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UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Twenty-Seventh Annual Report by the United States  
Government under the Decision of 5 March 1955

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REPORT OF THE UNITED STATES GOVERNMENT TO THE CONTRACTING PARTIES  
ON ACTION UNDER SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT

Introduction

This report is submitted in accordance with the decision of March 5, 1955, which waived obligations of the United States under Articles II and XI of the GATT to the extent necessary to prevent their conflict with actions required to be taken by the Government of the United States under Section 22 of the Agricultural Adjustment Act, as amended (see BISD, Third Supplement, page 32 and 35). It includes a review of recent developments and steps taken to balance production with demand; general observations; and summaries of the support programs and supply position for the commodities which are subject to Section 22 controls. The general reporting period is October 1983-September 1984, with supplementary information as necessary.

Recent Changes in Section 22 Controls

Import restrictions pursuant to Section 22 continued in effect for cotton of specified staple lengths, cotton waste and certain cotton products; peanuts; certain dairy products; sugar and syrups; and certain articles containing sugar. No new Section 22 restrictions were imposed during the reporting period.

The flexible import fee system for sugar, keyed to changes in sugar prices, remained in effect. The system, including International Trade Commission recommendations concerning certain technical modifications, was finalized by Presidential Proclamation 5164 of March 19, 1984. The fee system has been described in detail in previous reports. Throughout the reporting period, the fee applicable to raw sugar remained at zero cents per pound.

The fee for refined sugar was one cent per pound. The fees are intended to prevent domestic sugar prices from falling below a price objective established under the support program for sugar cane and sugar beets.

Temporary Section 22 quotas of zero pounds placed on two categories of certain sugar-containing articles in June 1983 remain in effect. The action was taken to halt importation of high sugar-content articles which had been newly formulated in order to obtain customs classification in tariff categories not subject to the import quota on sugar. (As previously reported, the sugar quota is not a Section 22 quota; the sugar quota was established in 1975 under the President's "headnote authority" and was lowered to a restrictive level in May 1982). The International Trade Commission completed an investigation of this matter in December 1983; Presidential action on the Commission's report is pending.

At the President's request, the International Trade Commission has instituted in September 1984 an investigation concerning flue-, fire-, and dark air-cured tobacco and burley tobacco, in unmanufactured form, in tariff items 170.20, 170.25, 170.32, 170.35, 170.40, 170.45, 170.50, 170.60, and 170.80. The Commission has scheduled a public hearing on this matter for January 3, 1985.

#### Steps Taken to Balance Agricultural Production with Demand

For three of the commodity groupings subject to Section 22 controls (cotton, peanuts, dairy products), United States production normally exceeds market requirements. In each sector, the government has taken measures to reduce excess production and bring supplies into a better balance with demand.

In the case of upland cotton, for example, a 25-percent acreage reduction program was instituted for the 1984 crop. For extra-long-staple cotton, the 1984 program consists of a voluntary 10-percent acreage reduction.

For peanuts, the steps to reduce production which were begun in 1977 are continuing. Production is controlled by a national poundage quota representing national requirements for domestic edible use. Only peanuts within that quota receive full support. The national poundage quota was again reduced for the 1984 crop to 1.134 million tons.

Concerning milk production, legislation enacted in November 1983 included provisions to reduce the support price, give diversion payments to farmers who reduced production, and authorize deductions from sales proceeds.

#### General Observations

Existing Section 22 controls are kept under continuing review, as is the feasibility of alternative measures. The essential consideration regarding adoption of alternative measures to Section 22 controls is effectiveness in protecting the support programs--specifically, in preventing involuntary government purchases and inventory maintenance costs because of displacement of domestic supplies by imports.

The United States will continue to meet the conditions of the Section 22 Waiver, including exploration of possible alternative approaches and continuation of efforts to increase consumption and to improve the supply balance for the commodities concerned. The United States will continue to confine its Section 22 controls to the measures necessary to prevent interference by imports with its support programs for agricultural commodities.

#### Levels of Price Support

Price support levels for Section 22 commodities, for 1983 and 1984, are shown in Table 1.

Table 1

Price Support Levels: Section 22 Commodities

<u>Commodity</u>	<u>Unit</u>	<u>Support Price</u>	
		<u>1983</u> (Dollars)	<u>1984</u> (Dollars)
Cotton, Upland	1b.	.5500	.5500
Loan Rate <u>1/</u>	1b.	.1210	<u>3/</u>
Deficiency Payment <u>2/</u>			
Cotton, Extra Long Staple			
Loan Rate	1b.	.9625	.8250
Payments	1b.	0	<u>3/</u>
Peanuts - Quota Loan			
	1b.	.2750	.2750
- Additional Loan			
	1b.	.0925	.0925
Dairy Products			
mfg. Milk <u>4/</u>	cwt.	13.10	12.60
Raw Cane Sugar Loan Rate <u>5/</u>			
	1b.	.1750	.1775
Refined Beet Sugar Loan Rate <u>5/</u>			
	1b.	.2086	.2076

1/ Basis Strict Low Middling 1-1/16", net weight, micronaire 3.5 through 4.9, at average location.

2/ For the 1983 crop, deficiency payments were calculated based on the difference between the target price and the average market price received by farmers for the calendar year, not to exceed the difference between the target price and the loan rate. 1983-crop deficiency payments were made to producers who participated in the 20 percent acreage reduction program.

3/ Has not been determined.

4/ Implemented through a standing offer to purchase cheese, butter and nonfat dry milk, in carlots, from processors at prices designed to return the support price for manufacturing milk (national average milkfat content of 3.67 percent.)

5/ National average loan rates.

COTTON AND COTTON WASTE  
Section 22 Quotas in Effect

Import quotas continue for upland-type cotton, long staple cotton, and certain cotton waste and cotton products.

Need for Continuing Import Quotas

During the 1983 and 1984 crop seasons, the United States has had in operation price support, production adjustment, and related surplus disposal programs; therefore import restrictions are being continued. Acreage limitations apply to the 1983 and 1984 crops. Import quotas on cotton, cotton waste and certain cotton products are necessary in order to prevent material interference with the Department of Agriculture's programs for cotton.

