

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

GROUP 3(e) - BASIC DOCUMENTATION

Inventory of Measures and Mechanisms Influencing Exports

Addendum

UNITED STATES

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On 1 January 1974 there were no export controls in effect on exports of agricultural commodities. Statutory authority exists to impose controls if the need arises.

Note: The description of measures and observations in the addendum will replace those contained in document COM.AG/W/81/Add.9. The statistical information will be supplementary to that in previous documentation.

I. INFORMATION ON EXPORT CREDITS¹

A. Export Credit Sales Programme

Under the CCC Export Credit Sales Program Regulations, GSM-4, as revised and amended, October 1971, exports of United States agricultural commodities may be financed for a maximum credit period of three years. As a general policy, the length of the credit period is limited to twelve months. Longer credit terms are granted where justified.

During United States fiscal year 1973 (July 1972-June 1973) approximately \$1.0 billion worth of commodities were exported under the programme to forty-four countries. The major commodities comprising this total were wheat (50%), corn (21%), cotton (11%), tobacco (3%) and soybean oil (3%).²

Commodities exported under the programme are obtained from privately-owned stocks. The Commodity Credit Corporation no longer sells on credit from its own inventories; however, commodities purchased from CCC inventories under applicable sales announcements become private stocks and may then be financed for export. For all transactions there is required an acceptable irrevocable obligation for payment from a United States bank or a foreign bank with a minimum of 10 per cent of the credit confirmed by a United States bank in the United States. The bank's confirmation applies to commercial risks only. The Commodity Credit Corporation charges interest on these credits, currently at 9½ per cent where covered by a foreign bank guarantees and 10½ per cent on portions guaranteed by United States banks.

The exporter is not obligated to export commodities when a financing approval is granted. If an exporter is going to take advantage of the financing approval, he must register an export sale and export the commodities within the period specified in the financing approval.

Export financing under the programme is accomplished by CCC purchasing exporters' accounts receivable arising from export sales to foreign importers under CCC financing approvals. The exporters are paid cash for the receivable

¹This information replaces that given in document Spec(69)136, pages 10 to 14.

²As of 28 February 1974, total exports under the programme since it began in 1956 amounted to \$3.5 billion.

on submission to the treasurer, CCC of an acceptable letter of credit, export bill of lading, sales invoice, and as assignment of the account receivable. The account receivable must be for the amount financed by CCC, which is the f.o.b. or f.a.s. - United States port value.

B. Concessional sales programmes

Sales of wheat and other agricultural commodities are made under authority of the Agricultural Trade Development and Assistance Act of 1954, as amended, and commonly known as Public Law 480. The Food for Peace Act of 1966, which substantially extended and amended Public Law 480, became effective 1 January 1967. After that date all concessional sales programmes are included under Title I, including government-to-government sales for foreign currencies, government-to-government and private trade long-term dollar credit sales (both formerly Title IV) and convertible local currency credit sales. The latter type of sale, which is similar to government-to-government long-term dollar credit sales except that payment of principal can be deferred for longer time periods and the grace period on principal payments extended over a greater number of years, was authorized by the Congress as a means of implementing the legislative objective of effecting "... a progressive transition from sales for foreign currencies to sales for dollars ...".

The 1966 Amendment provided for the phase-out of foreign currency sales by 31 December 1971. The 1966 Act (currently extended through 31 December 1977) declares it to be the policy of the United States "to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States". Agreements are generally limited to the less highly developed countries. Efforts of the countries to help themselves toward a greater degree of self-reliance, including efforts to meet these problems of food production and population growth, are taken into account in negotiating and carrying out sales agreements. All sales agreements include provisions to assure that delivery of commodities pursuant to the agreement will safeguard the usual marketing of the United States and do not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries. Agreements also provide that commodities supplied thereunder are for domestic consumption within the purchasing country and that these commodities shall not be re-exported without specific approval of the United States. The legislation authorizes supply periods of up to ten years. However, agreements are generally negotiated on the basis of annual supply periods.

