GENERAL AGREEMENT ON
TARIFFS AND TRADE

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SWITZERLAND

Information Supplied in Respect of Grains

A. Production: production measures and policies

A.1. Statistical data on production

1.1. Area cultivated and average yield

Product	Area cultivated (hectares)			Average yield (mq. per hectare)		
	1964	1965	1966*	1964	1965	1966*
Wheat	100,850	103,732	105,000	36.5	32.4	32.2
Barley	29,987	30,697	32,040	35.0	30.8	33.3
Oats	11,226	10,354	10,087	33.5	29.2	32.7
Maize	3,882	4,356	3,929	49.3	42.3	49.5

1.2. Total production (in thousand metric tons)

Product	1964	1965	1966*
Wheat	367.6	335.9	337.8
Barley	105.0	94.6	106.8
Oats	37.6	30.2	33.0
Maize	19.1	18.4	19.4

*Provisional.

A.2. Trends in production

Since 1950 the total area of grain cultivation has remained very stable. There have, however, been some changes in the respective shares of different crops: thus, in the past ten years the area under oats has diminished by one half, while the areas under barley and maize have increased. Improved productivity has therefore been primarily responsible for a production increase sufficient to maintain the country's self-sufficiency at a certain level, while leaving a substantial part of the market (more than 60 per cent) for imports. Taking into account the Confederation's policy in this field and a certain margin for increased yield (see 4 below), no substantial change seems likely in the overall situation for the next few years. It should be noted, however, that in the context of new measures recently approved in the dairy sector, the Federal Council has had to accord greater importance to crop production, and in particular to encourage cultivation of coarse grains (increase in cultivation bonuses - see B.I. 1.2.).

A.3. Statistical data on stocks

Product	Carry-over stocks (in thousand metric tons)		
	1963/64	1964/65	1965/66
Wheat	350.3	390.6	426.8
Barley	94.3	97.6	85.3
Oats	86.6	69.4	67.6
Maize	22.9	19.6	22.5

A.4. Factors which affect production

See section 2 above. It should be noted, furthermore, so far as increased yield is concerned, that the present tendency towards expansion and specialization in cereal cultivation in the most suitable areas will probably continue. Improved techniques and greater use thereof will also continue to be of essential importance.

A.5. Policies and measures of governments or other bodies likely to influence production

(a) It should first be noted, so far as wheat is concerned, that the Confederation encourages cultivation, promotes the selection and purchase of good-quality indigenous seed, and grants aid to producers growing wheat for their own requirements, taking particular account of the mountain areas. The objective is to be able, in the event of supply difficulties, to meet an appreciable part of the country's requirements out of domestic production. In normal times, however, domestic production must not be stimulated to such a point as to restrict wheat imports excessively.

(b) In addition and in general, the Confederation encourages crop-growing on the basis of the following criteria:

- The area under cultivation must be capable of being extended if need be - if imports were or were likely to be hindered - so as better to secure the country's supplies.

- Adjustment of production to outlets must be encouraged. In other words, increased crop cultivation should make it possible to reduce livestock production to some extent.

So far as wheat and other grains are concerned, the principal techniques applied with a view to these objectives are the support measures mentioned under B.I. and II. below. It should be noted, furthermore, with respect to the maintenance of an appropriate total area under cultivation in the country, that in normal times the Federal Council can assign to the cantons, by way of indication, the total cultivation areas for farmers. Such indications are, however, merely recommendations and their implementation depends on the willingness of the persons concerned.

B. Protection and support measures and policies

Introduction

These measures fall within the context of the objectives mentioned under A.5 above. In addition they have to be so applied as to enable good quality domestic agricultural products to obtain prices sufficient to cover the average production costs of efficient farms in normal conditions. In this connexion, account is taken of other sectors of the economy and of the material conditions prevailing for other sectors of the population, as well as of the need to establish an equitable price ratio as between the various agricultural products and branches of agriculture.

