

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Notifications Pursuant to Article XVI:1

UNITED STATES

Supplement

This document supplements the information in Section III (Agricultural price support programs) of the notification in document L/5102/Add. 15 of 26 February 1982.

The following information should be added to the end of section III.1 (support programs for wheat, feedgrains, upland cotton, and rice) which describe U.S. supply management programs.

In the past two years, rising world production of grains and cotton coupled with weakened demand has lead to sharp accumulation of stocks. In an effort to restore a balance between domestic supply and demand, the President in January 1983 announced a payment-in-kind (PIK) land diversion program applicable to the 1983 wheat, corn, grain sorghum, rice and upland cotton crops. The PIK program is designed to encourage farmers to further reduce 1983 crop acreage from previously announced acreage

reduction and land diversion programs. In return for reducing acreage beyond the level called for under other programs, farmers will receive as payment a certain percent of the commodity they would have produced on the PIK acreage. To participate in the program, farmers must be enrolled and in compliance with the previously announced 1983 acreage reduction program for these crops. To participate in PIK diversion, producers may (1) enter into contracts to divert an additional 10 to 30 percent of their acreage bases for any of the PIK crops, and/or (2) they may submit bids for a contract to divert their entire crop acreage to conservation uses. For the current crop year, approximately 80 million acres (32 million hectares) of PIK crop land will be idled. The PIK program was initially estimated to reduce production by one-fifth for wheat and grain sorghum, 25 percent for cotton and rice, and one-third for corn.