

GENERAL AGREEMENT ON TARIFFS AND TRADE

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UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Tariff Commission Investigation on Imports of Certain Dairy Products

The following communication, dated 14 May 1970, has been submitted by the United States Mission in Geneva in accordance with paragraph 2 of the "Conditions and Procedures" of the Decision of the CONTRACTING PARTIES of 5 March 1955.

I have been asked to inform you that the President of the United States, acting upon a recommendation of the Secretary of Agriculture, has directed the Tariff Commission to determine whether there is a need to impose Section 22 quotas on the following dairy products not now subject to import control:

- (a) ice-cream (Item 118.25 TSUS);
- (b) chocolate, containing 5.5 per cent or less by weight of butterfat (low fat milk chocolate crumb) classified under Items 156.30 and 182.95;
- (c) animal feeds containing milk or milk derivatives (Item 104.75);
- (d) other cheese, and substitutes for cheese, containing 0.5 per cent or less by weight of butterfat (Items 117.7540 and 117.8500).

The following circumstances have given rise to the need for this investigation:

World supplies of dairy products are surplus to commercial market demand; the surplus increased further in 1969; producing countries are seeking to dispose of their surplus at almost any price; export subsidization is commonplace; and nearly all countries find it necessary to control imports in the current disorganized world dairy market. Moreover, some products have been deliberately formulated to evade existing United States import controls, e.g. low fat milk chocolate crumb. Favourable United States prices will encourage large-scale imports to the detriment of the Department of Agriculture's price support programme for milk and butterfat.

The Tariff Commission investigation is intended to determine the facts. Public hearings will be held. The Commission's report will be subject to Presidential review.

On 13 May, in Washington, representatives of countries exporting these products to the United States were informed of the President's directive to the Tariff Commission.

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