I. Internal support measures and policies

B.I.1. Inventory of instruments of support

1.1. Bread grains

Purchase of wheat by the Confederation

The Federal Wheat Administration buys domestic good quality bread wheat at prices which cover costs of production (see above: Introduction) and are fixed by the Federal Council. Commercial millers are required to buy this wheat at prices corresponding to the cost price of foreign wheat of the same quality. The difference between the prices paid to producers by the Federal Wheat Administration and the proceeds from the sale of domestic wheat is charged to the Government's account. Expenditure incurred in this connexion was as follows:

Year	Total	Average per 100 kg. of bread wheat
	in $'000	in $
1964	23,008	6.71
1965	19,119	6.50
1966	21,457	6.86

Milling bonuses

The producer who uses homegrown wheat on his farm is entitled to a milling bonus. The bonus is fixed in such a way that bread made by the producer costs him about as much as he would pay at a bakery. In the plateau area the bonus has amounted to 16 francs ($3.70) per quintal over the past few years. Supplements ranging from 4 francs ($0.93) to 16 francs ($3.70) are in addition provided for the mountain areas, according to the altitude of the farm. Total expenditure on the bonuses has been as follows:

Year	$'000
1964	2,568
1965	3,116
1966	2,616

1.2. Feed grains

Cultivation bonuses

Because of the fact that the growing of feed grains leads to expenditure higher than that involved in the purchase of similar imported grains, cultivation bonuses in proportion to the area under cultivation are paid to domestic producers of oats, barley, maize and three other local species of feed grains. The allowances consist of a basic bonus for the plateau area and of supplementary bonuses for the mountain area and for steeply sloping land in the plateau area. The cost is covered by the price supplements levied on imported fodder.

Amount of basic bonus (per hectare)

1964/66		1967		1968	
In francs	In dollars	In francs	In dollars	In francs	In dollars
400	92.59	375	86.81	450* and 500*	104.17* and 115.74

*Maize.

Since 1964 the amount of the supplementary bonus for steeply sloping land and for mountain zone I (up to an altitude of 1,000 metres) has been 100 francs ($23.15) per hectare, and 200 francs ($46.30) for mountain zone II (more than 1,000 metres altitude).

In recent years total expenditure in respect of these bonuses has been as follows:

Year	$'000
1964	4,800
1965	4,674
1966	4,704

Marketing allowances

Allowances are paid to importers of fodder who purchase domestic feed grains from a merchant or producer. They cover transport and marketing costs of these purchases.

The transport allowance varies according to the distance, the average being 9.10 francs per ton ($2.10); the marketing allowance is at the rate of 25 francs per ton ($5.80). The major part of domestic feed grains are, however, consumed on the producer's own farm and the total volume of domestic fodder marketed is relatively small (11,000 tons in 1964, 7,800 in 1965 and 13,400 in 1966).

Total expenditure on these subsidies was therefore as follows:

Year	$'000
1964	61
1965	75
1966	84

B.I.2. Levels of guaranteed prices

Purchase prices paid by the Confederation for bread grains are fixed each year by the Federal Council. Since 1965, when the quality classes were adjusted, the prices for wheat have been as follows:

(In $ per metric quintal)

Class I	15.97
Class II	15.28
Class III	14.58
Class IV	13.89

The following price supplements are paid:

- for wheat cultivated in the mountain areas:

	$ per 100 kg.
Up to 900 metres altitude	0.93
Above 900 metres and up to 1,000 metres altitude	1.39
More than 1,000 metres altitude	1.85

- for wheat delivered later than August and in direct proportion to the lateness of delivery (from ½ per cent of the fixed price for September deliveries, up to 5 per cent for deliveries after January);

- for wheat with a specific weight higher than average or with extra value for some other reason. Conversely, a reduced supplement is paid for wheat with an inadequate specific weight or which is too damp or has some other defect.

B.I.3. Amount of producer subsidies

The Confederation encourages the selection, experimental growing and acquisition of high quality wheat varieties, and also the production of certified homegrown seed. In this connexion, the following total subsidies have been paid (in $'000):

1964: 249 1965: 346 1966: 292

B.I.4. Returns to producers

4.1. Wheat

	1964	1965	1966
	(In $ per 100 kg.)		
Average actual returns to producers for all bread grains (calculated by Federal Wheat Administration)	15.80	15.58	15.88

4.2. Feed grains

	1964	1965	1966
	(In $ per 100 kg.)		
Barley: Average unit value received by producers for all uses (including cultivation bonus)	12.54	13.00	12.49

No comparable figures are available for oats and maize.

