{5/} Total exports of dairy products include the estimated value of donations of blended food products through voluntary relief agencies, not separately reported by the Bureau of the Census.

^{6/} Less than \$500,000.

Table 2

Export Payments^{1/} on United States Agricultural Exports:
Average Per Unit and Total, Year ending 30 June 1967

Commodity	Unit	Average per unit	Total
		\$	\$ million
Wheat grain	Bu.	0.222 ^{2/}	132.5
Wheat flour	Bu. equiv.	0.378 ^{3/}	18.5
Wheat flour	Bu. equiv.	0.75 ^{4/}	36.6
Grain sorghums	Bu.	0.122 ^{5/}	8.2
Rice, milled	Cwt.	0.87 ^{6/}	34.2
Cotton, upland	Bale	28.75 ^{7/}	4.1
Cotton, extra-long staple, domestically produced	Bale	60.00 ^{8/}	0.8
Tobacco, unmanufactured	Lb.	0.06 ^{1/}	34.7
Flaxseed	Bu.	0.337 ^{2/}	2.5
Linseed oil	Lb.	0.022 ^{3/}	2.4
Peanuts	Lb.	0.078 ^{4/}	10.6
Milk, non-fat dry	Lb.	0.116 ^{5/}	3.7
Total		-	288.8

^{1/}Export payments consist of payments in kind and in cash and the estimated difference between the domestic market price and CCC export sales price on sales for export from CCC inventory. Export payments are not included in the declared value of agricultural exports, as shown in Table 2, as the exporter does not receive the amount of the export payment from the importer.

^{2/}Average of payments in kind during the early part of the year and cash payments after the discontinuance of payments in kind.

^{3/}Export payments averaging 37.8 cents per bushel and refund of domestic marketing certificate of 75 cents per bushel.

^{4/}Estimated difference between domestic market price and CCC export sales price.

^{5/}Exports of upland cotton during July 1966, the last month of the previous year's cotton programme, received payments in kind at the rate for the August-July 1966/67 cotton marketing year (5.75 cents per pound x 500-pound bale). Beginning 1 August 1966, upland cotton moved in domestic and export channels without either an equalization or an export payment.

^{6/}Estimated difference between domestic market price and CCC export sales price (12 cents per pound x 500-pound bale).

^{7/}Export payments in cash. Export payments averaged 6 cents per pound on exports of 567 million pounds of eligible tobacco (including both stemmed and unstemmed tobacco). Export payments are based on the unstemmed leaf equivalent of tobacco, which totalled 626 million pounds.

^{8/}Estimated difference between domestic market price for edible purposes and CCC sales price.

^{9/}Estimated difference between domestic market price and CCC export sales price on limited quantity of non-fat dry milk sold to other governments for school lunch purposes.

Table 3
Export Payments^{1/} on United States Agricultural Exports, Years Ending 30 June 1961-67