In accordance with United States cargo preference legislation, not less than 50 per cent of the total tonnage of each commodity exported under all Title I sales agreements must be shipped on vessels of United States flag registry. Although in the case of dollar and convertible currency credit sales, the legislation authorizes Public Law 480 financing on credit terms of ocean transportation costs for that portion (usually 50 per cent) of the total tonnage required to be shipped on United States flag vessels, Public Law 480 financing of such ocean transportation costs since 1969/70 has been limited to the amount by which the cost of shipping on United States vessels exceeds the cost on non-United States vessels.

The legislation requires that, whenever practicable, not less than 5 per cent of the purchase price of the commodities sold under Title I agreements shall be payable upon delivery in dollars or in the types or kinds of currencies which can be converted to dollars.

(a) Government-to-government dollar credit and convertible currency sales

The legislation directs that payment terms shall be as favourable to the United States as the economy of the recipient country will permit. Payment terms and interest rates are determined on a case-by-case basis, taking into account the country's external financial position, its capacity to service the dollar obligations involved, its stage of economic development, and other considerations. The first annual payment may be deferred for up to two years in the case of dollar credit sales (up to ten years under convertible local currency agreements) from the date of last delivery of any commodity under the agreement in each calendar year. Interest rates have generally ranged between the cost of funds to the Treasury for comparable maturities and the minimum permissible under the legislation (3 per cent per annum), except during the period of deferment when the interest rate may be set at 2 per cent per annum. Negotiation of a government-to-government agreement includes a formal understanding that the two governments shall agree on the use of the proceeds from the sale of commodities under the agreement. Payment terms may be extended up to twenty years for dollar credit and forty years for convertible local currency credit sales. Interest on dollar credit sales is charged from the date of last delivery under the agreement in each calendar year and from the date of United States disbursement for the financing provided under convertible local currency credit terms.

(b) Private trade dollar credit sales

Any private trade entity (PTE) of the United States or a foreign country which otherwise meets programme requirements is eligible to enter into a Title I agreement with the Secretary of Agriculture to export agricultural commodities to friendly nations. Payment periods are set on a case-by-case basis in relation

to specific private enterprise projects to be undertaken under the agreement. Payment of dollar amounts must be secured by assurers acceptable to CCC. The interest rate is set at the cost of funds to the United States Treasury for comparable maturities and is determined at the time the agreement is entered into. The amount financed by CCC may be paid over periods of not to exceed twenty years from the date of last delivery of commodities in each calendar year in approximately equal annual instalments. Preference is given to proposed agreements involving projects which will result in the establishment of facilities designed to improve storage or marketing of agricultural commodities and thereby strengthen development and expansion of commercial markets for United States agricultural commodities.

(c) Title I sales agreements

Between 1 January 1972 and 31 December 1973, the United States signed 132 government-to-government agreements and amendments - having a total export market value of \$1.6 billion. Dollar credit sales amounted to about \$245 million, and convertible local currency credit sales totalled \$1,394 million.

- (1) Convertible local currency credit sales: Since 1 January 1972, 102 sales agreements were signed which were wholly or in part of this type. Financed under such terms were 351 million metric tons of wheat and wheat products in wheat equivalents, worth \$434.2 million, and 1.8 million metric tons of rice, worth \$521.1 million.
- (2) Government-to-government dollar credit sales: Since 1 January 1972, 32 agreements have been signed to include 2.5 million metric tons of wheat and wheat products worth 95.8 million; 7,500 metric tons of rice worth \$1.3 million, and 2.1 million metric tons of feed grains valued at \$463.8 million.
- (3) Private trade dollar credit sales: Since the beginning of 1972, five sales agreements have been entered into with private trade entities. These include 153,600 metric tons of wheat worth \$11 million.

