GENERAL AGREEMENT ON
TARIFFS AND TRADE

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STATE TRADING

Notification Pursuant to Article XVII:4(a)

AUSTRALIA

The following communication, dated 19 May 1981, has been received from the Permanent Mission of Australia.

I. Enumeration of State-trading enterprises

This paper describes instrumentalities which should be notified in accordance with Article XVII of the GATT. The instrumentalities are :

(a) Australian Wheat Board
(b) Australian Dairy Corporation
(c) Australian Egg Board
(d) Australian Honey Board
(e) The (Queensland) Sugar Board
(f) The Australian Meat and Live Stock Corporation
(g) Australian Apple and Pear Corporation
(h) Australian Dried Fruits Corporation
(i) Australian Canned Fruits Corporation

II. Reason and Purpose for introducing and maintaining State - trading enterprises

(a) Australian Wheat Board

The Australian Wheat Board was set up at the outbreak of war in 1939 to assist the wheat industry in a period of low prices and difficulties created by war conditions, eg marketing and transport.

The Australian Government under the war-time Wheat Acquisition Regulations, constituted the Board on 21 September 1939, to acquire, with certain exceptions, all wheat held in Australia and to arrange for its disposal.

With the commencement of the first post-war Wheat Industry Stabilization Plans in 1949 the Board was reconstituted under the Wheat Industry Stabilization Act 1948 (complementary Commonwealth and State Government legislation was required). The purpose of reconstituting the Board was to

establish it as the central marketing authority for wheat. In addition it has been required to administer the various wheat stabilization and marketing arrangements. Overall, these arrangements have guaranteed a degree of stability and orderly marketing to the Australian wheat crop. The Wheat Board was continued in existence under subsequent stabilization plans, the last being the Wheat Industry Stabilization Act 1974; and currently exists under the Wheat Marketing Act of 1979.

The Australian Wheat Board is empowered to purchase, sell or dispose of wheat and wheat products and to manage and control all matters connected with the handling, storage, protection, shipment, etc, of wheat acquired and to do all things that are necessary or convenient to be done by the Board for giving effect to the legislation. It is the instrument used to make effective the pricing and marketing elements of the Wheat Marketing Act.

The 1979 Wheat Marketing Act established new domestic pricing arrangments and new methods of financing and payment of returns to growers. The payment arrangements provide the industry with a guarantee of support from the Commonwealth Government that is designed to help the industry overcome any short-run down-turn in producers' returns. At the same time the mechanism for determining the support ensures that any such guaranteed Government support will be inevitably modified to be consistent with longer run adjustments in market returns whether these adjustments be for a rising or a falling market.

The pricing arrangement have no effect on export prices as the Australian Wheat Board sells overseas at competitive prices without any Government intervention or assistance.

(b) Australian Dairy Corporation

The Australian Government in 1924, at the request of the dairy industry introduced the Dairy Produce Export Control Act to regulate the overseas marketing of butter and cheese. The Act was brought into force after receiving a majority of votes in a poll of producers and it set up a Dairy Produce Control Board which was subsequently renamed the Australian Dairy Produce Board in 1935. The main purpose of establishing the Board was to ensure that the marketing of dairy produce overseas was not fragmented and to help ensure that producers received the best available returns on the world market.

The Board's original functions were entirely regulatory. It was empowered to regulate the handling, marketing and storage of dairy produce as prescribed for export, the timing, terms and quantities of export shipments and the conditions of export sales. These powers were exercised by the prohibition of exports of butter and cheese except by persons who held licences issued by the Minister on

the recommendation of the Board. A licenced exporter was also required to obtain a permit certifying that the export was authorised by the Board.

Since the Board was established there have been a number of modifications in its functions. In 1935 it was empowered to advise the Minister on action to improve the quality of dairy produce, transport questions and the expansion and development of new and existing markets.

The Dairy Produce Export Control Act was amended in 1954 to make the Board the sole exporter of butter and cheese to the United Kingdom. The Board as a trading authority did not physically handle the goods. It purchased butter and cheese destined for the United Kingdom from exporters who undertook to export, handle and sell through appointed agents in London. With the United Kingdom's entry into the European Economic Community (EEC) in January 1973 and the consequent effective exclusion of Australia from that market, this function of the Board became inoperative.