Commodity	Unit	1961		1962		1963		1964		1965		1966		1967	
		Average per unit	Total	Average per unit	Total	Average per unit	Total	Average per unit	Total	Average per unit	Total	Average per unit	Total	Average per unit	Total
		\$	Million \$	\$	Million \$	\$	Million \$	\$	Million \$	\$	Million \$	\$	Million \$	\$	Million \$
Wheat	Bu.	0.516	280.3	0.537	314.8	0.64	328.1	0.55	380.6	0.23	143.5	0.467	354.3	0.222	132.5
Wheat flour	Bu. equiv.	0.782	46.7	0.788	55.1	0.86	54.8	0.74	46.4	0.80	37.4	1.05	45.5	1.128	55.1
Total wheat and flour	Bu. equiv.	0.542	327.0	0.564	369.9	0.67	382.9	0.56	427.0	0.27	180.9	0.498	399.8	0.29	187.6
Rye	Bu.	0.31	2.4	0.35	0.4	-	-	-	-	-	-	-	-	-	-
Corn	Bu.	0.06	9.3	0.07	1.1	-	-	-	-	-	-	-	-	-	-
Grain sorghums	Bu.	0.06	4.2	0.05	3.4	-	-	-	-	0.123	13.6	0.095	23.0	0.122	8.2
Oats	Bu.	0.18	2.0	0.13	0.2	-	-	-	-	-	-	-	-	-	-
Barley	Bu.	0.16	8.6	0.16	5.0	-	-	-	-	-	-	-	-	-	-
Rice	Cwt.	2.92	54.5	2.78	56.4	2.25	54.6	2.28	71.7	2.22	64.5	1.805	54.7	.87	34.2
Cotton, upland	Bale	30.00	220.7	42.50	202.2	42.50	155.1	42.50	218.8	32.50	143.8	28.75	87.9	28.75	4.1
Cotton, extra-long staple	Bale	-	-	-	-	-	-	-	-	45.00	0.9	50.00	0.4	60.00	0.8
Tobacco, unmanufactured	Lb.	-	-	0.118	0.3	0.114	3.0	0.093	2.9	0.092	0.8	0.05	0.3	0.06	34.7
Milk, non-fat dry	Lb.	0.10	13.8	0.105	25.0	0.085	25.1	0.082	55.4	0.069	35.1	0.036	9.8	0.116	3.7
Butter	Lb.	0.33	0.2	0.345	0.7	0.35	1.5	0.34	35.0	0.248	30.0	0.299	2.0	-	-
Anhydrous milk fat	Lb.	0.42	0.2	0.43	0.7	0.44	3.2	0.42	5.4	0.33	5.2	0.368	3.7	-	-
Cheese	Lb.	-	-	0.13	0.2	0.114	0.2	0.16	0.8	0.145	0.6	0.087	0.1	-	-
Flaxseed	Bu.	-	-	-	-	-	-	0.06	0.2	0.10	0.42	0.2325	1.2	0.3375	2.5
Linseed oil	Lb.	-	-	-	-	-	-	2/	2/	2/	2/	0.01585	1.3	0.02	2.4
Cottonseed oil	Lb.	-	-	-	-	-	-	-	-	0.0525	0.2	-	-	-	-
Tung oil	Lb.	0.07	1.4	-	-	-	-	-	-	-	-	-	-	-	-
Peanuts	Lb.	0.06	3.4	0.07	1.7 ^{3/}	0.07	1.9	0.07	4.5	0.07	6.9	0.07	12.4	0.07	10.6
Beans, dry edible	Cwt.	-	-	0.32	-	-	-	-	-	-	-	-	-	-	-
Chickens, whole	Lb.	-	-	-	-	-	-	-	-	-	-	0.056	0.2	-	-
Total			647.7		667.2		627.5		821.7		482.9		596.8		288.8

^{1/} Export payments include payments in cash and in kind and estimated differences between domestic market price and CCC export sales price.

^{2/} Sales from CCC stocks consisted of flaxseed, which could be exported as seed or linseed oil.

^{3/} Less than \$50,000.

Under the wheat programme in effect for the 1966/67 crop year (authorized by the Food and Agriculture Act of 1965, Public Law 89-321, 3 November 1965), price-support loans at a national average of \$1.25 per bushel were provided to co-operating farmers. Wheat for domestic use as food was supported at parity through the issuance of domestic marketing certificates on the producer's share in the national allocation for domestic food use. Such certificates were valued at \$1.32 per bushel for the 1966 crop. This value reflected parity as of 1 July 1966 (\$2.57 per bushel), minus the national average loan level (\$1.25 per bushel). Processors of wheat were required to buy domestic marketing certificates for wheat used in the manufacture of food products. For the 1966 crop, the processor paid 75 cents and GGC assumed 57 cents per bushel of the cost of the domestic marketing certificate.

Under the 1966/67 programme, when United States prices for a particular class of wheat at a particular location were above world prices, an export payment reflecting the difference between United States and world price levels was made to the exporter. Export marketing certificates were not issued to farmers in 1966/67 because of a change in the law and no export marketing certificate costs were collected from exporters. Export payments on flour were made to bridge the gap between the world price and the cost of United States millers, including the cost of the domestic marketing certificate.

Export payments on wheat grain averaged 22.2 cents per bushel in 1966/67 compared with the 1965/66 average of 46.7 cents (including in 1965/66 a refund of all or part of the cost of a wheat marketing certificate of 30 cents per bushel). An estimated 50 million bushels of white wheat from the West Coast and soft red winter wheat were exported without export payments. A large part of these shipments was under the Public Law 480 sales for foreign currency programme.

Export payments on wheat flour averaged \$1.128 per bushel equivalent of wheat, including the refund of the domestic marketing certificate of 75 cents per bushel.