II. LIVE CATTLE, BEEF AND VEAL, OTHER MEATS AND PROCESSED MEATS

A. Observations

1. Poultry

On 29 April 1968, the United States announced the resumption of a Section 32 (Public Law 74-320) export-payment programme for sales of United States frozen chickens to Switzerland after failure to reach agreement with other poultry exporting countries to terminate subsidization of poultry exports. The programme had originally been initiated on 22 September 1965, to compete with subsidized exports by foreign poultry producers, but was implemented only on a limited basis and was terminated on 30 June 1967. Poultry destined for Greece was approved for Section 32 export assistance in late November 1969, also for reasons of subsidized export competition.

Under the programme, export payment rates were determined on an offer and acceptance basis. Payments were made in cash to exporters on sales of United States Grade A whole frozen, ready-to-cook broilers, and roasters. The average export payments in cents per pound has been 16.8 for fiscal year 1969, 14.2 for 1970, and 13.2 for 1971. Export subsidies on whole chickens were terminated on 11 January 1973.

The volume and total subsidy cost of chicken exported to Switzerland and Greece for the years 1968/69 through 1970/71 are shown below:

Year	Switzerland		Greece		Total	
	'000 lb.	\$'000	'000 lb.	\$'000	'000 lb.	\$'000
1968/69	14,951	2,508	0	0	14,951	2,508
1969/70	14,750	2,162	1,499	147	16,249	2,309
1970/71	8,146	1,157	1,604	128	9,750	1,285

The limited export subsidy programme has enabled the United States to compete with other subsidized poultry exporters and recover lost sales of some 10 million pounds per year.

2. Exports of carcass beef, pork, mutton, and lamb are minimal and are not assisted.

Reference: L/3655/Add.14, L/3655/Add.14/Supp.1

II. B. STATISTICS

BTM	Products	Years	Exports					Total amount of export payments	Ratio of non-assisted to total exports	Ratio of total amount of export payments	
			Total	With direct assistance	With indirect assistance	Without assistance	Non-commercial transactions			To total exports	To assisted exports
			<u>US\$ million</u>						<u>Percentages</u>		
02.02	Poultry meat	1967/68	45.3	.7	-	44.6	-	.4	98	1	57
		1968/69	44.8	4.3	-	40.5	-	2.5	90	5	58
		1969/70	41.8	5.0	-	36.8	-	2.3	88	5	46
		1970/71	42.1	2.8	-	37.3	-	1.3	93	3	46
		1971/72	43.2	3.6	-	39.6	-	1.6	92	4	45
		1972/73 ^{1/}	53.5	1.4	-	52.1	-	.5	97	1	36

1/ Programme discontinued 11 January 1973

III. DAIRY PRODUCTS

A. Observations

1. Non-fat dried milk

The United States provides assistance for exports of non-fat dried milk through two separate CCC programmes. The CCC sells to United States exporters for processing in foreign plants with at least 50 per cent United States ownership; and it also makes sales at negotiated prices to other governments for school lunches and other restricted use and to recognized United States charitable agencies for welfare purposes.

The programme for the sale of CCC non-fat dried milk to United States firms operating foreign processing plants was initiated in January 1968 under the authority of the Agricultural Act of 1949, as amended. The purpose was to make United States produced non-fat dried milk available to overseas plants operating with American investment and technology. This programme continued with no substantial change through fiscal year 1970 with CCC non-fat dried milk being sold to United States firms at regularly announced prices. Prices were fixed at levels equivalent to world prices, although these were significantly below the domestic support level. The export programme continues, but since August 1970 the CCC has sold non-fat dried milk on competitive bids rather than at announced prices.

Export sales of non-fat dry milk to foreign governments, charitable organizations and United States-owned overseas plants were suspended in October 1972.