In 1965, in the interests of efficiency and economy, the levy on production of butter and cheese for research and sales promotion and the levy on exports of butter and cheese, which provided the Australian Dairy Produce Board with funds for overseas market development, were combined into one levy to cover all the Board's requirements. Responsibility for administering the research programme was transferred from the Australian Dairy Produce Board to a separate statutory body, the Dairying Research Committee. In 1972, a separate research levy was instituted to cover both market milk and milk for manufacture. The Australian Dairy Produce Board continued to administer both domestic sales promotion and the overseas market development programme.

In an endeavour to strengthen the capability of the Board to accord more closely with the circumstances of 1975 and beyond, the Government reconstituted the Board under the Dairy Produce Act 1924 as the Australian Dairy Corporation which commenced operations on 1 July 1975.

The existing powers of the Australian Dairy Produce Board were assumed by the Corporation with additions in three main areas where it was considered that a change would benefit the industry and improve the Corporation's operations. Firstly, the Corporation's regulatory functions were strenghtened by providing it with specific power, after consultation with appropriate industry bodies, to determine the quantity of dairy produce to be exported to a particular country or countries in the course of a season. Secondly, the Corporation can be granted monopoly trading power for specific export markets by regulation after consultation with the industry. Thirdly, the Corporation's borrowing powers were extended.

From 1 July 1977 the Corporation was invested with additional powers in respect of the administration of the new statutory marketing arrangements for the dairy industry. These arrangements established a compulsory levy/disbursement system for the major dairy products and were designed to protect the domestic pricing structure and to provide each manufacturer with an equalised return from domestic and export sales of these products.

(c) Australian Egg Board

In 1943, under the National Security (Egg Industry) Regulations, a scheme on an Australia-wide basis was introduced to control the marketing of eggs commercially produced in Australia. The objects of the scheme, briefly, were to provide for the needs of the Armed Forces and Australian civilian population on the most economic basis, and according to priority.

Exports, except for the use of the services overseas, virtually ceased until the end of hostilities in 1945, when the shipment of eggs and egg products to the United Kingdom was resumed. Shipments to the United Kingdom were then made under contract with the United Kingdom Ministry of Food.

Upon the expiry of the Australian Parliament's powers under the National Security Regulations, the marketing of eggs within Australia became once again the responsibility of the respective States. However, in order to ensure continuance of an orderly export marketing system for Australian eggs and to provide adequate safeguards in respect of the contracts entered into between the United Kingdom and Australian Governments, the Australian Egg Board was constituted to operate from 1 January 1948, under the Egg Export Control Act, 1947.

The Board purchased from the State Egg Boards eggs and egg products for shipment to the United Kingdom at the equivalent contract prices. The contracts provided an assured market for Australian eggs and egg products until the end of May 1953. For frozen egg pulp a further twelve month's contract with the United Kingdom Ministry of Food was arranged.

In 1954, the Egg Export Control Act was amended with the intention of giving the State Boards an opportunity to market their export eggs through a single authority, instead of in competition with each other as had been the practice pre-war.

The Australian Egg Board, as reconstituted, is empowered to conduct trading operations on behalf of any of the State Boards which wish to avail themselves of the Board's facilities. At present all State Boards market their exports of eggs in shell and frozen whole egg pulp through the Australian Egg Board.

(d) The Australian Honey Board

The Australian Honey Board was established under the Honey Industry Act in 1962 at the request of the industry to regulate Australian exports of honey and to conduct promotion activities on behalf of the industry.

The purpose of establishing the Board was to eliminate disruptive competition in overseas markets and to maximize returns to producers. One of the critical factors was the extent to which export market prices were influencing the domestic market.

The bulk of Australian honey exports are made on a trader-to-trader basis under terms fixed by the Board which itself has power to trade where producers voluntarily place honey under its control for that purpose. Full details of the Board's powers in respect of export marketing are shown in Part III.

(e) The (Queensland) Sugar Board

The Sugar Board is constituted under the Queensland Sugar Acquisition Act. The Board, on behalf of the Queensland Government, acquires all raw sugar produced in Queensland and also purchases all raw sugar produced in New South Wales. Sugar is not produced commercially elsewhere in Australia. The acquisition and marketing of Australian raw sugar by the Sugar Board is recognized in the Commonwealth/Queensland Sugar Agreement which was renegotiated in 1979 to operate from 1 October 1979 to 30 June 1984.