B.I.5. Methods of determining returns to producers

The average unit value of producers' returns per 100 kg. of barley (as mentioned above, see 4.2.) includes the cultivation bonus per hectare referred to under B.I.1.2. Per quintal, this bonus is estimated at $2.78 in 1964/65, $3.01 in 1965/66 and $2.94 in 1966/67.

II. Measures at the frontier

1.1. Wheat

There are no quantitative restrictions on wheat imports. Price supplements are levied in an amount fixed according to the quantities of fodder products derived from wheat milling, in order to establish a balance with the price supplements charged on fodder products.

Customs duties and charges are as follows:

	Customs duty		Price supplement
	$ per qm	% ad valorem	$ per qm
ex 1001.10 Soft wheat	0.69	approx. 8.5%	0.14
ex 1001.10 Durum wheat	0.69		0.37

2.2. Feed grains

Description of import measures

All imports are subject to licence issued by the Swiss Grain and Fodder Co-operative (CCF) of which importers are members. The licences are granted to importers:

- within the limits of individual quotas granted on the basis of global quotas fixed quarterly by the authorities. The quotas, which are fixed after consultation with the CCF, take account of market requirements, of the size of the domestic harvest, of possibilities for disposing of animal products and, so far as possible, of orientating production;

- subject to payment of the price supplements fixed by the Federal Council, the proceeds being used in particular to cover expenditure connected with Confederation incentives for domestic feed-grain cultivation;

- subject to compliance with the Federal regulations on reserve stocks to ensure national supplies, and regulations for taking over any potato surplus;

Level of price supplements

These supplements are adjusted from time to time and have been as follows since the end of 1963:

Amount of price supplement for product intended for use as fodder
(in $ per 100 kg.)

as from	ex 1003.01 Barley	ex 1004.01 Oats	ex 1005.01 Maize
1.10.1963	1.62	0.93	0.69
1.10.1964	1.04	0.69	0.46
1.10.1965	0.69	0.69	0.46
1. 4.1967	0.93	0.69	0.69
1. 1.1968	1.39	1.16	1.16

Customs duties

Product	$ per mq	Ad valorem incidence in %		
		1964	1965	1966
1003.01 Barley	0.14	2.5	2.2	2.1
1004.01 Oats	0.14	2.2	2.1	2.0
1005.01 Maize	0.12	1.7	1.7	1.7

C. Consumption and internal prices

C.1. Statistical data on consumption

1.1. Total utilization

	Quantities available	Animal feed	Seed	Industrial use	Waste	Food
	'000 tons	'000 tons	'000 tons	'000 tons	'000 tons	'000 tons
Wheat						
1963/64	709	84	20	7	8	590
1964/65	704	121	21	8	11	543
1965/66	801	193	21	5	10	572
Barley						
1963/64	451	305	5	114	3	24
1964/65	532	391	7	101	3	30
1965/66	507	360	5	109	3	30
Oats						
1963/64	183	163	5	-	1	14
1964/65	161	141	5	-	1	14
1965/66	180	154	5	-	1	20
Maize						
1963/64	171	155	1	-	-	15
1964/65	182	168	1	-	1	12
1965/66	217	204	1	-	1	11

1.2. Human consumption of flour, per caput and per annum

	1963/64	1964/65	1965/66
Flour of feed grains (including rye and meslin)	83.8	79.0	81.5
of which: wheat and spelt flour	77.0	71.8	74.2
Flour of barley, oats and maize	4.7	5.1	5.4

C.2. Trends in consumption

As in most industrial countries, and as a corollary to rising standards of living, per caput consumption of wheat is tending to decline. Taking into account the population increase, however, total consumption can be expected to rise slightly.

Overall requirements of barley, oats and maize are linked with the trend in livestock production. This is rising, but as in the case of wheat no estimated figures for 1970 are available.

