

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SWITZERLAND

Information Supplied in Respect of VEGETABLE OILS AND SEEDS

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A. Production: production measures and policiesIntroduction

Colza oil is Switzerland's only domestic product in this sector. It accounts for about 7 per cent of the country's total consumption of vegetable oils and fats.

Legislation in this sector is designed to protect and support colza production in line with the following general principles:

- Measures designed to encourage land cultivation. Colza and root crops play an important rôle in crop rotation and the maintenance of wheat acreage.
- The legislation is intended to contribute to ensuring domestic supplies of fats in the event of difficulties in obtaining supplies from other countries.

A.1. Statistical data on total volume of productionColza Produced and Delivered to the Confederation

(see support system under B.I.1)

<u>Year</u>	<u>Area hectares</u>	<u>Production quintals</u>		<u>Yield of edible oil Thousand quintals</u>
		<u>Total</u>	<u>per hectare</u>	
1965	6,725	137,644	20.47	54
1966	6,762	111,304	16.46	46
1967 (pro- visional)	7,553	183,069	24.24	75

A.2. Trends in production and estimates for 1970

Colza production depends on the limited acreage for which the Federal Council guarantees purchase of the crop at a specified price (cf. B.I.2) Contracts to grow colza are concluded between the cantonal authorities and producers' organization.

A.3. Statistical data on carry-over stocks and stockpiles

The entire crop of colza grown under contract is disposed of in the course of the year.

A.4. Factors which affect production

See paragraph A.3 above.

A.5. Policies and measures of governments or other bodies likely to influence production, other than those listed under B

None.

B. Protection and support measures and policiesB.I. Internal support measures and policiesB.I.1. Inventory of the instruments of support

In order to maintain a minimum acreage under oilseeds, for the reason explained in the introduction to section A, the Federal Council determines, before each year's sowing, the colza acreage for which the Confederation will guarantee purchase of the yield and at what price payable to the producers. This price is established according to the principles laid down by the law on agriculture, providing that the average production costs of rationally operated farms must be covered, taking into account the interest of the other branches of the economy and of the other sections of the population as well as the need to create a reasonable price relation as between the various agricultural products and sectors.

Since the authorities fix the selling price for colza oil on the basis of prices for other ordinary edible oils, the Confederation pays the difference between this price and the cost of purchasing, delivery and processing the colza seed. The necessary funds are obtained from price supplements charged on imported fodder.

The cost of these measures over the past three years has been as follows:

	(thousand dollars)
1965	1,949
1966	1,772
1967	2,338

B.I.2. Levels of guaranteed prices or support prices

In recent years, the total area for which the Confederation has guaranteed to purchase the seed at a specified price was 7,000 hectares from 1962 to 1966, when it was raised to 8,000 hectares. The price paid to the producer has remained unchanged at 120 francs (US\$27.78) per 100 kgs., f.o.r. for prime quality colza grown under contract. Sixty francs (US\$13.89) per 100 kgs. is paid for colza seed not grown under contract or resulting from any exceeding of the contractual acreage.

The above-mentioned prices apply to seed containing from 11.1 to 12 per cent humidity. Seed containing more than 12 per cent humidity is penalized, while a bonus is paid for seed containing less than 11.1 per cent humidity. It should be noted that the price is not affected by the oil content of seed.

B.I.3. Amount of producer subsidies

Nothing to be added to information under B.I.1.

B.I.4. Average returns to producers

In recent years, the average humidity of colza seed has been 8.6 per cent. Average returns to producers have been 123 francs (US\$28) per quintal delivered.

B.I.5. Method of determining returns for producers

See under B.I.1.

B.II. Measures at the frontier

1. Price supplements

Price supplements are charged on imported edible oils and fats as well as on the oilseeds used for their manufacture. The proceeds are used for financing the improvement of dairy produce.