1984 Cotton Program

The Agriculture and Food Act of 1981 continued for upland cotton the concepts provided in the Food and Agriculture Act of 1977. The 1981 Act provided a four year program (1982-85) for wheat, feed grains, rice, and upland cotton. The upland cotton program is part of an overall farm program designed to encourage necessary agricultural production to meet domestic and foreign demand while protecting farm income earned from the marketplace. The 1981 Act continued the concept of guaranteed or "target" prices. The target price for 1984 crop upland cotton is 81.00 cents per pound. If the weighted average market price received by farmers during the 1984 calendar year is at or above the 81.00 cents per pound target price, no deficiency payments are made. If the average price is below the target level, payments will be made on the difference, not to exceed the difference between the target price and

the price support loan rate. The 1981 Act limited total payments to any person under one or more of the annual programs for cotton, wheat, rice, or feed grains to \$50,000.

On October 28, 1983, the Secretary of Agriculture announced a 25 percent acreage reduction program for the 1984 crop of upland cotton. Producers may plant no more than 75 percent of their established farm acreage bases if they wish to be eligible for price support loans and deficiency payments. The 1984 upland cotton loan rate is 55.0 cents per pound.

New legislation enacted in 1983 changed the program for extra long staple (ELS) cotton from an acreage allotment and marketing quota system to a program similar to that in effect for upland cotton and grains. The 1984 ELS cotton program consists of a voluntary 10-percent acreage reduction. ELS cotton producers must participate in the reduction program in order to be eligible for price support loans or target price protection. The 1984 ELS loan rate is 82.50 cents per pound and the target price is 99.0 cents per pound.

#### Program Activity

- 1) Upland Cotton. CCC stocks under loan or in inventory on July 31, 1984 (the end of the marketing year), were 602 thousand bales, compared with about 4,662 thousand on July 31, 1983. Beginning with the 1971 crop, loans mature 10 months from the first day of the month in which the loan is made; however, the Agriculture and Food Act of 1981 provides that nonrecourse loans for upland cotton shall, upon request of the producer during the tenth month of the loan period, be made available for an additional term of eight months, unless the average price of Strict Low Middling 1-1/16 inch cotton (micronaire 3.5 through 4.9) in the designated

spot markets for the preceding month exceeds 130 percent of the average spot price for the preceding 36 months. During the 1983-84 season, about 1.7 million bales were placed under loan, and as of October 17, 1984, nearly all of the outstanding balance had been redeemed.

### Supply Situation

- 1) Upland Cotton. The carryover on August 1, 1983, totaled 7.8 million bales. Production in 1983 decreased significantly from 1982, totaling about 7.7 million bales as compared with about 11.9 million in the previous year. The total supply in 1983-84 approximated 15.5 million bales or 2.9 million below a year earlier. Disappearance (domestic consumption and exports) totaled about 12.6 million bales in 1983 as compared with 10.7 million in 1982. The August 1, 1984, carryover was reported at about 2.7 million bales. The current estimate of 1984 crop production is 13.2 million bales, up about 5.5 million bales from 1983.
  
- 2) Extra Long Staple Cotton. The carryover on August 1, 1983 totaled about 93,000 bales. Production in 1983 decreased slightly from 1982, totaling 95,000 bales as compared with 99,000 a year earlier. Imports in 1983 totaled 4,000 bales, 4,000 bales below 1982. The total supply approximated 192,000 bales compared to 172,000 bales the previous year. Disappearance (domestic consumption and exports) totaled about 103,000 bales, about 34,000 more than 1982; about 23,000 bales were unaccounted for. The net result was a carryover on August 1, 1984, estimated at about 66,000 bales, 27,000 bales below a year earlier. The current estimate of the 1984 crop extra long staple production is 112,000 bales, up 17,000 bales from 1983.



3) Steps Taken to Balance Supply and Demand. In addition to production adjustment programs, additional Government programs designed to attain a better balance in the supply and demand position include: (1) CCC sales of its stocks in a manner that should avoid disrupting domestic and foreign markets and (2) continued emphasis on research and market promotion programs designed to increase cotton utilization throughout the world. These programs remain basically the same as previously reported.

### PEANUTS

#### Section 22 Quotas in Effect

The annual quota of 1,709,000 pounds (shelled basis) remained in effect for the 1984 crop of peanuts.

#### Need for Continuing the Import Quota

Import controls on peanuts are being continued to prevent material interference with U.S. programs and operations relating to peanuts.

#### Programs

The Agriculture and Food Act of 1981 modified provisions of the peanut price support program for the 1982 through 1985 crops, continuing steps begun in 1977 to bring peanut production for domestic edible use in balance with market needs. The 1981 Act continued the two-tier price support program and

retained poundage quotas, but it eliminated acreage allotments. This major change allowed any farmer in the United States to grow and market peanuts whether the farm has a poundage quota or not.

Peanuts under the national poundage quota are eligible for domestic edible use and are supported at a higher rate. Legislation requires that price support for quota peanuts, set at not less than \$455 per ton in 1981 and \$550 per ton in 1982, reflect in 1983 through 1985 annual increases in production costs, excluding any increase in the cost of land; but it limits the increase to 6 percent for each annual adjustment. The 1982, 1983 and 1984 support levels were set at \$550 per ton.

The national poundage quota has been reduced from 1.44 million tons in 1981 to 1.2 million tons in 1982, 1.167 million tons in 1983, 1.134 million tons in 1984, and 1.1 million tons in 1985.

Additional or nonquota peanuts may be grown by anyone, both quotaholders and nonquotaholders. Legislation requires these peanuts to be contracted for export, crush, or both, or that they be placed under loan. Contracts (price and quantity agreements between buyers and sellers) for growing additional peanuts must be submitted to the Department of Agriculture or, if so designated, to the area association before April 15.

The support price for additional peanuts will be set to avoid any net cost to the government. The basis for the support rate continues to be the demand for peanut oil and meal, expected prices for other vegetable oils and protein meals, and the demand for peanuts in foreign markets. For 1983 and 1984 the support level was set at \$185 per ton.

### Program Activity

During the 1982-83 marketing year (August-July), 523 million pounds of farmers' stock peanuts were placed under loan, of which approximately 347 million pounds were redeemed or bought back for domestic edible use. For the 1983-84 marketing year, 258 million pounds of peanuts were placed under loan, with about 148 million pounds redeemed or bought back for domestic edible use.

### Supply Situation

Growers planted 1,411,000 acres to peanuts in 1983, 100,000 acres above 1982. Supplies in the 1983-84 marketing year were 1 percent below 1982-83. Growers received an average of \$482 per ton for all peanuts produced, \$68 per ton below the quota support level.