2. Butter

On 12 May 1971, the Department of Agriculture announced a limited export sales programme for CCC-owned butter to the United Kingdom. This action was taken to make United States butter available to compensate for limited stocks in some major exporting countries resulting in a shortfall on the United Kingdom market. Under this programme, nearly 7 million pounds of butter were exported to the United Kingdom during May and June 1971. The average price differential was nearly nineteen cents a pound and total export assistance amounted to \$1.3 million in 1970/71. On 1 July 1971 the programme was expanded to permit exports without limitation as to destination.

Reference: L/3655/Add.14
L/3655/Add.14/Supp.1

III. B. STATISTICS

BTN	Products	Years	Exports					Total amount of export payments	Ratio of non-assisted to total exports	Ratio of total amount of export payments	
			Total	With direct assistance	With indirect assistance	Without assistance	Non-commercial transactions			To total exports	To assisted exports
ex 04.02	Canned milk	1967/68	10,000	-	US\$ '000	4,800	5,200 ^{a/}	-	43.0	-	-
		1968/69	18,200	-	-	5,000	13,200 ^{a/}	-	27.8	-	-
		1969/70	13,500	-	-	6,300	7,200 ^{a/}	-	46.3	-	-
		1970/71	17,500	-	-	6,000	11,500 ^{a/}	-	34.3	-	-
		1971/72	11,800	-	-	6,200	5,600 ^{a/}	-	52.5	-	-
ex 04.02	Skin milk powder	1972/73	8,500	-	-	8,600	-	-	100.0	-	-
		1967/68	66,100	-	-	-	66,100 ^{b/}	-	-	-	-
		1968/69	81,100	-	-	-	81,100 ^{b/}	-	-	-	-
		1969/70	78,400	-	-	-	78,400 ^{b/}	-	-	-	-
		1970/71	96,500	-	-	2,500	74,000 ^{b/}	-	2.6	-	-
ex 04.02	Whole milk powder	1971/72	102,300	-	-	12,000	90,300 ^{b/}	-	11.7	-	-
		1972/73	35,500	-	-	14,000	21,500 ^{b/}	-	39.4	-	-
		1967/68	2,000	-	-	2,000	-	-	100.0	-	-
		1968/69	3,600	-	-	3,600	-	-	100.0	-	-
		1969/70	5,100	-	-	5,100	-	-	100.0	-	-
04.03	Butter	1970/71	2,900	-	-	2,900	-	-	100.0	-	-
		1971/72	5,500	-	-	5,500	-	-	100.0	-	-
		1972/73	7,600	-	-	7,600	-	-	100.0	-	-
		1967/68	2,300	-	-	-	2,300	-	-	-	-
		1968/69	5,200	-	-	-	5,200	-	-	-	-
04.04	Cheese	1969/70	200	3,400	-	-	200	800 ^{c/}	22.3	23.6	-
		1970/71	3,600	63,800	-	-	200	14,900 ^{c/}	23.1	23.4	-
		1971/72	2,400	2,400	-	-	800	500 ^{c/}	20.9	20.9	-
		1972/73	-	-	-	-	-	-	-	-	-
		1967/68	4,000	-	-	4,000	-	-	100.0	-	-
	Total products listed above	1968/69	5,500	-	-	5,500	-	-	100.0	-	-
		1969/70	4,800	-	-	4,800	-	-	100.0	-	-
		1970/71	4,900	-	-	4,900	-	-	100.0	-	-
		1971/72	5,000	-	-	5,000	-	-	100.0	-	-
		1972/73	5,500	-	-	5,500	-	-	100.0	-	-
		1967/68	84,400	-	-	10,800	73,600	-	100.0	-	-
		1968/69	114,200	-	-	14,700	99,500	-	100.0	-	-
		1969/70	102,100	-	-	19,200	82,900	-	100.0	-	-
		1970/71	125,800	3,400	-	16,300	106,100	800	97.3	7.7	23.6
		1971/72	189,600	63,800	-	29,100	96,700	14,000	66.4	7.2	23.4
		1972/73	59,600	2,400	-	35,700	21,500	500	96.0	5.5	20.9

^{a/} Represents sales of canned milk to Viet-Nam for local currency. No export payments as such to exporters.