For the 1967 and 1968 crops of wheat, the national average loan rate continues at \$1.25 per bushel. Domestic marketing certificates based on the producer's share in the national allocation for domestic food use are valued at \$1.36 per bushel for the 1967 crop (1 July 1967 parity, \$2.61 per bushel, less the national average loan rate). The value of the certificate for the 1968 crop will be similarly derived from the 1 July 1968 parity price. With the exception of changes in procedures, the export payment programme for wheat and flour for 1967/68 is basically the same as for 1966/67.

Several procedural changes in the wheat export programme became effective 30 October 1967. The major change is the elimination of the requirement that an exporter have made a foreign sale prior to entering into a contract with the Department for an export payment. Under the new system the exporter will offer to export a stated quantity and class of wheat from a specified coast during a specified period. If the offer is accepted by the Department, the applicable subsidy rate will be the announced rate in effect at the time the exporter wishes the Department to consider the offer. The new procedure applies to all classes of wheat except durum. It does not apply to exports under Public Law 480.

Feedgrains

United States exports of feedgrains (excluding products) totalled \$1,153 million in 1966/67, compared with a record of \$1,346 million a year earlier. Larger crops in Europe, as well as in Argentina and South Africa, reduced the demand for United States feedgrains. Exports of corn fell about one fourth from the all-time high of 1965/66. Shipments of grain sorghums set a record, largely due to increased programme shipments to India (to supplement reduced wheat shipments) and larger commercial exports to Japan.

No export payments in cash or in kind have been made on exports of feedgrains from commercial stocks since the early part of 1961/62. All shipments of corn, barley, oats, and about three quarters of the exports of grain sorghums received no export payment assistance during 1966/67. During July and August 1966, when commercial stocks in export position were limited, the CCC sold for export 67.1 million bushels (37.6 million cwt.) of grain sorghums at an average of 12.2 cents per bushel (21.8 cents per cwt.) below domestic market price. The estimated total price reduction was \$8.2 million and the estimated export value of the shipments from Government inventory was \$82 million, about 7 per cent of total exports of feedgrains.

Rice

United States exports of milled rice totalled a record \$308 million (39.6 million cwt.) in 1966/67. Exports for dollars, which have increased every year since 1960/61, were also at a record level. Japan was the largest dollar customer, although her purchases were substantially less than in recent years. Dollar sales to a number of countries of Western Europe increased. Exports under Government-financed programmes were up sharply from a year earlier, with the bulk of the rice going to South Viet-Nam in exchange for local currency under Title I, Public Law 480.

Nearly all of the rice exports during the year, 39.3 million cwt., out of total exports of 39.6 million cwt., received export payments consisting of payments in kind during the early months of the year and payments in cash after the discontinuance of payments in kind. These payments averaged \$0.87 per cwt. compared with \$1.81 in 1965/66. Total export payments amounted to \$34.2 million in 1966/67, compared with \$54.7 million in 1965/66.

World rice prices rose sharply in 1966/67 and toward the end of the year were sufficiently high to permit the Department to discontinue export payments effective 5 July 1967. Export payments will not be resumed until they are determined necessary to keep United States rice competitive in world markets.

Cotton

United States exports of cotton in July-June 1966/67 rose \$156 million (1.5 million bales) to \$542 million (4.6 million bales) from the depressed level of a year earlier. Larger dollar exports made up over 70 per cent of the increase. Factors favourably affecting the demand for United States cotton were competitive

pricing, reduced availabilities in many other exporting countries, the low level of beginning stocks in importing countries, and higher aggregate import requirements. With a small United States crop, CCC stocks have been substantially reduced in meeting the demand, especially for staples 1 1/16 inch and longer.

The programme authorized by the Food and Agriculture Act of 1965 was designed (1) to facilitate the marketing of United States cotton, both domestically and overseas, at a price which would help liquidate surplus stocks, while (2) maintaining farm income at a reasonable level. Price-support loans at levels close to world prices, and price-support and acreage-diversion payments made directly to eligible producers are designed to offset the lower loan rate and maintain farm income. Both the shortfall (the difference between United States production and disappearance) and rights to cotton representing pooled payment-in-kind certificates are made available from CCC stocks at market prices. Thus, one-price cotton moves in domestic and export channels without the need for either an equalization payment or an export payment.