Growers harvested an estimated 1,528,000 acres of 1984-crop peanuts, 11 percent above 1983. Yield per harvested acre is expected to average a record-high of 2,817 pounds in 1984, compared with an estimated 2,399 pounds in 1983. The increased production will offset the lower than normal beginning stocks, resulting in supplies of 4,916 million pounds, 18 percent above 1983. Quota peanuts are expected to account for 53 percent of production and additional peanuts the remaining 47 percent.

Annual data on peanut production, consumption, exports, stocks and acquisitions under the price support program since the 1969 marketing year are shown below.

<u>Year</u> <u>Beginning</u> <u>August 1</u>	<u>Production 1/</u>	<u>Imports</u>	<u>Domestic</u> <u>Consumption</u> <u>&amp; Exports 2/</u>	<u>Stocks</u> <u>End of</u> <u>Year</u>	<u>Acquisitions</u> <u>Under</u> <u>Price Support 3/</u>
----- Million Pounds -----					
1969	2,535	1	2,540	353	536
1970	2,979	2	2,881	453	1,033
1971	3,005	2	3,063	392	1,204
1972	3,275	2	3,240	429	1,158
1973	3,474	1	3,351	553	858
1974	3,668	1	3,138	1,084	410
1975	3,857	1	3,886	1,060	1,170
1976	3,739	1	4,192	608	1,235
1977	3,715	1	3,743	581	305
1978	3,952	1	3,948	586	309
1979	3,968	1	3,927	628	436
1980	2,303	401	2,919	413	235
1981	3,982	2	3,640	757	298
1982	3,440	2	3,335	864	175
1983	3,296	2	3,551	611	111
1984 <u>4/</u>	4,305		4,056	860	

1/ Data are net weight values.

2/ Includes civilian and military food use, crushed for oil, exports and shipments as peanuts, seed, feed, farm loss, and shrinkage.

3/ Included in Domestic Consumption & Exports; may include diversions of previous crop.

4/ Preliminary.

The total supply of peanuts in the United States for 1983-84 is expected to be about 3.296 million pounds, compared with an average supply of 3,398 million pounds for the five years 1979-83.

### Steps Taken to Balance Supply and Demand

The Agriculture and Food Act of 1981, effective for the 1982 through the 1985 peanut crops, provides improved methods for achieving a better balance between supply and demand. This legislation takes two principal approaches: (1) mandatory reductions in the quantity of peanuts eligible for support for domestic edible use, from 1,200,000 short tons in 1982 to 1,100,000 short tons in 1985; and (2) disposal of peanuts acquired by the CCC under the price support programs by means outside normal commercial market channels, at a financial loss--primarily for crushing into oil. In addition, peanut products have been purchased under related programs and utilized in domestic distribution programs.

CCC net realized losses were about \$5 million for the 1983 crop and about \$4 million for the 1982 crop.

### Dairy Products - Section 22 Quotas

As in recent years the import licenses for 1984 were issued quite early in order to give the licensees sufficient time to use their licenses fully.

In previous reports it was pointed out that new data processing equipment was being installed. There is now a continuing program of replacing old equipment with new in an effort to maintain state-of-the-art capability, thereby providing import licensees with rapid, error-free service.

There is also an on-going program of keeping close contact with importers, importers' associations, U.S. Customs Service officials and trade members in an effort to keep them updated on pending changes to the quota system. Close contact with foreign embassies is also maintained, along with contact with foreign producers.

As usual, country-of-origin adjustments were made in 1984 when it became evident that a country could not provide a quota item in sufficient quantities to fill its quota. Adjustments this year included: Edam and Gouda, (950.09A) from Argentina, Low Fat, (950.10E) from Israel, Chocolate Crumb, (950.15) from the United Kingdom, and Condensed Milk, (940.90) from Denmark.

In 1981, 92 percent of the quotas was used, in 1982, 96 percent was used, in 1983, 97 percent was used, and for 1984 it appears that well over 97 percent of the quotas will be used, showing continued progress in complete or full use of all the quotas.

#### Need for Continuing the Import Quotas

It is of paramount importance that import controls on dairy products be continued in order to prevent material interference with the price support program for milk.

#### The Dairy Support Program

Program. The price support program, which is operated pursuant to the Agricultural Act of 1949 (1949 Act), as amended, requires that the price of milk to producers be supported at such level between 75 and 90 percent of parity as will assure an adequate supply of milk, reflect changes in cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

The price of milk is supported by the Commodity Credit Corporation (CCC), through purchases of butter, cheese and nonfat dry milk at prices calculated to enable plant operators to pay dairy farmers, on average, a price equal to

the support level. The effectiveness of the program depends on competition by manufacturers for available supplies of milk so that the average price received by farmers will equal the announced support price. At times of significant price support purchases, the purchase prices for these products tend to become the floor for the market prices of such products. Since most of the fluid milk prices are based on prices paid for manufacturing milk, the price support program undergirds all milk and dairy product prices.

The high levels of support from 1977 through 1980 required by law gave dairy farmers a strong incentive to produce an increasing volume of milk. This led to large price support purchases of surplus dairy products and a record build-up of Government-owned inventories. In an effort to discourage the production of surplus milk, the milk support price has not been permanently increased since October 1, 1980. However, because of low grain and feed prices prior to the summer of 1982 and the lack of favorable alternative farm enterprises, milk production continued to increase.

On October 1, 1980, the beginning of the 1980-81 marketing year, the support price was fixed at the legal minimum of 80 percent of parity and increased from \$12.36 per hundredweight (cwt.) to \$13.10 per cwt. (national average milkfat content of 3.67 percent). The midyear support price adjustment scheduled for April 1, 1981 was rescinded by legislation enacted March 31, 1981, and the support price continued at \$13.10 cwt. On October 1, 1981, the beginning of the 1981 marketing year, the support price was set at \$13.49 per cwt. which was 75 percent of parity, the legal minimum. On October 21, 1981, the support price was reestablished at \$13.10 per cwt. based on temporary legislation prior to enactment of the Food and Agriculture Act of 1981-

The Omnibus Budget Reconciliation Act of 1982 (Reconciliation Act of 1982) further amended the 1949 Act to continue the minimum support price at \$13.10 per cwt. through marketing year 1983-84. For the 1984-83 marketing year, the

support price was to be set at not less than the percent of parity that \$13.10 represented on October 1, 1983, which was 64.9 percent. The Reconciliation Act of 1982 also included provisions for deducting 50 cents per cwt. from the proceeds of all milk marketed commercially to discourage excess production and to help offset part of the cost of the support program. The provision was authorized for the period, October 1, 1982 through September 30, 1985, if projected annual CCC purchases were 5.0 billion pounds or more milk equivalent. A second 50-cent per cwt. deduction was authorized for the period, April 1, 1983 through September 30, 1985, if projected annual purchases were 7.5 billion pounds or more milk equivalent, and if the Department of Agriculture (USDA) established a program to refund the second deduction to producers who reduce their marketings from the base period, which may be either 1981-82 or 1980-81 and 1981-82 marketing years.