The reason for the Board's acquisition of all Australian produced sugar is to assist in regulating the production and marketing of sugar. Under present arrangements, returns to growers from domestic and export sales are pooled; this gives growers a uniform return on the sugar content of their cane. The domestic price is controlled at a level agreed between the Commonwealth and Queensland Governments. This provides a stabilizing influence on growers' and millers' returns as well as conferring the benefits of a stable price on Australian consumers. The arrangements also facilitate the regulation of exports in conformity with the Australian Government's international obligations, for example, under quota provisions of the 1977 International Sugar Agreement, or in relation to bilateral long-term agreements for the supply and purchase of Australian raw sugar.

Under the Commonwealth/Queensland Sugar Agreement, the Queensland Government (through the Sugar Board) regulates production, acquires or purchases the sugar produced, supplies refined sugar and sugar products at nominated major population centres at not more than the prices set by the Agreement, and finances sugar rebates.

(f) The Australian Meat and Live-stock Corporation

The Australian Meat and Live-stock Corporation was set up under the Australian Meat and Live-stock Corporation Act in December 1977. The Corporation retained the bulk of the functions and powers of its predecessor, the Australian Meat Board, which had been established in 1936.

The Corporation's role is to safeguard the long-term interests of the Australian meat industry by a policy of control and regulation of the meat and livestock export trade through the licensing of exporters, encouraging and promoting the sale and consumption of meat both within Australia and overseas and the provision of advice to the Government on meat and livestock exporting matters so that appropriate government policy can be framed.

The basic rationale is that the traditional free enterprise system of producing and marketing meat and livestock provides the most efficient basis for operation of the industry. While the AMLC does have the power to trade in meat and meat products, it will only use its trading and control powers when it considers such action to be necessary to protect the interests of the industry. The AMLC has not used its powers to trade in meat since its creation in 1977.

(g) Australian Apple and Pear Corporation

The Australian Apple and Pear Corporation (AAPC) was established in 1973 and commenced operations in 1974.

The Corporation is charged with promoting and controlling the export of apples and pears from Australia, promoting trade and commerce of apples and pears on the domestic market, and improving production and consumption of apples and pears in the Australian Territories.

The Corporation has been given the power to trade in fresh apples and pears and in apple and pear products.

The Corporation's trading power is qualified by a requirement that it must seek the approval of the Minister to engage in trade in competition with Australian concerns and it must conduct any such trade in a manner that accords with commercial practice.

(h) Australian Dried Fruits Corporation

The Australian Dried Fruits Corporation was set up on 1 January 1979. The Corporation retained the functions of the Australian Dried Fruits Export Control Board which had been established in 1924, and added further functions.

The Corporation is charged with promoting and controlling the export of dried fruit from Australia.

Subject to ministerial approval, the Corporation may engage in trade in dried fruit but in so doing is subject to any conditions the Minister may specify.

(i) Australian Canned Fruits Corporation

The Australian Canned Fruits Corporation was established as part of a statutory marketing scheme for the canned deciduous fruits industry (canned apricots, peaches, pears and mixtures of these fruits). The statutory scheme commenced as from 1 January 1980.

The Scheme was enacted as a means of bringing stability to the canned fruits industry which has experienced considerable financial difficultires since the early seventies.

Problems of overcapacity and rising costs have plagued the industry following contractions in the export market for Australian canned fruit. The industry has suffered a substantial loss of sales in the United Kingdom and Europe, important traditional markets, through the effects of the Common Agricultural Policy of an expanded European Economic Community. A comparatively static domestic market has failed to compensate for the loss in export sales.

Despite government and industry efforts, marketing problems continued with canners suffering substantial losses and payments to growers have been reduced and delayed.

The statutory marketing scheme is seen by industry and Government as a means of bringing stability and profitability back to the industry.

III. Description of the functioning of the State-trading Enterprises

(a) Australian Wheat Board

Under the complementary Commonwealth and State legislation, the Australian Wheat Board is constituted as the sole authority for the marketing of wheat both domestically and on the export market, and administers export controls on wheat products.

