

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Agriculture Committee

INTERNATIONAL MARKETS AND PRODUCTION POLICIES

Note by the Secretariat

1. The secretariat has prepared this note for use by the Committee when discussing the work which needs to be done before the tables dealing with exports (Spec(69)9 to 15 inclusive) and imports (Spec(69)16 to 22 inclusive) can be revised, and when further discussing production policies.

Exports

2. It is suggested that the investigation of measures having a direct or indirect effect on exports should at this stage concentrate upon:

- (a) payments made directly on exports;
- (b) double-pricing practices, including home-market schemes, pooling arrangements and equalization funds;
- (c) deficiency payments and comparable producer price support arrangements, and
- (d) subsidized export credits.

3. It is suggested that, if figures are to be put in column 5 of Spec(69)9 to 15 inclusive in respect of (b) and (c) of 2 above it would be necessary for the following data to be made available for each of the measures under consideration, for the same product groupings as in the tables on export, for the years 1965, 1966 and 1967:

- (a) average unit receipts by farmers in respect of total sales, including any payments made out of receipts from levies, equalization funds, any deficiency payments, etc., converted to prices at the wholesale stage, and
- (b) average unit export price, f.o.b.

It would be understood that any figures included in column 5 on the basis of this information could only be a rough guide to the incidence of the measures concerned and that these figures should be supplemented by any explanatory notes that might be necessary.

4. Where a member of the Committee feels that the method set out in paragraph 3 would be a seriously misleading guide, that member may suggest an alternative calculation, together with a full explanation of why the standard method was deemed inappropriate and an explanation of and a justification for the alternative calculation.

5. It is suggested that the Committee will require further information with respect to measures connected with export credits before it can decide whether these constitute aids to exports or not. The following would appear to be the information required for each product group covered by the Committee:

- (a) Total value of exports, in million dollars, in 1965, 1966 and 1967 involving credits granted or guaranteed by governments or by quasi-governmental bodies.
- (b) A description of the terms and conditions of the credit, including rate of interest, length of credit and form of guarantee, and any other relevant information.
- (c) Where credit is granted on different terms within the same sector (e.g. terms which differ according to country of destination), details of each type of credit should be given, including trade coverage.

6. The secretariat will consider which data may still be required as regards the problems relating to non-commercial export transactions, in connexion with the Committee's programme of work (COM.AG/11).

#### Imports

7. The investigation of measures having an effect on imports should at this stage concentrate upon tariffs, levies, quantitative restrictions, deficiency payments, monopolies, State trading, mixing regulations and other comparable arrangements.

8. The incidence of tariffs in the case of ad valorem tariffs is the rate of duty itself. In the case of specific tariffs their ad valorem incidence will have to be calculated.

9. The incidence of levies could be roughly calculated by comparing the average entry price (i.e. including the levy) and the average c.i.f. import price. It is suggested that members of the Committee supply these data in the form of annual averages for each of the years under consideration, together with the resulting incidences.

10. A rough assessment of the incidence of measures, such as quantitative restrictions, deficiency payments, monopolies, State trading or mixing regulations might be obtained by comparing (for the years 1965, 1966 and 1967 and for the same product groups and in the tables on imports):

- (a) average unit receipts by farmers in respect of total sales, including any payments made out of receipts from levies, equalization funds, any deficiency payments, etc. and
- (b) average unit import price, c.i.f. or a constructed c.i.f. price when the actual c.i.f. price is itself affected by the measure under examination.

Countries should supplement the figures with any explanatory notes which might be necessary.

11. Where a member of the Committee feels that a calculation based on the method set out in paragraph 10 would be a seriously misleading guide, or that it would be useful to have an alternative set of figures as a check on those produced by the methods set out in those paragraphs, that member may suggest an alternative calculation, together with a full explanation of why the standard method was deemed inappropriate and an explanation of and justification for the alternative calculation.

#### Production

12. It is suggested that members of the Committee should supply the following information:

- (a) self-sufficiency ratios, in as much product detail as possible, for the five years 1963 to 1967 individually, and in the form of moving three-year averages centred on each of these years; and
- (b) prices currently received by producers, where these are not given in Spec(69)36, and prices received during the years on which the self-sufficiency ratios are based.

(The self-sufficiency ratio =  $\frac{\text{production}}{\text{consumption}}$ , where consumption = production + imports - exports + stocks at beginning of period - stocks at end of period.)

13. The secretariat will establish series of data showing for individual countries or groups of countries:

- (a) the percentage of population engaged in agriculture
- (b) the percentage of gross agricultural output in the gross national product.

General

14. The secretariat will consider which data may be required in connexion with the task given to the Committee by the CONTRACTING PARTIES at their twenty-fifth session of considering appropriate procedures for the notification, consultation, etc., in respect of the Resolution of 4 March 1955 on the Disposal of Surpluses.

15. The members of the Committee who undertook to supply certain information which was found to be missing in the course of the first reading of the inventories of export and import measures including the information referred to in this document, should do so as soon as possible, and no later than 15 May 1969. Delegations may also wish to supply information for 1968 in addition to information already available for 1965, 1966 and 1967.