

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/4383

28 July 1976

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Original: English

UNITED STATES INTERNATIONAL TRADE
COMMISSION INVESTIGATIONS

Honey

The following communication has been received from the United States mission.

The United States International Trade Commission on 29 June recommended to the President that import relief in the form of a tariff rate quota system be established for the United States honey industry.

By a 3 to 2 vote, the Commission found that increased imports of honey constitute a threat of serious injury to the domestic honey industry, thereby entitling it to import relief. Commissioners Leonard, Minchew and Moore formed the majority, with Commissioners Bedell and Parker dissenting. Commissioner Ablondi did not participate.

The tariff rate quota system recommended to the President would allow up to 30 million pounds of honey to be imported each year into the United States at the current tariff of 1 cent per pound. All imports exceeding that amount in any given year would be subject to an additional tariff of 30 per cent ad valorem during the first three years after the relief becomes effective. During the fourth year the additional tariff would decrease to 20 per cent ad valorem, and during the fifth year it would decrease to 10 per cent ad valorem. The relief would terminate at the end of the fifth year.

A petition was filed with the USITC on 29 December 1975 on behalf of a number of honey producers' associations and independent bee-keepers seeking import relief. Following receipt of the petition, the USITC instituted an investigation to determine whether honey is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the

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domestic honey industry. This investigation, which included public hearings in Orlando, Fla., San Francisco, Cal., Kansas City, Mo., and Washington, D.C., resulted in the 29 June decision and recommendation of remedy.

Most honey consumed in the United States in 1975 went for table use, but a small portion was used commercially in baked and other prepared foods. It is regarded as a "natural" health food by organic food enthusiasts as a source of quick energy.

The leading honey-producing States are California, Florida, and South Dakota, with Minnesota, North Dakota, Texas, Montana and Nebraska also producing substantial amounts. Some honey is produced in virtually every State.

The United States produced about 17 per cent of the known world honey in 1975. Domestic production in that year amounted to about 196.5 million pounds, valued at nearly \$100 million.

In 1975, total United States imports of honey amounted to a record 46 million pounds, valued at more than \$16 million. This represented 20.1 per cent of domestic consumption. In 1973, honey imports totalled 4.9 per cent of domestic consumption. The principal sources of United States imports of honey in 1975 were Mexico, Argentina, Canada, Australia and Brazil. Collectively, these countries accounted for about 91 per cent of United States imports of honey.

The United States also exports honey to a number of countries, including West Germany, Japan, the Netherlands and Canada. In 1975, exports totalled less than 4 million pounds, valued at about \$2.4 million.

In addition to the production of honey, bees are used for crop pollination purposes. It is estimated that in 1975 the value of crops pollinated by bees was \$8 billion.

Executive agencies will analyze report and formulate a recommendation to the President. The President may accept, modify or reject the proposed tariff rate quota for honey and has sixty days in which to arrive at a decision.