^{b/} Donated to World Food Programme and/or other welfare programmes.

^{c/} Export payments are the difference between the CUC purchase price and the price at which the product is sold to United States trade for export.

IV. GRAINS

A. Observations

1. Export payments on wheat and wheat products

(a) Background and authority of subsidy - The United States made export payments on wheat and wheat flour through 30 June 1971 under the authority of the CCC Charter Act and under the provisions of the Wheat Export Programme, GR-345 (revision IV). The export payment provisions of this programme are designed to: (1) assure that wheat produced in the United States is generally competitive in world markets; (2) avoid disruption of world market prices; (3) aid the price support programme by strengthening the domestic market price received by farmers; (4) reduce the quantity of wheat which would otherwise be taken into CCC's stocks under its price support programme; (5) promote the orderly liquidation of CCC stocks of wheat; and (6) fulfil the international obligations of the United States. The 86 per cent mandatory set-aside requirement under the 1973 wheat programme was eliminated on 11 January 1973. This action will free approximately 15 million acres for production of crops including wheat, feed grains, soybeans or forage.

(b) Incidence - Export payment rates on both wheat and wheat flour were established on a daily basis to take account of the difference between domestic and world prices. Export payments have continued to be made on the basis of regularly announced rates when United States domestic wheat prices are above competitive levels in the world market. Total payments for wheat under the export payment programme in 1970/71 were \$140.2 million (averaging 23.3 cents per bushel), compared with \$75.4 million (15.3 cents per bushel) in 1969/70. Payments on wheat flour in 1970/71 totalled \$7.2 million, the same as a year earlier. Export payments were reduced to zero on 22 September 1972, on wheat and on 10 January 1973, on wheat flour.

2. Export assistance to feed grains

(a) Barley - On 27 March 1970, it was announced that CCC stocks of barley would be offered for general export sale except to EEC destinations on competitive bid basis, f.o.b. vessel at Duluth/Superior. A combination of circumstances led to this offer to sell at world prices which were less than CCC cost. Barley exports had trended downward from 106 million bushels in 1959/60 to 11 million bushels in 1968/69, and only 1.3 million bushels were exported during the first nine months of 1969/70 marketing year. Storage facilities at Duluth/Superior were filled to capacity and United States barley was not being exported because highly subsidized offerings were available from other exporting countries. In

addition, barley stored at Duluth/Superior was out of position except for export. The bids tendered as a result of this offer to sell at world competitive prices were below CCC cost value. Approximately 9.4 million bushels of barley for which bids were accepted were exported during 1969/70. In 1970/71 about 28 million bushels of barley were delivered to exporters for shipment abroad. The world price of barley was about 37 cents per bushel below domestic prices.

(b) Grain sorghum - During 1969/70 approximately 37 million bushels of sorghum grain were sold for export from CCC stocks under the same authority as barley. However, sales were not less than a specified minimum established on the basis of domestic prices, and these sales did not involve a subsidy by or a loss to CCC. In 1970/71 the CCC sold some 15 million bushels of grain sorghum for export at an average price differential of 10 cents per bushel.

3. Special export programme for rice

Export payments to United States exporters of rice are authorized by the CCC Charter Act (for commercial sales) and the Agricultural Trade Development and Assistance Act (for Public Law 480 sales). The purpose of this assistance is to keep United States export prices competitive in world markets. The Department of Agriculture makes regular announcements of the subsidy payment rate for United States rice exports. Subsidy rates fluctuate according to the relationship between world and United States prices. For several years, the domestic price support level for rice has been held to the minimum permitted by legislation.