The first of these two deductions was originally implemented on December 1, 1982; but, due to challenges in the U.S. District Court of South Carolina, implementation was delayed until April 16, 1983. The second 50-cent deduction, with provisions to refund the deductions to those farmers who reduced their marketings at least 8.4 percent below their marketings in marketing years 1980-81 and 1981-82, was made effective September 1, 1983. Approximately \$594 million was collected from producers on milk marketed from April 16 through November 30, 1983, under this authority, and \$15.4 million of this was refunded to producers.

In November 1983, President Reagan signed into the law the Dairy and Tobacco Adjustment Act of 1983, which supersedes all dairy provisions of the Omnibus Budget Reconciliation act of 1982. This Act contains several provisions aimed at reducing surplus milk production without causing undue hardships on existing dairy farmers and the dairy industry. These provisions include: (1) a drop in the support price from \$13.10 per cwt. to \$12.60; (2)



a \$10 per cwt. paid diversion to farmers who reduce their milk production, and (3) a 50-cent deduction on all milk produced and marketed within the 48 contiguous States. The law further provides that the Secretary of Agriculture may further reduce the support price by 50 cents per cwt. on both April 1 and July 1, 1985, if projected Government purchases of dairy products in the succeeding 12 months exceed prescribed levels. Deductions from producers for milk marketed from December 1, 1983, through August 31, 1984, totaled about \$500 million. About \$335 million was paid through September as diversion payments to producers.

b. Program Activity. In carrying out the price support and related programs in the 1983 calendar year, USDA removed from the market 12.1 percent of the milkfat and 10.9 percent of the solids-not-fat in the milk and cream marketed by farmers. USDA removals in calendar year 1983 were 413 million pounds of butter, 797 million pounds of American cheese, 36 million pounds of Mozzarella cheese, 1,061 million pounds of nonfat dry milk, 25 million pounds of evaporated milk and 6 million pounds of infant formula. CCC's purchase cost was \$2.8 billion in the 1983 calendar year compared with \$2.4 billion in 1982.

CCC dairy product purchases in the first nine months of 1984 were 182 million pounds of butter, 390 million pounds of American cheese, 22 million pounds of Mozzarella cheese, 580 million pounds of nonfat dry milk, 16 million pounds of evaporated milk and 4 million pounds of infant formula, at a purchase cost of about \$1.4 billion. These figures compare with 366 million pounds of butter, 678 million pounds of American cheese, 25 million pounds of Mozzarella cheese, 873 million pounds of nonfat dry milk, 17 million pounds of evaporated milk and 4 million pounds of infant formula at a purchase cost of \$2.4 billion for the same period in 1983.

The expenditures under the Special Milk Program were \$16.5 million during FY 1984 compared with \$18 million in FY 1983.

c. Supply Situation. During the 1983 calendar year, milk production continued to exceed year-earlier levels. This annual increase in production compared with that of the past two years was as follows: 3.8 percent in 1981, 2.1 percent in 1982 and 3.1 percent in 1983. In February 1984, milk production dropped below year-earlier levels for the first time in nearly 5 years. Monthly milk production continued below year-earlier levels through the date of this report. For January through September 1984, milk production was down 2.8 percent from a year ago and production per cow was down 0.8 percent, adjusted for leap year. Cow numbers increased 1.0 percent in 1982, 0.8 percent in 1983, but in September 1984, were down 2.7 percent below year-earlier levels.

World supplies of dairy products continue to be in excess of commercial demand. The resultant surpluses continue to seek outlets wherever possible. In the absence of import controls, these surpluses would displace domestic production to the serious impairment of the dairy price support program.

#### Steps Taken to Balance Supply and Demand

Several legislative actions in 1981, 1982 and 1983 were intended to discourage the production of excess milk. On March 31, 1981, the President signed the law that rescinded the semiannual adjustment scheduled for April 1, 1981. Also, the October 1, 1981 support price increase to \$13.49 per cwt. (the legal minimum on that date) was rolled back to \$13.10 on October 21, 1981. The Agriculture and Food Act of 1981 authorized continuation of the support price at \$13.10 per cwt. for the remainder of the 1981-82 marketing

year and reduce the minimum support level below 70 percent of parity through September 30, 1985, if projected price support purchases exceed certain levels. The signing by the President of the Reconciliation Act of 1982 represented a further effort to control excess milk production. The Reconciliation Act of 1982 continued to hold the minimum support price at \$13.10 per cwt. for the 1982-83 marketing year (rescinding the 10-cent increase authorized by the Agriculture and Food Act of 1981), and provided for two 50-cent per cwt. deductions from producers on all milk marketed commercially.

On November 29, 1983, the Dairy and Tobacco Adjustment Act of 1983 was signed into law. This Act supersedes all dairy provisions of the Omnibus Budget Reconciliation Act of 1982. As required by the Act, the support price was reduced from \$13.10 per hundredweight to \$12.60. Other provisions include a 50-cent per cwt. deduction from the proceeds of sale of all milk marketed in the 48 contiguous States and a 15-month, \$10 per cwt. diversion payment to producers who reduce their milk marketings between 5 percent and 30 percent below their base production. If at the end of the 15-month period, the milk surplus is projected to exceed 6.0 billion pounds milk equivalent, in the succeeding 12 months, the Secretary of Agriculture may lower the support price another 50 cents per cwt., and 3 months later the support price may be lowered another 50 cents per cwt. if the surplus is projected to exceed 5.0 billion pounds. The law also includes an assessment of 15 cents per cwt. of milk marketed by producers to finance a dairy promotion program.