The price supplements on vegetable oils and seeds are as follows:

Tariff item No.	Description of product	Present level of price supplement in \$ per 100 kgs. gross weight, customs cleared
ex 1201	Oilseeds and oleaginous fruit for the manufacture of edible oils and fats: - for crushing:	
ex 10	-- unroasted groundnuts	5.20
ex 20	-- copra	7.67
ex 30	-- sesamum seeds	6.28
" "	-- colza seeds	5.16
ex 50	-- palm kernels	5.20
" "	-- soyabeans	1.67

Tariff item No.	Description of product	Present level of price supplement in \$ per 100 kgs. gross weight, customs cleared
ex 1201 (cont'd)		
	-- for extraction:	
ex 10	-- unroasted groundnuts	5.89
ex 20	-- copra	8.38
ex 30	-- sesamum seeds	6.98
" "	-- colza seeds	5.86
ex 50	-- palm kernels	5.89
" "	-- soyabeans	2.36
ex 1507	Fixed vegetable oils, fluid or solid, for human consumption:	
	- <u>crude</u> , for the manufacture of edible oils and fats:	
ex 10/ 12	-- coconut (copra) oil	12.22
" "	-- palm-kernel and babassu oil	11.97
ex 30	-- palm oil	9.93
ex 30/ 32	-- other	11.97
	- <u>purified</u> , for the manufacture of edible oils and fats:	
ex 10/ 12	-- coconut (copra), palm-kernel and babassu oil	12.35
ex 30/ 32	-- other	12.35

Tariff item No.	Description of product	Present level of price supplement in \$ per 100 kgs. gross weight, customs cleared
ex 1507 (cont'd)		
	<u>refined:</u>	
ex 12	--- coconut (copra), palm-kernel and babassu oil	12.73
ex 20/ 22	--- olive oil	12.73
ex 30/ 32	--- other	12.73

2. Customs duties

Tariff item No.	Description of product	Rate of duty in \$/100 kgs. gross	Ad valorem incidence of duty (%)	
			1965	1966
1201.	Oilseeds and oleaginous fruit, whole or broken:			
	10 -- unroasted groundnuts	0.02	0.1	0.1
	20 -- copra	0.02	0.1	0.1
	30 -- colza seeds, linseed, hemp seeds, sesamum seed	0.02	0.2	0.2
	40 -- mustard seeds	1.16	5.2	4.5
	50 -- other oilseeds and oleaginous fruit	0.02	0.1	0.1
1507.	Fixed vegetable oils, fluid or solid, crude, refined or purified:			
	- for human consumption			
	--- coconut (copra), palm-kernel and babassu oils:			
	--- crude	2.31	7.5	8.5

Tariff item No.	Description of products	Rate of duty in \$/100 kgs. gross	ad valorem incidence of duty (%)	
			1965	1966
12	--- refined or purified -- olive oil, in containers of:	6.94	17.7	15.0
20	---- more than 10 kgs. - basic duty	3.47	3.8	3.7
	- duty resulting from Kennedy Round	2.31
22	---- 10 kgs. or less - basic duty	3.47	4.1	4.1
	-- duty resulting from Kennedy Round	2.78
	--- other edible oils:			
30	--- Crude	2.31	8.5	9.2
32	--- refined or purified - for industrial purposes:	2.78	9.4	9.1
40	-- linseed oil; soya oil	0.23	1.1	1.2
42	-- coconut oil; palm-kernel oil	0.23	0.7	0.9
44	-- other	0.23	0.7	0.9

3. Compulsory stock charge

Importers are required to pay a charge which is used to cover the cost of stocks maintained by way of preparation for a war-time economy. The incidence of the charge amounts to 12 francs per 100 kgs. of the refined product.

C. Consumption and internal prices

C.1. Statistical data on consumption

<u>Year</u>	<u>Total consumption of vegetable oils and fats ('000 tons)</u>	<u>Annual per caput consumption of vegetable fats and oils (kgs.)</u>
1963/64	76.5	13.0
1964/65	77.8	13.1
1965/66	76.8	12.7

C.2. Trends in consumption and estimates for 1970

For some years, per caput consumption of vegetable and animal oils and fats has remained fairly stable, varying between 21 and 22 kgs. per year. This trend seems likely to continue until 1970, so that any change in demand for vegetable oils mainly depends on any shift in consumption patterns as between vegetable and animal products, the price relationship being the deciding factor.

C.3. Retail and wholesale prices on major internal markets

(a) Domestic colza oil

	<u>In francs (\$) per litre</u>	
	<u>Before August 1967</u>	<u>Since August 1967 (new crop year)</u>
Base price (selling price, oil producers to wholesalers)	1.80 (0.42)	1.95 (0.45)
Fixed retail price	2.60 (0.60)	2.85 (0.66)

(b) Monthly wholesale price of imported oleaginous fruit and oil

(\$ per 100 kgs.)

	Oleaginous fruit ¹		Refined oil, with container ²	
	Copra (in bags)	Groundnuts	Groundnut	Sunflower
March 1967	30.09	27.31	59.14	53.09
February 1968	37.73	24.77	55.44	50.00

¹Free at Swiss frontier, cleared through customs (including price supplements and compulsory stock charge).