The Board has been set up as an instrument to make effective the orderly marketing and pricing arrangements attaching to the wheat industry. Its general powers are contained in the Wheat Marketing Act 1979. This Federal Act and complementary State legislation gives it sole power to receive such part of the Australian crop as is to be marketed, and to store and trade in wheat for local and export trade.

Because Australia is a large exporter and a low cost producer, it is only in the most unusual circumstances that imports are made, and then they are comparatively small. There have been no imports of wheat since 1957-58. The Board is given no specific powers with respect to imported wheat. There are no restrictions on wheat imports, subject to quarantine and duty requirements being met.

The Act provides that, except with the consent of the Board, a private trader shall not export wheat or wheat products (other than bran or pollard). In practice, however, export sales are made not only by the Board direct, but also in a number of ways involving intermediaries. For example, the Australian Wheat Committee in London sells on behalf of the Board to United Kingdom and Continental buyers. Commercial grain houses also act as principals and re-sell to their overseas clients. While the Board's position as final authority does not permit free competition between it and private traders, it is to be noted that there is competition among the latter for business.

The quantity of wheat exported is determined by normal commercial supply and demand factors. The criterion applied is simply that the full surplus after meeting local needs and maintaining adequate end-of-season pipeline stocks will be available for overseas markets.

Export prices received by the Board are determined by normal commercial supply and demand factors. They may be higher or lower than the prices received for wheat sold domestically.

No firm contracts involving delivery over a long term have been written by the Australian Wheat Board. (Here, "contract" as distinct from "agreement" implies that price and other terms of sale have been fixed). However, some contracts negotiated have required shipments over a period of about twelve months. Also agreements to supply of up to three years duration have been entered into by the Board under which there are commitments as to quantitites to be sold/purchased annually and under which contracts are negotiated periodically during the term of agreement.

The Australian Wheat Board is the sole constituted authority for the marketing of the Australian wheat crop and the Australian Government does not enter into contractual obligations involving trade in wheat.

(b) Australian Dairy Corporation

The Australian Dairy Corporation is a statutory authority, which derives its powers and functions, under provisions set out in the Dairy Produce Act 1924, (as amended),

the Dairy Produce Sales Promotion Act 1958 (as amended), the Dairy Industry Stabilisation Levy Act 1977 and the Dairy Industry Stabilization Act 1977. Legislation was passed by the Parliament in June 1975 to reconstitute the Australian Dairy Produce Board (ADPB) as the Australian Dairy Corporation which commenced operations on 1 July 1977.

Under the Dairy Produce Act the Corporation is responsible for controlling the export of dairy produce as prescribed. Until 30 June 1977 these products were butter, anhydrous milkfat, dry butterfat, ghee, cheese, skim milk, casein and caseinates. As from 1 July 1977 wholemilk powder has been brought under the regulatory control of the Corporation. The Corporation's regulatory functions do not extend to processed products such as sweetened condensed milk, evaporated milk etc.

Legislation was passed by the Parliament in June 1977 to implement new domestic marketing arrangements for the Australian dairy industry. These arrangments impose levies on all production of prescribed products but levy is remitted on product other than that sold for domestic consumption or usage. The aim of the levies is to protect the domestic pricing structure and through their disbursement to provide each manufacturer with an equalised return from its domestic and export sales of such products.

In conjunction with the domestic marketing arrangements, market returns for prescribed dairy products have been underwritten by the Commonwealth Government. In 1978/79 a limit was imposed on the quantity of butter underwritten, in all other instances total production has been underwritten. The selective underwriting arrangement which operated in 1978/79 was designed to bring production more into balance with profitable market opportunities.

The Corporation's powers in respect of imports are limited to the purchase of dairy products for re-export to protect traditional markets or develop new marketing opportunities for Australian produce.

Only persons licensed by the Australian Minister for Primary Industry, on the recommendation of the Australian Dairy Corporation can export prescribed dairy products. In practice licences are issued to traders who have been appointed agents by factories producing prescribed dairy produce. However, unlicensed private traders may export through one of these agents.

