

GENERAL AGREEMENT ON
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UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Import Quotas for Non-Fat Dry Milk

The following communication, dated 29 January 1974, has been submitted by the United States mission in Geneva.

I have been asked by my authorities to inform you that in a report to the President made public 24 January 1974, the Tariff Commission acting under Section 22 of the Agricultural Adjustment Act, has recommended (with two members dissenting) that the non-fat dry milk annual import quota of 1.8 million pounds be temporarily increased by the establishment of a supplemental quota of 265 million pounds for the calendar year 1974. It observed that 265 million pounds of additional imports had entered in 1973 under the supplemental quotas without adverse effects on the dairy price-support programme and, since the demand/supply conditions in 1974 are not likely to be significantly different from those in 1973, the same quantity of additional imports will be needed to supply the demand that is expected to exist in 1974.

Three of the four commissioners favouring the establishment of the supplemental quota suggested that it be allocated equally among Australia, New Zealand, Canada, and Member States of the European Community. The fourth suggested that the quota be administered on a global basis with one-half of the quota being permitted entry during the first six-month period ending 30 June 1974 and the other half during the second six-month period ending 31 December 1974.

With reference to the annual import quota for animal feeds containing milk or milk derivatives, the Commission, by a 4-2 vote found that any action to increase or suspend the quota would adversely affect the dairy price-support programme and therefore made no recommendation in favour of permitting additional imports. The Commission majority view was that any increase in imports of non-fat milk solids should be concentrated in the form of non-fat dry milk which could be made available for use as an ingredient in the manufacture of animal feeds, as well as other products, in the United States.