The August-July 1966/67 programme achieved the important goal of reversing the upward trend of the cotton surplus. A smaller 1966 crop, slightly higher domestic consumption, and larger exports led to a reduction in carry-over from 16.9 million bales on 1 August 1966 to 12.5 million bales the following year. Because of the short crop and increased demand, CCC sold nearly 8 million bales of cotton for delivery in 1966/67, while CCC acquisitions from the 1966 crop amounted to only about 1.5 million bales. As a result, CCC stocks dropped nearly 6.5 million bales in the August-July 1966/67 marketing year. All sales from Government-owned stocks were at market prices and involved no export differential.

The 1966/67 cotton programme authorized by the Food and Agriculture Act of 1965 became effective 1 August 1966, and cotton for domestic use and export moved without export or equalization payments after that date. Export payments on upland cotton during July-June 1966/67 were limited to payments in kind on exports during July 1966, the last month of the previous year's programme. Export payments on 142,000 bales of upland cotton exported during July 1966 are estimated at \$4.1 million at the export-payment rate for the August-July 1965/66 marketing year, 5.75 cents per pound (\$28.75 for a 500-pound bale).

United States exports of domestically-produced extra-long staple cotton in 1966/67 were assisted by sales for export from CCC stocks at prices competitive with cotton of similar quality in world markets. The estimated average difference between domestic market prices and CCC export sales prices was about 12 cents a pound (\$60 for a 500-pound bale). This reflects an estimated total price reduction of about \$0.8 million on the 13,000 bales of domestically-grown extra-long staple cotton exported during the year.

Tobacco, unmanufactured

Exports of tobacco from the United States set a value record of \$550 million in 1966/67, compared with \$395 million a year earlier. The volume (627 million pounds) was the highest since 1919/20, when United States tobacco

exports reached a peak of 648 million pounds. The improved quality of recent United States tobacco crops, the export-payment programme, and United Nations sanctions against Rhodesian tobacco were factors favourably affecting United States tobacco exports. The largest increases in dollar exports of tobacco were to the United Kingdom and West Germany. Substantial quantities were also exported to these two countries under the barter programme.

In February 1966, to assist United States tobacco from older crops to meet price competition in foreign markets, a refund of 5 cents a pound was offered on exports of selected crops of flue-cured, fire-cured, and dark air-cured tobacco acquired from Government loan stocks. In May 1966, a cash export payment of 5 cents a pound was extended to exports from private stocks of the same kinds and crops of tobacco.

A broadened tobacco export-payment programme, under which export payments in cash of 5 cents a pound were extended to most kinds of tobacco, became effective 6 July 1966. These payments were in addition to the above-described export payments or refunds where applicable. The expanded programme applied to all crops of the kinds of United States-produced tobacco on which price support was offered for the 1966 crop. Tobaccos not price-supported and not covered by the export-payment programme included cigar wrapper, Pennsylvania cigar filler, and Maryland tobacco.

On 25 November 1966, the regulations were amended to increase the export payment on 1960, 1961 and 1962 crops of burley tobacco from 5 cents to 10 cents a pound, making payment rates on that kind of tobacco the same as on flue-cured tobacco.

During July-June 1966/67, United States tobacco exports totalled 627 million pounds. Of this total, approximately 567 million pounds were covered by export payments and about 60 million pounds were of types or by-products for which export payments were not extended. Export payments averaged about 6 cents a pound and totalled \$34.7 million during the year.

The tobacco export-payment programme initiated in July 1966 is continuing in 1967/68 with no substantial change. Payment rates continue at the same level as a year earlier and apply to the same kinds of tobacco.

Oilseeds and products

United States exports of oilseeds and products reached a record \$1,244 million in 1966/67, \$21 million higher than a year earlier. They topped the \$1 billion level for the third consecutive year. Most of the increase from the previous year, however, was due to higher prices. Higher United States prices during the summer and fall of 1966 held down exports of soybeans. Larger exports under Public Law 480 accounted for the moderate advance in shipments of soybean oil. Dollar exports were reduced because of increased competition from foreign oils, particularly sunflower oil from the USSR and Eastern Europe. United States soybean oilcake and meal faced increased competition in Western Europe from relatively lower-priced fish meal protein.

Only about 3 per cent of the exports in this commodity group were assisted by export payments during 1966/67. Exports of flaxseed amounting to \$22 million and shipments of linseed oil totalling \$11 million received payments in kind during the earlier part of the year and cash payments after the discontinuance of payments in kind. Export payments averaged 33.75 cents a bushel on flaxseed and totalled an estimated \$2.5 million on the 7.5 million bushels exported. Export payments on linseed oil averaged 2 cents a pound and totalled an estimated \$2.4 million on the 120 million pounds exported. Export payments on flaxseed and linseed oil were suspended on 6 June 1967, until the competitive position of these commodities in world markets justified a resumption of the payments.