As part of its regulatory functions the Corporation regulates the handling and storage of all dairy products as prescribed for export; the timing, terms and conditions

(including minimum prices) of export shipments as well as conditions of sale. Export sales made on a trader-to-trader basis are subject to the conditions and restrictions made by the Corporation under the Dairy Produce Export Control Regulations. Control is achieved through export permits issued by the Corporation to licensed exporters.

The Corporation has the power to purchase dairy produce and sell to other markets but this is not an exclusive right. The Corporation's power to purchase does not permit it to acquire produce compulsorily, but it can arrange sales on such terms as it thinks fit for produce under its control, eg sales to Government agencies.

The Corporation has specific power, after consultation with appropriate industry bodies, to determine the quantity of dairy produce which will be exported to a particular country or countries in the course of a season. The Corporation can also be granted monopoly trading powers to specific markets by regulation but this can only be achieved after prior consultation and approval of the representative industry bodies. The purpose of this is to ensure that adequate supplies are available for domestic consumption and to allow the Corporation to meet specific overseas obligations, particularly by way of long-term supply arrangements.

Export prices are determined on a normal competitive commercial basis, but for most markets the Corporation periodically determines minimum export prices below which traders may not export.

(c) Australian Egg Board

The Australian Egg Board deals with exports only. The State Egg Boards are the only other bodies licensed to export, although private traders can export quantities through the State Boards. However, if all the State Boards elect to export through the Australian Egg Board to specified destinations, the Australian Board then becomes the sole exporting authority to those destinations. If any State Board elects to export on its own behalf to those destinations in competition with the Australian Board, the latter may fix minimum prices below which sales may not be made.

The determination of the quantities to be exported is a matter for each State Board. The Australian Egg Board is empowered to regulate the timing of shipments for overseas markets.

Export prices are determined on a normal competitive commercial basis. As no eggs for commercial purposes are imported into Australia, the question of retail prices for imported eggs does not arise. Domestic prices are fixed by the respective State Boards.

The Australian Egg Board has not entered into long-term contracts for some years but it is empowered to do so.

(d) The Australian Honey Board

The Australian Honey Board's powers extend to the licensing of Australian exporters and the issuing of export permits in respect of each shipment. Private traders are free subject to regulatory conditions determined by the Board, to export honey to all destinations. Quantities to be exported are restricted only by availability and overseas demand.

The Australian Honey Board has no powers to compulsorily acquire honey but since 1965 it has had the power to purchase or make advances against honey voluntarily offered to it for orderly marketing purposes. To enable the Board to obtain finance to make advances on such honey it has been given the power to borrow funds from the Reserve Bank under Australian Government guarantee.

The Board's power to export in its own right is limited in that the Board can only trade in honey sold to it by traders for that purpose. Since the power to trade was given to the Board in 1965 only very small quantities have actually been exported by the Board. The last sale was in 1970.

The Board does not exercise any control over imports of honey. Private traders are free to import honey but as Australian produces many varieties of honey and uses domestically only two-thirds of its production, imports are small. Imported honey is usually of a selected variety or quality and enjoys a price premium over most locally-produced honey.

Because exporters compete for supplies with traders on the domestic market returns to producers from the two markets are usually at around the same level for comparable grades.

The Board can negotiate long term contracts, but it rests with individual exporters to decide whether to accept the conditions negotiated.

(e) The (Queensland) Sugar Board

Under the Customs (Prohibited Exports) Regulations the export of sugar from Australia is prohibited except with the consent of the Minister for Primary Industry. This ensures retention of sufficient sugar for domestic requirements and facilitates compliance with Australia's international sugar trading undertakings. The Sugar Board, as the representative of the Queensland Government (which acquires all raw sugar produced) is the sole exporter of raw sugar from Australia.

The importation of sugar is prohibited (except with the consent of the Minister for Primary Industry) under the Sugar Agreement Act, 1979.

Raw sugar is exported by the Sugar Board through the agency of CSR Limited.

Private trade in the export of sugar is limited to a few thousand tons of refined sugar exported under permit to Papua New Guinea, Australian Territories and nearby Pacific Islands. Traders obtain their requirements from the Sugar Board's agents and there is no competition between private traders and the State trading enterprise.

