

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Agriculture Committee

MEETING OF THE COMMITTEE, 23-25 FEBRUARY 1972

Note by the Chairman

1. The Agriculture Committee met on 23 to 25 February 1972. It had before it a proposal by the Chairman (contained in airgram GATT/AIR/910/Rev.1) and a Tentative List of Elements to be Examined, prepared by the secretariat (Spec(72)14). The text of the opening statement by the Chairman was also made available to the Committee (Spec(72)16).

2. The Committee agreed on the following points:

- (a) The examination of techniques and modalities of negotiations on agriculture must be completed by the end of October.
- (b) The Committee agreed to establish a Working Group with the following terms of reference: "to examine the various techniques and modalities for future negotiations as they relate to agriculture, and to report to the Committee."

It is understood that the Working Group shall pay special attention to the particular interests of developing countries. In this connexion the hope was expressed that developing countries, members of the Committee, would actively participate in the Working Group.

- (c) Membership in the Working Group shall be open to all members of the Agriculture Committee wishing to participate.
- (d) The Working Group shall commence its examination of techniques and modalities for the negotiations on the basis of the Tentative List of Elements to be Examined, in the order in which these are listed in document Spec(72)14 of 23 February (see Annex).
- (e) The Working Group will meet twice, and if it considers necessary, three times in the course of the first half of 1972: at the end of March, the end of April and, if necessary, the end of May.
- (f) It shall submit its first report to the meeting of the Agriculture Committee to be held towards mid-June. At that meeting the Committee shall decide on the programme of work and meetings for the second half of the year.
- (g) It appears reasonable to foresee two meetings of the Agriculture Committee in that period, one in September and a second, for finalizing the work, in the latter half of October.

3. The date for the first meeting of the Working Group was set for 27 to 30 March 1972, starting in the afternoon of Monday, 27 March. At this meeting the examination will bear on the elements of the list under A(a) Export measures, and A(b) Import measures, and on any elements delegations might wish to add. Delegations should, however, also be ready to deal with the elements under A(c) Production measures. The examination under section A should, in any case, be completed by the end of the second meeting of the Working Group.

4. The Committee requested the secretariat to continue the up-dating of the documentation on import measures with the help of delegations. The Committee noted that the secretariat would invite delegations, by airgram to be issued, to supply the data necessary for also up-dating the Committee's documentation on export measures, in view of the forthcoming meetings of the Working Group.

Annex

TENTATIVE LIST OF ELEMENTS TO BE EXAMINED¹

A. Specific measures

(a) Export measures

(i) Limits to overall cost of export assistance:

- possible coverage: all products globally; if not, which product groups or which individual products;
- possible forms of expressing the limit: as absolute value; as percentage, e.g. of value of exports at domestic or world prices;
- possible reduction of such limits over time;
- commitments to be taken by countries operating two price systems.

(ii) Maximum cost per unit:

- possible application to individual selected products;
- other questions as above.

(iii) Minimum prices on international markets:

- selection of suitable products or product sectors;
- method of setting a minimum price: e.g. fixed at given level by negotiation, or in terms of prices charged by specified non-subsidizing exporter.

(iv) Other possible forms of harmonization of export measures.

(b) Import measures

(i) Customs duties:

- determine and explore product sectors where commitments would be meaningful.

(ii) Variable levies and other special charges:

- determine product sectors where commitments would be meaningful;

¹Previously contained in document Spec(72)14.

- explore possible technical forms which such commitments might take;
- explore possibilities of action by exporters likely to influence amount of levies charged by importing countries.

(iii) Quantitative restrictions:

- explore possible formulae and modalities (including if necessary a time element) for relaxation, elimination or replacement by other measures;
- explore concrete possibilities of adjustments in administrative practices.

(c) Production measures

- Explore which specific production measures might technically lend themselves to meaningful commitments, and the form that such commitments might take.
- Explore the technical possibilities of separating "production-neutral" farm income maintenance measures from production and price policy measures; and explore the technical feasibility and meaningfulness of negotiating techniques for the encouragement of production-neutral measures and the elimination of measures that unduly stimulate production.
- Examine possibility of allocating responsibility for the creation of surpluses.
- Supply management through stock maintenance measures: explore possible types of commitment and their suitability according to product.
- Other possible forms of harmonization of production measures.

B. Instrumental measures

(a) Self-sufficiency ratios

- Possible coverage: agricultural sector as a whole; selected groups of product sectors; individual product or product sectors;
- measurement: units, time period;
- type of obligations of importers and of exporters;
- types of action in case of non-observance;
- possible use as indicator rather than commitment.

(b) Support margins

- Possible coverage;
- definition and measurement: in particular, selection of upper and lower benchmarks;
- type of obligation: freezing, reduction over time, etc.

(c) International stabilization arrangements

- Possible coverage: selection of products or product groups;
- elements to be included in arrangement (including possibly some listed elsewhere in the present paper).

C. Codes of good conduct

Determine areas of possible application of codes of good conduct governing:

- export measures (e.g. possibilities of making provisions of Article XVI more specific, or extending its paragraph 4 to cover primary products);
- non-tariff import measures (e.g. health and sanitary regulations);
- production measures.

Explore possible scope and content of such codes (e.g. common objectives, principles, guidelines, provision for notification and consultation).

In this connexion it is recalled that, at the appropriate time, the Committee will have to review the applicability to the agricultural sector of any solutions evolved in the Committee on Trade in Industrial Products in respect of measures of general application. In particular, it will have to examine any results which emerge from the Groups on Licensing and on Standards and to consider whether modifications are necessary to make these results applicable to the agricultural sector (L/3472, Annex IV, paragraph 16 and L/3600, paragraph 6).

D. Combination of the three techniques

It might well become apparent that a viable and practical solution to the problems in the agricultural sector as a whole or in certain sub-sectors might reside in a combination of various elements selected from the three broad techniques.

To give a hypothetical and purely illustrative example: one might envisage that, while recognizing as a long-term objective the replacement of production - stimulating support measures by production neutral measures, a practical and acceptable solution for the shorter term might possibly consist of stock management obligations accepted multilaterally, triggered by a surplus situation (determined by the relation of current world prices to an agreed benchmark), with the size of individual obligations related to changes in self-sufficiency ratios (which would serve as a yardstick and not a commitment).