C.3. Prices

3.1. Wholesale prices (in $ per 100 kg.)

Product	1967 March	June	September	December
Wheat, Manitoba 2, Atlantic or Pacific (imported, free at mill station)	11.21	11.21	10.73	10.81
Wheat, Hardwinter 1, Gulf (imported, free at mill station)	10.55	10.37	10.17	10.00
Wheat, class I (domestic, free at mill station)	10.01	10.01	10.01	10.01
Durum wheat, Amber Durum 2, Canada Western (imported, free at mill station)	11.56	11.47	11.83	11.55
Barley for milling	7.67	8.47	7.27	7.29
Oats for milling, crude	7.45	7.81	7.81	7.34
Maize, edible	8.31	8.06	8.55	9.03
Fodder barley, imported	7.59	8.53	7.30	7.38

3.2. Average weighted prices paid by farmers for cattle fodder (barley and maize)

(in $ per 100 kg.)

	1964/65	1965/66	1966/67
Barley	11.06	11.31	11.20
Maize	10.97	10.98	11.05

D. International trade and prices

D.1. Statistical data on the volume and value of imports and exports

Switzerland is not a grain exporter, and following data therefore relate only to imports.

1.1. Wheat, not denatured (tariff item No. 1001.10)

	1964		1965		1966		1967	
	tons	$'000	tons	$'000	tons	$'000	tons	$'000
TOTAL	271,449	23,172	248,907	19,402	299,473	24,239	248,526	20,992
of which:								
Canada	173,597	15,723	136,869	11,482	123,956	10,805	108,454	9,993
United States	42,788	3,567	35,814	2,704	102,878	8,072	50,381	4,244
Argentina	12,160	1,025	40,804	3,091	25,103	1,926	37,327	3,038
France	35,944	2,225	34,848	2,088	21,802	1,355	28,699	1,897
Germany	592	36	560	34	19,119	1,451	12,087	958

1.2. Barley (tariff item No. 1003.01)

	1964		1965		1966		1967	
	tons	$'000	tons	$'000	tons	$'000	tons	$'000
TOTAL	249,665	14,262	271,403	17,531	352,587	24,032	422,913	26,889
of which:								
France	240,524	13,631	263,850	16,959	318,095	21,404	404,212	25,447

1.3. Oats (tariff item No. 1004.01)

	1964		1965		1966		1967	
	tons	$'000	tons	$'000	tons	$'000	tons	$'000
TOTAL	142,129	9,015	148,293	10,072	142,405	9,980	170,564	11,002
of which:								
Germany	33	4	13,806	881	6,091	450	407	30
France	23,401	1,309	448	33	247	18	14,058	855
Netherlands	7,325	454	424	27	12,137	797	32,664	2,047
Denmark	4,030	337	4,320	397	4,081	393	4,313	432
Canada	56,365	3,608	39,161	2,700	23,704	1,638	26,486	1,425
United States	5,571	370	45,285	3,078	81,412	5,621	20,122	1,383
Argentina	39,260	2,522	42,640	2,803	11,536	836	45,534	3,012
Australia	1,296	82	669	46	1,827	134	26,529	1,787

1.4. Maize (tariff item No. 1005.01)

Principal suppliers

	1964		1965		1966		1967	
	tons	$'000	tons	$'000	tons	$'000	tons	$'000
TOTAL	181,501	12,360	176,032	12,035	203,367	14,331	229,168	14,978
of which:								
Germany	510	33	131,737	8,860	28,757	1,988	70	5
France	74,149	4,837	11,635	819	79,792	5,397	171,349	10,904
Rumania	35,668	2,467	6,414	456	10,291	743	13,325	877
United States	19,491	1,330	8,329	580	32,850	2,296	1,819	135
Argentina	45,351	3,256	16,503	1,204	43,555	3,283	39,698	2,827

D.2. Import prices

See C.3.

D.3. Export aid measures and policies

Switzerland is not a grain exporter.

D.4. Description of bilateral agreements affecting imports or exports

Nothing to report.