About 1.6 million tonnes of raw sugar are sold each year under the conditions of long-term bilateral contracts negotiated with Japan, China, New Zealand, Republic of Korea, Malaysia and Singapore by CSR as the agent for the Sugar Board. The remaining export sales are made on the basis of world free market prices.

(f) The Australian Meat and Live-stock Corporation

The Australian Meat and Live-stock Corporation operates under the Australian Meat and Live-stock Corporation Act 1977 and is responsible for the regulation of exports of beef and veal, mutton and lamb, goat meat and livestock.

Its main functions are:-

- To improve the production of meat and livestock in Australia.

- To promote the sale of meat and livestock both in Australia and overseas.

- To encourage, assist, promote and control the export of meat and livestock from Australia.

The main powers of the Corporation are:

- To regulate exports through licensing of exporters and by issuing directions to licensed exporters of meat and/or livestock.

.. including directions as to the quantities, classes and grades of meat or livestock that may be exported, and

.. the quality, standard and grading of meat or livestock for export.

- To exercise quality control as needed to protect Australia's international trading image,

- to negotiate shipping freight rates, to issue directions to exporters concerning maximum freight rates and approved carriers and to set conditions of contract for the carriage and handling of meat and livestock exports to destinations specified by the Corporation.

Exporting of meat is essentially in the hands of private traders and export prices are determined solely by market forces. However, the Meat and Live-stock Corporation may engage in export trade of meat and/or livestock provided that its action is in accordance with policy which has been advised to the Minister for Primary Industry.

Since its inception in late 1977, the Corporation has not exercised its export trading powers. The Corporation's predecessor, the Australian Meat Board exercised its trading powers on few occasions:

- in 1967 and 1968 it sold lamb to US Defence Forces
- in 1970 and 1971 it supplied beef and mutton to the USSR
- in 1975 and 1976 it supplied beef to the USSR.

(g) Australian Apple and Pear Corporation

The relevant functions of the Corporation as listed in the Australian Apple and Pear Corporation Act 1973 are:

- to promote the export from Australia of apples and pears;
- to control the export from Australia of apples and pears.

The Corporation's powers include the following which are of direct relevance to export trading:

- make recommendations to the Minister in relation to the export from Australia of apples and pears, including recommendations in respect of -

  (i) the terms and conditions of the export of apples or pears;

  (ii) the persons who may be permitted to engage in the export of apples or pears;

  (iii) the packaging and labelling of apples or pears for export; and

  (iv) the quality, standards and grading of apples or pears or of any variety of apples or pears for export;

- promote, by financial assistance and otherwise, new apple products or pear products;

- act as agent for producers or exporters of apples and pears;

- engage, or make other arrangements with, persons, organisations or companies to perform work, or act as agent, for the Corporation, whether in Australia or overseas;

- to the extent that it considers it necessary in the interests of the apple, pear, apple products or pear products industry, buy and sell and otherwise engage in trade in apples and pears and do all things necessary or convenient for engaging in that trade, including the chartering of ships.

The Corporation is not permitted to engage in trade in competition with persons resident in,or corporations incorporated in, Australia -

(a) without the approval of the Minister;

(b) otherwise than in a manner that accords with commercial practice.

The Corporation must comply with any directions given to it by the Minister with respect to the performance of its functions and the exercise of its powers.

The Corporation to date has not used the power to trade and therefore information on quantities available for trading, export prices and long-term contracts is not applicable.

(h) Australian Dried Fruits Corporation

The Australian Dried Fruits Corporation operates under the Australian Dried Fruits Corporation Act 1979. Its functions are set out in Section 6 of the Act as follows:

(a) to promote and control the export of dried fruit from Australia;

(b) to promote and control the sale and distribution, after export, of Australian dried fruit;

(c) to encourage and promote the consumption of Australian dried fruit outside Australia.

The Corporation's powers include the following which are of direct relevance to export trading:

- make recommendations to the Minister in relation to the export from Australia of dried fruit and the sale and distribution of Australian dried fruit after export, including recommendations in respect of:

  (i) the terms and conditions of the export of dried fruit;

  (ii) the persons who may be permitted to engage in the export of dried fruit;

  (iii) the packaging and labelling of dried fruit for export; and

  (iv) the quality, standards and grading for export of dried fruit or of any kind of dried fruit;

- engage, or make other arrangements with, persons, organisations or companies to perform work, or act as agent for the Corporation, whether in Australia or overseas; and

- with the approval, in writing, of the Minister and subject to such conditions (if any) as are specified in the instrument of approval, buy and sell and otherwise engage in trade in dried fruit and do all things necessary or convenient for engaging in that trade.