A number of domestic and foreign feeding programs are used to expand the utilization of dairy products. These programs serve as adjuncts to the price support program in seeking to attain a better balance between supply and demand. They include: (a) the Special Milk Program designed to increase the

consumption of fluid milk among children by reimbursing state agencies and private institutions for the milk served; (b) CCC purchases (under the authority of the price support program) on competitive bids and announced prices for butter, cheese, and nonfat dry milk in special forms and in consumer-size packages, in order to facilitate use in food sales and donation programs; (c) CCC purchases of evaporated milk and milk-based infant formula; (d) the school lunch program; (e) distribution to institutions and welfare programs; (f) special distribution of surplus commodities to the needy; (g) foreign donation programs for welfare and emergency assistance under Public Law 480, Title II; (h) expanded authority to donate surplus dairy products to needy persons in the U.S. and overseas under the Reconciliation Act of 1982; and (i) export sales for social welfare programs in recipient countries. Increased consumption of dairy products also resulted from the food stamp program and from participation in the women-infants-children (WIC) program under which certain disadvantaged groups receive financial assistance for increased food purchases.

The Agriculture and Food act of 1981 as amended by the Temporary Emergency Food Assistance Act (Public Law 98-8) authorizes the domestic donation of surplus dairy products to needy persons. Under this authority, 1,065 million pounds of cheese, 363 million pounds of butter and 124 million pounds of nonfat dry milk have been released to States for distribution to needy households from January 1982 through September 1984. This Act also directed USDA to use all available authorities to the fullest practicable extent to reduce Government inventories of dairy products, including exportation at not less than world market prices.

For FY 1984, 174 million half-pints of milk were served in school, summer camps and child care institutions under the Special Milk Program compared with 189 million half-pints in FY 1983. Slightly more than 5.0 billion half-pints of milk were served in each fiscal year under the School Lunch and other Child Nutrition Programs.

The following tables summarize USDA market removals from 1960 through September 1984, and utilization during 1982, 1983 and the first nine months of 1984.

Table 3  
Milk Production and Market Removals, by Calendar Year,  
1960-1983 and Jan.-Sept. 1984

Year	Milk Production	USDA Market Removals				Evap- orated milk	Milk Equiva- lent of Removals	Percent of Milk Production
		Butter	Cheese	Nonfat dry milk	Mil. lb.			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent	
1960 . . . . .	123,109	144.3	0.3	852.8	-	3,101	2.5	
1961 . . . . .	125,707	329.4	100.3	1,085.6	-	8,019	6.4	
1962 . . . . .	126,251	402.7	212.9	1,386.1	-	10,724	3.5	
1963 . . . . .	125,202	307.5	110.9	1,219.2	-	7,745	6.2	
1964 . . . . .	126,967	295.7	128.5	1,168.8	-	7,676	6.0	
1965 . . . . .	124,180	241.0	48.6	1,098.4	-	5,665	4.6	
1966 . . . . .	119,912	25.1	10.8	365.8	-	645	0.5	
1967 . . . . .	118,732	265.1	180.5	687.0	-	7,427	6.3	
1968 . . . . .	117,225	194.8	87.5	557.8	54.9	5,159	4.4	
1969 . . . . .	116,108	187.9	27.7	407.2	107.5	4,479	3.9	
1970 . . . . .	117,007	246.4	48.9	451.6	48.4	5,774	4.9	
1971 . . . . .	118,565	292.2	90.7	456.2	111.4	<u>1/7</u> ,268	6.1	
1972 . . . . .	120,025	233.7	30.4	<u>2/3</u> 45.0	97.0	<u>1/5</u> ,345	4.5	
1973 . . . . .	115,491	97.7	3.2	36.8	53.7	<u>1/2</u> ,185	1.9	
1974 . . . . .	115,586	32.7	60.3	265.0	28.3	1,346	1.2	
1975 . . . . .	115,398	63.4	68.2	394.5	24.5	2,036	1.8	
1976 . . . . .	120,180	39.4	38.0	157.1	21.8	1,236	1.0	
1977 . . . . .	122,654	221.8	148.2	461.7	15.9	6,080	5.0	
1978 . . . . .	121,461	112.0	39.7	285.0	17.6	2,743	2.3	
1979 . . . . .	123,411	81.6	40.2	255.3	16.4	2,119	1.7	
1980 . . . . .	128,525	257.0	<u>3/3</u> 49.7	634.3	17.5	8,800	6.9	
1981 . . . . .	133,013	351.5	<u>3/5</u> 63.0	851.3	18.6	12,861	9.7	
1982 . . . . .	135,802	382.0	<u>3/6</u> 42.5	948.1	20.8	14,282	10.5	
1983 . . . . .	139,968	413.2	<u>3/8</u> 32.8	1,061.0	24.6	16,813	12.0	
1983, Jan.-Sept:	106,143	365.8	<u>3/7</u> 03.3	872.8	17.1	14,538	13.7	
1984, Jan.-Sept:	103,565	182.3	<u>3/4</u> 12.6	580.1	16.2	7,876	7.6	

1/ Includes small purchases of dry whole milk.

2/ Includes 9.6 million pounds, Title I export sales.

3/ Includes quantities of Mozzarella cheese as follows: 28.4 million pounds in CY 1980, 12.1 million pounds in CY 1981, 28.4 million pounds in CY 1982, 35.6 million pounds in CY 1983, 24.8 million pounds January through September 1983 and 22.4 million pounds January through September 1984.

Utilizations (commitments to uses) in calendar year 1983 compared with calendar year 1982 were: 1/