World prices rose sharply during 1966/67 and were high enough to permit discontinuation of United States export payments in July 1967. From 5 July 1967 to 18 March 1969 no rice payments were made. In 1969, however, world rice production was up 5 per cent from the previous year to a record 194 million metric tons. As a result, world prices weakened; and the United States once again resumed payments in March 1969. Export payments to United States exporters of rice were reduced to zero effective 21 December 1972 and until further notice.

4. No maize, barley or oats exports received direct export payments in years shown. The last sales of United States Government-owned barley and oats for export at less than acquisition costs were announced in November 1972.

5. Some unassisted exports may be included under assisted as sufficiently detailed data are not available.

6. On 1 January 1974 regulations were in effect authorizing export payments on wheat, wheat flour and rice, but at that time no export payment contracts were being awarded on these commodities. In April 1974, the export payment regulations on wheat, wheat flour and rice were revoked. Statutory authority exists to reinstate these export payment regulations if the need arises.

GRAINS
IV. B. Statistics

BTN	Products	Years	Exports					Total amount of export payments	Ratio of non-assisted to total exports	Ratio of total amount of export payments	
			Total	With direct assistance	With indirect assistance ^{a/}	Without assistance	Non-commercial transactions ^{b/}			To total exports	To assisted exports
				US\$ '000							
10.01	Wheat	1970/71 1971/72 1972/73	1,111,600 965,400 2,283,300	806,200 687,400 1,607,400	129,800 114,600 577,300	- 355,300	305,400 314,400 241,600	140,200 75,350 301,150	0 15.8	12.7 7.8 13.5	17.4 11.5 18.3
11.01	Wheat-Flour	1970/71 1971/72 1972/73	89,100 81,600 93,200	11,400 14,000 29,600	- 7,400	- 3,900	77,700 65,700 63,600	7,100 5,600 3,200	- 4.8 -	8.0 6.9 3.5	62.3 40.0 10.9
10.03	Barley	1970/71 1971/72 1972/73	77,700 49,700 97,700	28,000 28,200 0	15,600 15,400 1,500	41,200 21,500 96,200	7,500 -	10,400 4,700 -	53.1 43.3 98.5	13.4 9.5 -	25.9 16.7 -
10.04	Oats	1970/71 1971/72 1972/73	12,600 14,000 17,300	0 12,600 0	- -	11,000 17,300	1,600 -	0 5,800 0	87.3 100.0 100.0	- 41.5 -	- 46.1 -
10.05	Corn	1970/71 1971/72 1972/73	777,600 908,000 1,881,800	- - -	27,200 42,000 225,500	721,500 823,200 1,600,900	28,900 42,800 55,400	- - -	96.3 95.3 97.1	- - -	- - -
10.07	Grain sorghum	1970/71 1971/72 1972/73	227,700 146,600 315,250	20,000 0 0	1,400 600 2,700	177,100 110,600 274,750	30,600 35,400 37,800	1,500 0 0	77.8 75.5 87.2	0.7 -	7.5 -
	Total coarse grains above	1970/71 1971/72 1972/73	2,207,200 2,683,700 4,555,350	858,200 698,200 1,647,400	174,000 173,600 807,000	950,800 956,700 2,343,450	374,000 392,600 334,800	152,100 85,850 301,150	43.1 46.0 51.5	6.9 4.2 6.7	17.8 12.3 18.3
	Total products listed above	1970/71 1971/72 1972/73	2,296,300 2,165,300 4,648,550	866,600 712,200 1,677,000	174,000 173,600 814,400	950,800 960,600 2,343,450	451,700 456,300 390,400	159,100 91,450 304,350	41.4 44.4 50.5	7.0 4.3 6.6	18.4 12.9 18.2
10.06	Rice milled	1970/71 1971/72 1972/73	288,500 306,300 435,400	119,300 108,000 120,000	26,400 13,500 14,700	- 67,100	168,700 198,400 240,300	37,600 57,200 49,800	- -	13.1 18.7 11.5	31.4 21.0 26.9

^{a/} Commercial exports with credit - values are also included in those shown in columns for exports with direct assistance or for exports without assistance.
^{b/} Includes sales under Public Law 480, Title I - sales for foreign currency, Title II - famine and other emergency relief, Title III - foreign donations, Title IV - long-term supply and dollar credit sales, and by the Agency for International Development.