The Corporation to date has not used the power to trade and therefore statistical information on quantities available for trading, export prices and long-term contracts is not applicable.

(i) Australian Canned Fruits Corporation

Under the provisions of the Commonwealth and State legislation the Corporation is empowered to acquire and sell the production of canned peaches, pears and apricots and manage and control all matters connected with, or arising out of its handling, storage, protection, transfer, shipment or sale.

The Corporation is also empowered to promote the sale and consumption of canned fruits whether in Australia or overseas and do such things as it thinks fit in order to improve the methods of production, storage, transport and marketing.

The Corporation, being the owner of all canned fruits acquired by it has the responsibility for determining prices and terms of conditions of sales. Such sales are made through agents nominated by canners and approved by the Corporation. In relation to production, guidelines are established before the start of each season by the Corporation with an industry

sales budget divided between Equalisation Pool and Non-Pool markets. Quotas are allocated to each canner to give entitlement for sales to the Equalisation Market. Over quota fruit may only be sold on the Equalisation Market when all quota fruit has been sold.

The Corporation is assisted in the performance of its functions by an advisory committee (Australian Canned Fruits Industry Advisory Committee).

To finance purchases of canned fruits, the Corporation is empowered to borrow from the Reserve Bank, under Commonwealth guarantee, initially up to 70% of estimated realisations. Provision also exists for the Corporation to borrow monies on a commercial basis.

IV. Statistical information

Statistical figures concerning the relevant products are contained in the attached annex.

Australian Apple and Pear Corporation

As previously stated under Section III, the Corporation so far has not used its power to trade. Therefore statistical information is not applicable.

Australian Dried Fruits Corporation

As previously stated under Section III, the Corporation so far has not used its power to trade. Therefore statistical information is not applicable.

Australian Canned Fruits Corporation

Statistical information is not yet available as the Corporation only began operation as from 1 January 1980.

V. Reasons why no foreign trade has taken place (if this is the case) in products affected

Exports have taken place in all of the products in question in accordance with the powers of the instrumentalities covered by this notification, except for apples and pears. The Australian Apple and Pear Corporation has permitted private exporters or groups of exporters to service the export sector of the apple and pear industry.

Imports of wheat and flour do not normally take place because Australia is a competitive producer and a large exporter and has no need to import wheat.

Large domestic supplies preclude the necessity for any appreciable imports of dairy products. Relatively small but increasing quantities of cheddar and fancy varieties of cheese are imported.

The level of domestic production renders imports of eggs unnecessary. For animal health reasons, the imports of eggs or egg products from any source except New Zealand is prohibited.

In the interests of orderly marketing of the Australian surplus, the import of sugar is prohibited.

The level of domestic production precludes the necessity for the import of canned deciduous fruits, except in specialized packs.

VI. Additional information

None

STATE TRADING

(Years ended 30 June)

(Values in $A millions)

Commodity	Unit	Year	Imports				Exports					
			By trading Organisations		Other		By trading Organisations		Other		Re-exports	Product'n
			Qty	Value	Qty	Value	Qty	Value	Qty	Value		Qty
Wheat and flour	M. tonnes (wheat equivalent)	1977/78	-	-	-	-	11.0	1011.0	-	-	-	9.3
		1978/79-	-	-	-	-	8.3	807.8	-	-	-	18.1
		1979/80	-	-	-	-	14.9	2189.7	-	-	-	15.7
Butter (canned and other)	'000 tonnes	1977/78	-	-	-	-	4.0	7.3	13.5	15.4	-	111.7
		1978/79	-	-	-	-	5.1	4.2	12.7	33.7		104.8
		1979/80	-	-	-	-	0.2	0.2	16.3	26.7	-	84.3
Anhydrous milk fat	'000 tonnes	1977/78	-	-	-	-	1.0	0.7	7.1	10.9	-	-
		1978/79	-	-	-	-	-	-	18.6	12.2	-	-
		1979/80	-	-	-	-	-		1.4	1.9	-	-