Item	Butter		Cheese				Nonfat drv milk	
	1982	1983	American 1982	American 1983	Mozzarella 1982	Mozzarella 1983	1982	1983
	(Million pounds)							
Uncommitted supplies as of beginning of year	206.6	387.2	570.3	772.6	---	---	856.5	1,230.8
Purchases (contract basis)	382.7	412.6	623.0	811.7	36.0	31.7	948.1	1,060.5
Utilizations								
Sales--unrestricted use	---	---	9.0	14.5	---	---	---	---
Sales--restricted use	7.3	0.5	2.1	0.5	---	---	54.6	70.2
Export Sale Noncommercial	---	52.9	<u>2/</u>	22.0	---	---	40.3	159.6
Barter	<u>3/5.3</u>	<u>4/2.1</u>	---	---	---	---	16.0	7.8
Dept. of Defense	2.4	<u>5/0.2</u>	1.3	2.0	---	---	9.2	6.0
Domestic Donations								
Needy Schools and Insts.	47.0	<u>6/166.9</u>	180.0	<u>6/427.1</u>	---	---	11.0	<u>6/46.2</u>
Bureau of Prisons	113.0	<u>6/116.1</u>	212.6	<u>6/206.6</u>	36.0	31.7	47.8	<u>6/44.1</u>
Veterans Admin.	2.3	1.8	0.5	0.7	---	---	0.6	0.3
Dept. of Defense	0.2	0.2	<u>2/</u>	---	---	---	---	---
Foreign Donations								
Title II As dairy product	16.2	11.3	2.5	5.5	---	---	---	---
Furnished as an ingredient in corn-soya milk	---	---	---	---	---	---	39.7	70.5
Section 416	---	48.1	---	8.6	---	---	---	159.8
Total utilizations	213.5	415.6	425.6	697.1	36.0	31.7	529.0	822.0
Uncommitted supplies as of December 31	387.2	341.7	772.6	838.3	---	---	<u>7/1,230.8</u>	<u>7/1,322.3</u>

1/ Totals may not result from additions and subtractions because of rounding and inventory adjustments.

2/ Less than 50,000 pounds.

3/ As anhydrous milkfat.

4/ As anhydrous milkfat and butteroil.

5/ Includes butter used as butteroil.

6/ Based on orders issued for shipment, the uncommitted inventory reflects the orders received for all program uses.

7/ Reflects contract adjustments.

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Table 5  
Utilization (commitments to uses) in January-September 1983  
compared with January-September 1984 were: 1/

Item	Cheese							
	Butter		American 2/		Mozzarella		Nonfat dry milk	
	Jan.- Sept. 1983	Jan.- Sept. 1984	Jan.- Sept. 1984	Jan.- Sept. 1984	Jan.- Sept. 1983	Jan.- Sept. 1984	Jan.- Sept. 1983	Jan.- Sept. 1984
	(Million pounds)							
Uncommitted supplies as of beginning of year	387.2	341.7	772.6	838.3	---	---	1,230.8	1,372.3
Purchases (contract basis)	365.1	185.1	687.6	416.3	20.1	18.9	872.8	580.1
Utilizations:								
Sales--unrestricted use	---	2.7	9.0	26.1	---	---	---	---
Sales--restricted use	0.6	0.7	0.4	0.6	---	---	49.8	63.8
Exchange for UHT milk	---	---	---	---	---	---	---	0.3
Export sales								
Noncommercial	3/52.9	---	3/22.0	---	---	---	158.4	49.2
Barter	4/ 0.7	5/7.8	---	---	---	---	3.9	53.3
Sales to Dept. of Defense	7/ 0.1	6/	---	1.0	---	---	6.0	7.6
Domestic donations								
Needy	7/136.3	7/145.3	7/324.5	7/408.6	---	---	7/28.6	7/56.0
Schools and Insts.	7/ 75.1	7/ 93.0	7/135.4	7/69.7	20.1	18.9	7/32.8	7/30.6
Bureau of Prisons	1.4	1.6	0.7	0.7	---	---	0.3	0.2
Dept. of Defense	10.6	12.6	3.5	2.0	---	---	---	---
Veterans Administration	0.2	0.2	---	---	---	---	---	---
Foreign donations								
Title II								
As dairy product	15.5	4.0	9.6	4.9	---	---	27.7	208.3
Furnished as an ingredient in CSM (corn-soya-milk)	---	---	---	---	---	---	55.6	81.4
Section 416	5/40.8	5/97.7	6.3	27.0	---	---	158.2	174.1
TOTAL UTILIZATIONS	334.2	365.6	511.4	540.6	20.1	18.9	221.5	24.8
Uncommitted supplies as of September 30	391.2	255.3	902.7	767.6	---	---	8/1,346.4	8/1,204.0

- 1/ Totals may not result from additions and subtractions and because of rounding and inventory adjustments.  
2/ Includes process cheese.  
3/ Negotiated contract with deliveries extending into 1984.  
4/ Butter used as butteroil.  
5/ Includes butter used as butteroil.  
6/ Less than 50,000 pounds.  
7/ Based on orders issued for shipment, the uncommitted inventory reflects the orders received for all program uses.  
8/ Reflects contract adjustments.



SUGAR

Section 22 Import Fees

The system of flexible import fees applicable to sugar and sirup, remained in effect. Since October 1, 1982, the fee for raw sugar (which constitutes the overwhelming volume of imports) has been zero cents per pound. The differential fee for refined sugar is once cent per pound. The system of fees in effect at the time of the last report was finalized by Presidential Proclamation 5164 of March 19, 1984.

On August 31, 1984, the Secretary of Agriculture announced the annual determination of the market stabilization price (MSP) for sugar for the fiscal year beginning October 1, 1984. The MSP is the market price objective derived from the producer price level specified in the support program; it is the basic factor used to calculate the import fees. For the fiscal year 1984-85, the MSP is 21.57 cents per pound, compared with 21.17 cents per pound for the 1983-84 fiscal year.

Effective June 29, 1983, action was taken to limit imports of certain sugar-containing articles which were entering in circumvention of the quota established under the President's "headnote authority," which governs imports of sugar, sirups and molasses. All of the articles concerned were new articles with a high sugar content designed to obtain customs classifications in tariff categories other than sugar and thereby evade the quota controls. Primarily, these articles were blends and mixtures of sucrose with other articles, such as fructose, dextrose, starch and cocoa, falling under TSUS item numbers 155.75, 156.45, 183.01 and 183.05.

The Section 22 quotas established in June 1983 (items 958.10 and 958.15), of zero pounds each, specifically apply to such articles. Normal imports of traditional sugar-containing articles, such as confectionery, jellies, bakery goods and desserts, are not affected. The Section 22 quotas are temporary, pending Presidential action on the International Trade Commission's report of its investigation, which was submitted December 16, 1983.

Sugar imports for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar in human consumption, are exempt from import fees.

#### Need for Continuing the Import Fees

The import fee system remains in force in order to prevent interference by imports with the support program for sugar cane and sugar beets described below. Prices for raw sugar on the world market continue to be very low, with no substantial strengthening indicated for the short or medium term. Consequently, border controls remain necessary to prevent market displacement of domestic sugar and consequent large and costly government acquisitions.