Peanuts

United States exports of shelled and unshelled peanuts totalled \$16 million in 1966/67. Exports of peanuts from the United States have risen steadily since 1961/62, when they amounted to \$3 million. The 1966/67 total was second only to the \$20 million exported in 1965/66. Plentiful supplies available for export, market development work (particularly on the part of the trade), and greater emphasis by the CCC on movement of peanuts in the export market have contributed to the increase.

Nearly all of the 1966/67 exports of peanuts consisted of sales from CCC-owned stocks at less than the domestic market price of peanuts for edible purposes. The estimated price reduction was 7 cents a pound and the total price reduction was \$10.6 million.

Dairy products

United States exports of dairy products continued their downward trend in 1966/67, totalling \$138 million compared with \$174 million in 1965/66 and \$260 million in 1963/64. A substantial reduction in donations of non-fat dry milk accounted for the sharp drop in exports of this product. Nearly 194 million pounds of a fortified corn-soya-milk blended food product were donated during the year as an alternate source of protein in maternal and child-feeding programmes. There was little commercial demand for United States non-fat dry milk and butter because of large world supplies and substantial subsidization, particularly of butter, by other countries, especially in the EEC.

Export sales of Government-owned stocks of dairy products were suspended in January and February 1966, as CCC inventories were entirely committed. The Dairy Products Export Payment-in-Kind Program was discontinued on 2 March 1966.

Export sales from Government-owned stocks at reduced prices during July-June 1966/67 consisted of relatively small quantities of non-fat dry milk sold to other governments for use in school lunch programmes. Nearly 21 million pounds of milk were sold to Japan at 10 cents a pound and 11 million pounds to Brazil at 8 cents a pound. The estimated average price reduction was 11.6 cents a pound and the estimated total price reduction on these sales amounted to \$3.7 million.

On 9 January 1968, the Department announced the offer of CCC-owned non-fat dry milk for export sale at announced prices (1) to foreign buyers for export under Title I, Public Law 480, and (2) to exporters for processing in plants owned in whole or in part by United States companies engaged in the manufacture of dairy products overseas. At the same time, USDA offered CCC-owned non-fat dry milk at negotiated prices to other governments and to recognized charitable agencies for restricted overseas use, such as in school lunch or similar programmes. At the time the previous export sales programme for non-fat dry milk was suspended on 10 February 1966, CCC stocks were entirely committed. In January 1968, when limited export sales were resumed, CCC had uncommitted stocks of this product amounting to over 140 million pounds.

Animals and products, except dairy

United States exports of animals and products, except dairy products, declined 2 per cent to \$594 million in 1966/67 from the year-earlier total. The largest reduction was in fats, oils, and greases. Shipments of hides and skins advanced nearly 6 per cent from 1965/66.

All exports in this commodity group moved without the assistance of export payments in July-June 1966/67. Over 95 per cent of the total consisted of exports for dollars.

In September 1965, the United States initiated a limited payment-in-cash programme for exports of ready-to-cook United States Grade A chickens to Austria and Switzerland. Payments were made under Section 32, Public Law 74-320. Through vigorous promotional efforts, the United States had built up a large volume of poultry sales in these two markets.

Because of heavily subsidized European poultry exports, United States exports were down. The programme represented an attempt to regain a fair share of chicken imports in the two countries.

During a 19-week period beginning 13 October 1965, the Department accepted offers for export under this programme totalling nearly 2.9 million pounds of whole chickens. These exports were reported in ERS-Foreign-200, September 1967, "Export-Payment Assistance to United States Agricultural Exports, Fiscal Year 1965/66". The programme was temporarily suspended on 28 January 1966, and was reactivated on 19 October 1966, for exports to Switzerland only. No offers were accepted for export during July-June 1966/67. On 5 July 1967, USDA announced the acceptance of two offers totalling 60,000 pounds. These exports will be reported in the review of export-payment assistance for fiscal year 1967/68.

Fruits and vegetables and preparations

Movement abroad of United States fruits and vegetables totalled \$492 million in 1966/67 compared with \$496 million a year earlier. Shipments of fruits and preparations dropped 2 per cent and exports of vegetables and preparations advanced 1 per cent. Exports of fruits and vegetables received no export payments and all but \$0.4 million were commercial sales for dollars.