Anhydrous milk fat production included in butter production figures

STATE TRADING

(Years ended 30 June)

(Values in $A millions)

Commodity	Unit	Year	Imports				Exports					
			By trading Organisations		Other		By trading Organisations		Other		Re-exports	Product'n
			Qty	Value	Qty	Value	Qty	Value	Qty	Value		Qty
Skim milk powder	'000 tonnes	1977/78	-	-	-	-	32.1	12.2	3.6	1.7	-	81.6
		1978/79	-	-	-	-	16.3	7.9	2.0	0.5	-	74.6
		1979/80	-	-	-	-	5.8	3.4	6.8	3.7	-	55.9
Whole milk powder	'000 tonnes	1977/78	-	-	-	-	-	-	50.1	52.0	-	77.8
		1978/79	-	-	-	-	-	-	44.6	49.6	-	77.5
		1979/80	-	-	-	-	-	-	64.6	71.9	-	75.4
Cheese	'000 tonnes	1977/78	-	-	11.3	20.9	25.5	23.6	19.4	31.9	-	115.7
		1978/79	-	-	12.1	24.2	26.4	31.1	25.8	37.9	-	141.8
		1979/80	-	-	11.9	27.8	24.4	34.2	36.7	60.2	-	154.2

STATE TRADING

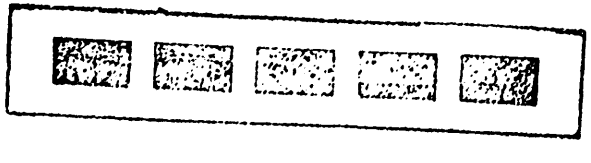
(Years ended 30 June)

(Values in $A millions)

Commodity	Unit	Year	Imports				Exports					
			By trading Organisations		Other		By trading Organisations		Other		Re-exports	Product'n
			Qty	Value	Qty	Value	Qty	Value	Qty	Value		Qty
Eggs in shell	million dozen	1977/78	-	-	-	-	1.2	0.7	-	-	-	191.8
		1978/79	-	-	-	-	1.0	0.5	-	-	-	184.7
		1979/80	-	-	-	-	1.4	0.8	-	-	-	188.1
Egg pulp	'000 tonnes	1977/78	-	-	-	-	9.7	10.3	-	-	-	27.4
		1978/79	-	-	-	-	8.7	9.7	-	-	-	21.2
		1979/80	-	-	-	-	5.9	6.1	-	-	-	18.5
Honey	Tonnes	1977/78	-	-	113	0.190	-	-	4274	4.2	-	18 583
		1978/79	-	-	85	0.150	-	-	5720	6.1	-	18 258
		1979/80	-	-	64	0.130	-	-	11427	11.6	-	24 954
Raw sugar	'000 tonnes raw value	1977/78	-	-	-	-	2581	528.21	-	-	-	3322 000
		1978/79	-	-	-	-	2036	444.16	-	-	-	2978 000
		1979/80	-	-	-	-	2322	610.00	-	-	-	2967 000

STATE TRADING

(Years ended 30 June)

(Values in $A millions)

Commodity	Unit	Year	Imports				Exports					
			By trading Organisations		Other		By trading Organisations		Other		Re-exports	Product'n
			Qty	Value	Qty	Value	Qty	Value	Qty	Value		Qty
Beef and Veal	Tonnes Product Weight	1977/78	-	-	-	-	-	-	754803	871.8	272	2183 840
Beef and Veal	Tonnes Product Weight	1978/79	-	-	-	-	-	-	831592	1365.8	215	2017 986
		1979/80	-	-	-	-	-	-	585526	1327.5	109	1563 934
Mutton	Tonnes Product Weight	1977/78	-	-	-	-	-	-	135350	123.7	129	260 780
		1978/79	-	-	-	-	-	-	106812	135.2	5	238 873
		1979/80	-	-	-	-	-	-	155183	172.6	27	279 333
Lamb	Tonnes Product Weight	1977/78	-	-	-	-	-	-	53246	57.2	-	252 840
		1978/79	-	-	-	-	-	-	41447	52.0	15	252 518
		1979/80	-	-	-	-	-	-	46349	62.4	13	273 165