As noted above, the Section 22 import fee system is being operated in connection with import quotas established under another authority. The quota system is regarded as temporary. The fee system will remain legally in force; but, because of its automatic flexible provisions, it will not function to restrain imports when external prices have recovered sufficiently.

### Price Support Program

As previously reported, the Agriculture and Food Act of 1981 established a support program for sugar cane and sugar beets for the 1982 through 1985 crops. Support is provided through a program of non-recourse loans.

The loan program for 1983-crop refined beet sugar, raw cane sugar, refined cane sugar, cane syrup, and edible molasses provided that processors could receive loans on raw cane and refined beet sugar at national average prices of 17.50 and 20.86 cents per pound, respectively. The raw cane sugar and refined beet sugar loan levels for the 1984 crop have been established at 17.75 cents and 20.76 per pound, respectively. The Agriculture and Food Act of 1981 established the minimum raw cane sugar loan level at 18 cents per pound for the 1985 crop. 1984-crop sugar processed between July 1, 1984 and June 30, 1985, is eligible for loan. The 1985 crop year program will apply to sugar processed during the 12-month period beginning on July 1, 1985.

Loans will be available beginning October 1 each year. Loans are for a period of six months, except that all loans will carry a maturity date of no later than September 30. The interest rate on these loans will be the rate applicable to CCC loans during the month of disbursement. To be eligible for the loan program, a processor must agree to pay at least the minimum specified support price to any grower who delivers sugar beets or sugar cane to him.

### Supply Situation

The United States is not self-sufficient in sugar. Imports, since 1960, have ranged from 3.6 million tons to 6.1 million tons, and have supplied somewhat more than 40 percent of U.S. requirements. The attached tables show sugar production and use.

Steps Taken to Balance Supply and Demand

The United States is not self-sufficient in sugar production. The basic goal of the U.S. sugar program is to maintain a production capacity to meet its minimum essential sugar needs. Support prices are fixed accordingly. Under present legislation, support prices have administratively been kept at the legal minima. The domestic program has historically maintained an equitable share of the American market for foreign suppliers. This policy continues in force.

Table 6

U.S. sugar: Crop area, yield, production, raw value output, recovery rate, and sugar yield per acre, 1979/80-1983/84<sup>1</sup>

Area	Area harvested	Crop yield per acre	Sugarcane or sugarbeet:	Sugar production	Recovery rate	Sugar yield per acre
			production			
	1,000 acres	Short tons	1,000 short tons	1,000 short tons raw value	Percent	Short tons
<b>Florida</b>						
1979	315.2	31.3	9,975	1,047	10.50	3.29
1980	320.7	31.1	9,985	1,121	11.23	3.50
1981	334.4	28.5	9,530	963	10.10	2.86
1982	355.9	33.5	12,070	1,307	10.83	3.64
1983	361.1	31.4	11,330	1,223	10.79	3.36
<b>Louisiana</b>						
1979	240.0	20.6	4,950	500	10.10	2.08
1980	232.0	23.3	5,414	491	9.07	2.12
1981	247.0	26.9	6,650	712	10.71	2.88
1982	234.0	27.6	6,450	675	10.47	2.86
1983	245.0	23.9	5,850	603	10.31	2.46
<b>Texas</b>						
1979	30.9	27.6	853	93	10.90	3.01
1980	32.5	28.9	969	93	9.60	2.78
1981	36.6	31.5	1,154	110	9.53	3.01
1982	35.7	31.0	1,105	98	8.86	2.75
1983	34.5	31.7	1,095	60	6.85	2.17
<b>Total mainland</b>						
1979	589.1	26.6	15,778	1,640	10.39	2.78
1980	566.2	27.9	16,368	1,705	10.42	2.91
1981	616.0	28.0	17,334	1,785	10.30	2.89
1982	626.6	31.2	19,625	2,080	10.60	3.31
1983	640.6	30.3	18,275	1,886	10.32	2.94
<b>Hawaii</b>						
1979	100.6	95.7	9,632	1,060	11.02	10.54
1980	97.4	94.6	9,214	1,023	11.10	10.50
1981	97.6	90.5	8,831	1,048	11.87	10.74
1982	85.2	98.6	8,806	983	11.16	11.01
1983	92.8	96.2	8,926	1,044	11.70	11.25
<b>Total cane</b>						
1979	689.7	36.8	25,410	2,700	10.63	3.91
1980	663.6	37.4	25,582	2,728	10.66	3.93
1981	715.6	36.6	26,165	2,833	10.83	3.96
1982	717.9	39.6	28,433	3,063	10.77	4.27
1983	733.4	37.1	27,201	2,930	10.77	4.00
<b>Beet</b>						
1979	1,119.7	19.6	21,996	2,879	13.09	2.57
1980	1,189.5	19.8	23,502	3,149	13.40	2.65
1981	1,226.1	22.4	27,538	3,385	12.30	2.76
1982	1,026.8	20.3	20,894	2,737	13.10	2.67
1983	1,055.8	19.9	21,009	2,670	12.71	2.53

<sup>1</sup>Crop year: September-August. <sup>2</sup>Excludes sugarcane for seed. <sup>3</sup>Refined beet sugar is multiplied by 1.07 to obtain raw value.