V. VEGETABLE OILS AND OILSEEDS

A. Observations

1. Peanuts. The Agricultural Act of 1949, which provides for price support programmes for peanuts, and the CCC Charter Act authorizes CCC to sell peanuts for domestic oil crushing or for export at prices below the United States support level plus carrying charges. The purpose of the sales authority is to provide a secondary outlet for farmers' stock peanuts which are surplus to domestic food requirements. Practically all United States peanut exports during fiscal years 1969-71 were shelled nuts sold from CCC loan stocks on a competitive bid basis and processed by commercial peanut shellers. No export subsidy is paid to the sheller, but since CCC peanuts are sold at a loss, shellers are able to purchase peanuts at prices substantially below the support level paid to producers. During recent years, however, the support level and acreage for peanuts have been maintained at the minimum permitted by legislation.
2. Linseed oil. A programme to export CCC-owned linseed oil to non-EEC countries was in effect during the spring of 1971. No export payments were involved in these sales for export, which were carried out under the CCC Charter Act and the Agricultural Act of 1949. Sales for export at less than acquisition costs have been terminated.
3. Cottonseed meal and cottonseed oil. Although there was no Government assistance to United States exports of cottonseed meal and oil in 1970/71, small amounts were expended to assist exports in 1968/69 and 1969/70 under the authority of the CCC Charter Act and the Agricultural Act of 1949. Sales for export at less than acquisition costs have been terminated.

Reference: L/3655/Add.14
L/3655/Add.14/Supp.1

OILSEEDS V.B. STATISTICS

BTN	Products	Years	Exports					Total amount of export payments	Ratio of non-assisted to total exports	Ratio of total amount of export payments	
			Total	With direct assistance	With indirect assistance	Without assistance	Non-com-mercial trans-actions			To total exports	To assisted exports
ex 12.01	Flaxseed	1970/71 1971/72 1972/73	8,700 5,300 27,300	- - -	- - -	8,700 5,300 27,300	- - -	- - -	- - -	- - -	- - -
ex 12.01	Peanuts	1970/71 1971/72 1972/73	26,700 43,600 59,100	26,600 43,300 59,100	- - -	100 300 0	- - -	13,000 26,200 15,700	.4 .7 -	48.7 60.1 26.6	48.9 60.5 26.6
ex 12.01	Soybeans	1970/71 1971/72 1972/73	1,274,500 1,391,300 2,288,600	- - -	16,700 6,300 -	1,274,500 1,391,300 2,288,600	- - -	- - -	- - -	- - -	- - -
	Total Oilseeds	1970/71 1971/72 1972/73	1,309,900 1,440,200 2,375,000	26,600 43,300 59,100	16,700 6,300 -	1,283,300 1,396,900 2,315,900	- - -	13,000 26,200 15,700	98.0 97.0 97.6	1.0 1.9 0.7	48.9 60.5 26.6
ex 15.07	Cotton-seed oil	1970/71 1971/72 1972/73	47,400 68,400 77,700	- - -	4,100 9,700 10,300	47,400 67,000 77,600	- 1,400 100	- - -	100 98.0 100	- - -	- - -
ex 15.07	Linseed oil	1970/71 1971/72 1972/73	5,000 5,200 23,800	- - -	1,600 2,600 7,300	5,000 5,200 23,800	- - -	- - -	100 100 100	- - -	- - -
ex 15.07	Peanut oil	1970/71 1971/72 1972/73	5,300 15,500 16,800	- - -	- - -	5,300 15,500 16,800	- - -	- - -	100 100 100	- - -	- - -
ex 15.07	Soybean oil	1970/71 1971/72 1972/73	242,400 224,300 144,300	- - -	32,100 38,200 27,400	122,000 94,200 69,300	120,400 130,100 75,000	- - -	50.3 42.0 48.1	- - -	- - -
ex 15.07	Tuna oil	1970/71 1971/72 1972/73	200 150 70	- - -	- - -	200 150 70	- - -	- - -	100 100 100	- - -	- - -
15.07	Oil total	1970/71 1971/72 1972/73	300,300 313,550 262,670	- - -	37,800 50,500 45,000	179,700 182,050 187,570	120,400 131,500 75,100	- - -	40.1 42.0 26.8	- - -	- - -

