

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TN.64/Ce/2

18 November 1963

Special Distribution

Group on Cereals

SUMMARY BY THE CHAIRMAN AT THE END OF THE GROUPS' MEETING ON 14 NOVEMBER 1963

1. There was general agreement that the basis existed for proceeding to the negotiation of a world grains agreement. The essential difference between such an agreement and those of the past was that the world grains agreement envisaged would bring within the negotiating arena the internal policies of grain producing countries.
2. In order to give effect to the objective set out in the Ministerial Decision of May 1963 - to create acceptable conditions of access to world markets for cereals in the furtherance of a significant development and expansion of world trade in cereals - certain basic principles relating to the negotiations which would be an integral part of the Kennedy Round, were agreed.
3. These principles are:
 - (a) Internal support policies for grains are a critical element influencing world grain trade and the world cereals economy, including the level of international prices and therefore these matters are central in the negotiations.
 - (b) All participating countries producing grains should consider the assumption of obligations and commitments with regard to grain trade policies.
 - (c) The action to be taken by any country, while directed to the common objective, may vary with the particular circumstances of that country. However, it was to be expected that appropriate commitments would be undertaken by all participants and that the reciprocal nature of these commitments would be of the same order in each case.
4. It was agreed that all members should come to the next meeting of the Group prepared to participate fully in the negotiations which are now envisaged. The Chairman's summary of proceedings of the previous meeting lists various elements which it is considered would be appropriate for discussion and negotiation in working towards an agreement. Although some of these elements are covered by the statement of basic principles relating to the negotiations recorded in paragraph 3, they are restated in total for the sake of completeness.

1. Coverage
2. Agricultural price support and other support and organizational measures
 - (i) Internal prices
 - (ii) Other organizational measures
3. International trade
 - (i) International prices
 - (ii) Access
 - (iii) Assurances of supply by exporting countries
4. Non-commercial disposals
5. Procedures

5. The Group noted the established time-table for the Kennedy Round which called for the opening of negotiations in the first half of 1964. It was the intention to make substantial progress before the end of 1964. In the light of the complexity of the matters to be negotiated and the nature of the commitments which it was expected governments would be asked to assume, the Group felt that the negotiations for a cereals agreement could well take some nine to twelve months. Accordingly, to fit in with the time-table for the Kennedy Round as a whole, it was agreed that a negotiating meeting should commence as early as practicable in 1964. A precise date would be left to the Executive Secretary to determine after further consultations but it was hoped that the meeting could be scheduled to commence in late February. Whilst that meeting would be more or less continuous over the ensuing nine to twelve months, it was to be understood that there would need to be breaks so that governments could consider progress and formulate the necessary instructions to their delegations.