SOURCE: Crop Production; Crop Reporting Board; SRS; USDA

Table 7

U.S. sugar crops: Area, yield, and production by State, 1981-83<sup>1</sup>

State and area	Acres harvested			Yield per acre			Production			Share of 1983 production	Production change from 1982 to 1983	
	1981	1982	1983	1981	1982	1983	1981	1982	1983			
	1,000 acres			Short tons			1,000 short tons			Percent	1,000 short tons	Percent
<b>Sugarcane</b>												
For Sugar	715.6	717.9	733.4	36.6	39.6	37.1	26,165	28,433	27,201	100.0	-1,232	-4.3
Florida	234.4	358.9	361.1	28.5	33.6	31.4	9,530	12,070	11,330	41.7	-740	-6.1
Louisiana	247.0	234.0	245.0	26.9	27.6	23.9	6,850	6,450	5,850	21.5	-800	-9.3
Texas	36.6	35.7	34.5	31.5	31.0	31.7	1,154	1,105	1,065	4.0	-10	-0.9
Total mainland	618.0	628.6	640.6	28.0	31.2	30.3	17,334	19,625	18,275	67.2	-1,350	-6.9
Hawaii	97.6	89.3	92.8	90.5	98.6	96.2	8,831	8,808	8,926	32.8	118	1.3
For Seed	39.8	41.5	34.3	31.2	32.2	28.0	1,243	1,337	960	100.0	-377	-28.2
Florida	13.8	14.1	6.8	35.4	38.5	32.7	489	543	222	23.1	-321	-59.1
Louisiana	18.0	21.0	20.0	26.9	27.6	23.9	484	580	478	49.8	-102	-17.6
Texas	.8	1.0	1.0	25.0	25.0	27.0	20	25	27	2.8	2	8.0
Total mainland	32.6	36.1	27.8	30.5	31.8	29.8	993	1,148	727	75.7	-421	-36.7
Hawaii	7.2	5.4	6.5	34.7	35.0	35.8	250	189	233	24.3	44	23.3
For Sugar and Seed	755.4	759.4	767.7	36.3	39.2	36.7	27,408	29,770	28,161	100.0	-1,609	-5.4
Florida	348.2	373.0	367.9	28.8	33.8	31.4	10,019	12,613	11,552	41.0	-1,061	-8.4
Louisiana	265.0	255.0	265.0	26.9	27.6	23.9	7,134	7,030	6,328	22.5	-702	-9.6
Texas	37.4	36.7	35.5	31.4	30.8	31.6	1,174	1,130	1,122	4.0	-8	-0.7
Total mainland	650.6	664.7	668.4	28.2	31.3	30.3	18,327	20,773	19,002	67.5	-1,771	-8.5
Hawaii	104.8	94.7	99.3	86.7	95.0	92.2	9,081	8,997	9,159	32.5	162	1.8
<b>Sugarbeets</b>	1,228.1	1,026.8	1,055.8	22.4	20.3	19.9	27,538	20,894	21,009	100.0	115	.6
Michigan	99.0	96.5	104.0	20.5	19.2	19.0	2,030	1,853	1,976	9.4	123	6.6
Ohio	14.4	-	12.6	19.0	-	17.6	274	-	222	1.1	222	100.0
Great Lakes	113.4	96.5	116.6	20.3	19.2	18.8	2,304	1,853	2,198	10.5	345	18.6
Minnesota	256.0	252.0	259.0	17.2	18.8	18.0	4,403	4,738	4,662	22.2	-76	-1.6
North Dakota	144.9	144.8	142.2	18.6	17.1	16.9	2,695	2,476	2,404	11.4	-72	-2.9
Red River Valley	400.9	396.8	401.2	17.7	18.2	17.6	7,098	7,214	7,066	33.6	-148	-2.1
Colorado	77.0	46.0	37.2	22.5	20.0	16.2	1,733	920	603	2.9	-317	-34.5
Kansas	14.0	9.5	6.9	20.3	17.9	13.7	284	170	95	.4	-75	-44.1
Montana	44.5	43.0	41.3	20.8	19.8	19.8	926	850	818	3.9	-32	-3.8
Nebraska	78.4	45.4	65.3	24.1	20.4	18.9	1,889	926	1,233	5.9	307	33.2
New Mexico	2.1	.7	-	20.5	17.1	-	43	12	-	-	-12	-100.0
Texas	25.2	29.4	31.9	22.8	18.9	19.5	575	556	622	3.0	66	11.9
Wyoming	44.9	38.4	32.1	24.0	21.1	19.2	1,078	810	616	2.9	-194	-24.0
Great Plains	286.1	212.4	214.7	22.8	20.0	18.6	6,528	4,244	3,987	19.0	-257	-6.1
Idaho	144.4	136.0	143.0	26.0	23.4	24.4	3,754	3,182	3,487	16.6	305	11.0
Oregon	10.7	10.3	11.3	28.0	24.4	28.0	300	251	316	1.5	65	25.9
Northwest	155.1	146.3	154.3	26.1	23.5	24.8	4,054	3,433	3,803	18.1	370	11.1
Arizona	12.6	12.8	-	23.8	23.3	-	300	298	-	-	-298	-100.0
California	260.0	162.0	169.0	27.9	23.8	24.0	7,254	3,852	3,955	18.8	103	2.7
Southwest	272.6	174.8	169.0	27.7	23.7	24.0	7,554	4,150	3,955	18.8	-195	-4.7

<sup>1</sup>Crop year September/August.

SOURCE: Crop Production, Crop Reporting Board, SRS, USDA

Table 8

-U.S. sugar supply and use,  
fiscal 1983 and 1984

Description	Fiscal year	
	1982/83	1983/84
	<i>1,000 short tons, raw value</i>	
Beginning stocks <sup>1</sup>	1,649	1,408
Total production	5,907	5,600
Beet sugar	2,692	2,670
Cane sugar	3,215	2,930
Total offshore receipts	3,338	3,572
Quota sugar	2,881	3,175
Quota transfer <sup>2</sup>	100	-100
Quota-exempt for reexport	190	325
Quota-exempt for polyhydric alcohol	-	8
Blends/mixtures	100	125
Total foreign	3,271	3,533
Puerto Rico	67	39
Total Supply	10,894	10,580
Total exports	198	415
Quota-exempt	145	325
Puerto Rico	66	90
Export adjustment	-13	-
Refining loss adjustment	69	80
Statistical adjustment <sup>3</sup>	244	50
Total domestic use	8,975	8,665
Deliveries	8,875	8,540
Imported blends/mixtures <sup>4</sup>	100	125
Total Use	9,486	9,210
Ending stocks <sup>1</sup>	1,408	1,370
	<i>Million</i>	
Population	234.0	236.1
	<i>Pounds, refined</i>	
Per capita food use	71.7	68.6

<sup>1</sup>Stocks in hands of primary distributors and CCC <sup>2</sup>Transfer between fiscal year quotas. About 100,000 tons of 1983/84 quota entered the U.S. September 26-30, 1983. <sup>3</sup>Calculated as a residual. Largely consists of invisible stocks change of wholesalers, retailers, and industrial users. Minus sign means a withdrawal from stocks. <sup>4</sup>Large residual could have resulted from understatement of consumption, ending stocks, or both.

SOURCE: Data are from Statistical Reporting Service, Sugar Market Statistics. Beginning fiscal 1983, imports are based on Customs data for quota sugar and company data for quota-exempt sugar, exports are based on Census data. Estimates are from Interagency Estimates Committee.