²Free to consignee.

(c) Average retail price in independent outlets in thirty-six towns

Month	Oil in litre bottles (price in cents per litre)		
	Groundnut	Sunflower	Colza
March 1967	82	89	61
February 1968	84	85	64

C.4. Factors which condition the evolution of internal consumption

See under C.2.

C.5. Policies and measures affecting consumption

None.

D. International trade and prices

Since Switzerland does not export vegetable oils and seeds, the information given in this section relates exclusively to imports.

D.1. Statistical data on the volume and value of imports of the principal products

<u>Product</u>	<u>1965</u>		<u>1966</u>		<u>1967</u>	
	Tons	US\$'000	Tons	US\$'000	Tons	US\$'000
- <u>unroasted ground-</u> <u>nuts (1201.10)</u>						
TOTAL	70,642	15,730	77,209	16,227	61,999	12,501
of which: Nigeria (principal supplier)	47,648	10,314	62,249	12,517	40,479	7,842
- <u>copra (1201.20)</u>						
TOTAL	15,626	3,587	11,721	2,360	8,548	1,608
of which: Philippines	9,272	1,964	5,781	1,252	5,646	1,068
Indonesia	6,354	1,623	5,646	1,049	1,002	188
- <u>colza seeds, linseed,</u> <u>hemp seeds, sesamum</u> <u>seeds (1201.30)</u>						
TOTAL	10,712	1,661	16,442	2,221	10,936	1,538
of which: Canada	3,470	462	7,241	885	730	117
USA	4,202	534	7,408	914	8,587	1,081
- <u>other oilseeds and</u> <u>oleaginous fruit</u> <u>(1201.50)</u>						
TOTAL	9,079	1,684	9,694	1,775	13,992	2,270
of which: Nigeria (principal supplier)	5,546	990	7,483	1,285	7,046	1,101

Product	1965		1966		1967	
	Tons	US\$'000	Tons	US\$'000	Tons	US\$'000
<u>- coconut, palm-kernel, babassu oils, crude (1507.10)</u>						
TOTAL	2,192	740	2,280	685	1,942	561
of which:						
Netherlands	373	120	987	270	629	163
Ceylon	1,005	330	332	101	307	99
Philippines	794	284	325	273	165	44
Malaysia	--	--	--	--	519	159
Dahomey	--	--	--	--	211	63
<u>- olive oil (1507.20/22)</u>						
TOTAL	2,449	1,718	2,826	2,001	2,519	1,911
of which:						
France	1,091	724	803	543	574	414
Italy	428	340	371	306	419	356
Spain	354	601	1,371	958	1,408	1,055
<u>- other crude edible oils (1507.30)</u>						
TOTAL	15,583	4,687	21,904	6,107	16,514	3,932
of which:						
Germany	1,394	474	2,040	629	697	279
Hungary	3,183	895	1,119	292	2,406	557
Romania	2,077	564	2,950	331	1,656	375
USSR	2,745	830	11,224	2,988	9,328	2,156
Nigeria	2,393	791	563	181	--	--
Argentina	1,548	488	2,703	848	--	--
<u>- other purified edible oils (1507.32)</u>						
TOTAL	3,053	2,633	11,283	3,798	14,598	4,492
of which:						
Germany	6,271	1,981	7,052	2,260	8,570	2,424
France	290	104	3,138	1,124	5,271	1,798
Belg.-Lux.	1,061	400	909	338	468	148
Netherlands	351	122	139	51	203	69

Product	1965		1966		1967	
	Tons	US\$'000	Tons	US\$'000	Tons	US\$'000
<u>-- oils for industrial purposes (1507.40/44)</u>						
TOTAL	10,025	3,024	7,138	1,915	5,823	1,577
of which:						
Germany	1,215	376	1,404	423	1,669	497
Argentina	2,832	631	1,222	249	1,569	313
Greece	1,144	343	744	119	-	-
Brazil	1,334	334	649	172	105	37
Spain	166	89	606	174	22	19
China	212	108	337	117	628	152
Turkey	1,126	448	-	-	-	-

D.2. Levels of import prices

See C.3 above.

D.3. Export aid measures and policies

None.

D.4. Description of bilateral agreements affecting imports or exports

In accordance with the agricultural agreement with Denmark (additional agreement of 11 May 1963), duties on mustard seeds (tariff heading No.1201.40) have been abolished in respect of EFTA countries.