VI. LARD

A. Observations

Section 32 Public Law 74-320 provides for a continuing appropriation which may be used to encourage exports of agricultural commodities and products thereof. On 10 December 1968, the Secretary of Agriculture announced a programme of cash payments to exporters of United States lard to the United Kingdom. The purpose of this programme, which is still in effect, was to permit United States producers to compete in this traditional market in the face of subsidized lard exports from other sources. From the time the programme became effective on 13 January 1969, through 8 August 1969, the subsidy rate was 2 cents per pound. On 8 August 1969, the United States announced that on 11 August a 50 per cent rate reduction to 1 cent per pound would be in effect. This reduction followed smaller reductions by other suppliers. Export subsidies on lard were terminated on 11 January 1973.

Contracts written during 1968/69 involved 121.2 million pounds of lard and provided for export subsidies of \$2.4 million. In 1969/70, contracts amounted to 266.1 million pounds and allowed for \$2.9 million in export payments, and in 1970/71, 271.3 million pounds and \$2.7 million. (Trade values not available.)

Reference: L/3655/Add.14
L/3655/Add.14/Supp.1

VII. TOBACCO

A. Observations

1. The tobacco export payment programme was initiated in early 1966 as a rebate on exports of old crop stocks of price support loan tobacco. In July 1966, the programme was changed to make direct payments of CCC funds as authorized under the Charter Act of the CCC and was made applicable to all kinds of tobacco having price support for the current crop of each kind of tobacco. It was designed to make United States tobacco exports more price competitive on foreign markets. The authorized payment was 5 cents per pound unstemmed equivalent on exports on current and certain prior crop stocks and 10 cents per pound on some prior crops that had previously been authorized a rebate payment. Tobacco not price supported and not covered by the export payment programme included cigar wrapper, Pennsylvania cigar filler, Maryland light air-cured, and perique tobacco. In August 1969, the export payment programme was amended to include all kinds of tobacco. The export payment was made to eligible United States exporters upon submission of acceptable documents supporting the exports of eligible tobacco. The introduction of the tobacco subsidy has been a factor in enabling the United States to maintain its current share of world tobacco trade. In the years immediately ahead, because of higher United States prices and increased competition from foreign production, exports of United States tobacco are expected to decline even with a continuation of the current subsidy.
2. The export programme on tobacco, effective with the 1973 crop, was terminated on 29 November 1972.
3. On 1 January 1974, regulations were in effect authorizing export payments on tobacco, but at that time no export payment contracts were being awarded on commodities except for certain old crop tobacco.

Reference: L/3655/Add.14
L/3655/Add.14/Supp.1

VII.B. STATISTICS

BTN	Products	Years	Exports					Total amount of export payments	Ratio of non-assisted to total exports	Ratio of total amount of export payments	
			Total	With direct assistance	With indirect assistance	Without assistance	Non-commercial transactions			To total exports	To assisted exports
24.01	Tobacco	1970/71	570,300	546,700	76,600	-	23,600	29,100	0	5.1	5.4
		1971/72	570,400	547,100	51,900	-	23,300	26,700	0	4.7	4.7
		1972/73	639,800	611,000	34,300	-	28,800	27,800	0	4.4	4.6

US \$ '000