

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AUSTRALIA

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Table of Contents

	<u>Page</u>
<u>WHEAT</u>	
A. Production: production measures and policies	2
B. Protection and support measures and policies	6
C. Consumption and internal prices	10
D. International trade and prices	14
<u>BARLEY</u>	
A. Production: production measures and policies	31
B. Protection and support measures and policies	33
C. Consumption and internal prices	34
D. International trade and prices	37
<u>OATS</u>	
A. Production: production measures and policies	38
B. Protection and support measures and policies	40
C. Consumption and internal prices	41
D. International trade and prices	44
<u>SORGHUM</u>	
A. Production: production measures and policies	45
B. Protection and support measures and policies	47
C. Consumption and internal prices	48
D. International trade and prices	50
<u>MAIZE</u>	
A. Production: production measures and policies	51
B. Protection and support measures and policies	53
C. Consumption and internal prices	54
D. International trade and prices	56

WHEATA. Production: production measures and policiesA.1. Statistical data on total volume of production, acreage and average yieldWHEAT PRODUCTION

Year	Area of crop planted (million hectares)	Average yield per hectare (metric tons)	Production (million metric tons)
1965/66	7.1	1.00	7.1
1966/67	8.4	1.51	12.7
1967/68 ^{a/}	9.2	0.82	7.5
1969/70 ^{b/}	8.1	1.33	10.8

^{a/} Preliminary.^{b/} Projection.

Sources: Commonwealth Bureau of Census and Statistics (statistics)
Bureau of Agricultural Economics (projection)

A.2. Trends in production and estimates for 1970

Wheat production has been expanding since 1958/59. Average production in the ten years ended 1958/59 was 4.8 million metric tons annually. In the three-year period ending 1967/68 production has averaged 9.1 million metric tons a year. This upward trend has been the result of an increase in the area planted to wheat in combination with the long-term upward tendency towards higher yields.

In making projections of future levels of production, anticipated "average" yield has been combined with acreage estimates based primarily on a technical evaluation of the physical limitations to acreage expansion.

Seasonal conditions in the wheat growing areas of Australia are notoriously unreliable (see yield figures above) and any estimate of yields two years ahead can be no more than a guess.

Assuming average seasonal conditions throughout Australia, availability of market outlets and continuation of the present relative profitability of wheat growing vis-à-vis wool and other competing products, it is projected that 8.1 million hectares will be planted in 1969/70. On the basis of long-term trends in yields in the various producing areas and some expansion of plantings into climatically less favourable areas, the average yield in 1969/70 is estimated to be 1.33 metric tons per hectare.

A wheat area of 8.1 million hectares with an average yield of 1.33 metric tons per hectare would produce 10.8 million metric tons of wheat in 1969/70.

A.3. Statistical data on carry-over stocks

No regular statistical data on carry-over stocks of wheat held on farms at the end of the crop year are available. However, statistics showing the amount of wheat production retained on farms for seed and feed use (see section C.2) vary primarily with acreage and it may be presumed that most of such stocks are used as seed prior to the end of the year.

The following table gives details of stocks held by marketing authorities and processors. No stocks are held on Government account.

STOCKS OF WHEAT, AND FLOUR AS WHEAT^{1/}

Year	Stocks held by marketing authorities and processors ('000 metric tons)
1965	663.2
1966	450.1
1967	2,180.9

^{1/} Stocks held at mills, sidings, ports and depots as at 30 November.

A.4. Factors which affect production

Between 1959/60 and 1964/65 the area under wheat in Australia increased from 4.9 million hectares to 7.3 million hectares. This contrasts with a relatively stable area of 4 to 4.4 million hectares sown to wheat during most of the 1950's. The steady upward trend in wheat acreage was halted in 1965/66 as a result of unfavourable seasonal conditions in the eastern States, when some 7.1 million hectares were planted. The upward movement continued, however,

in 1966/67 when 8.4 million hectares were planted while for the 1967/68 season it is estimated that acreage reached a new record of some 9.2 million hectares.

A number of factors have contributed to the upward trend in the area planted to wheat. These include a shift in apparent profitability of wheat relative to wool largely because of factors in the wool economy. In addition, it has been possible to dispose of, relatively rapidly, the large crops harvested, so that the expansion in wheat acreages has not been discouraged by a build-up of stocks. In 1966/67 the contraction in pastoral activities as a result of the drought was also an added incentive to increased plantings.

The large acreage planted to wheat in 1966/67 and 1967/68 has largely been made possible at the expense of some shortening of rotations on existing farms. If fertility is to be maintained on these farms, some reduction in acreage will be necessary in order to maintain soil fertility, although this is expected to be somewhat offset by development of the more marginal new wheat lands.

Yields per acre have improved and coupled with the expansion in acreage, production increased from 5.4 million metric tons to 10 million tons between 1959/60 and 1964/65. In 1965/66, output declined to 7.1 million tons as a result of the drought in New South Wales where production fell to 1.1 million tons in 1965/66 from the previous record of 4.1 million tons harvested in 1964/65. Seasonal conditions in 1966/67 were favourable and production attained a new record of 12.7 million tons. In 1967/68 yield was again reduced by drought in the eastern States and output fell to 7.5 million tons.

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

Research

Specific assistance to the wheat industry is provided by the Commonwealth Government's allocation of funds for wheat research. This allocation is provided by the Commonwealth under the Wheat Research Act, to match the annual amounts contributed by wheat growers under the Wheat Tax Act, which provides for a tax of one quarter of 1 cent per bushel on all wheat delivered by wheat growers to the Australian Wheat Board. Details of contributions by the Commonwealth Government are given below:

FUNDS FOR WHEAT RESEARCH

Season	Commonwealth Government allocation (US\$)
1965/66	763,680
1966/67	904,650
1967/68	1,144,162

Source: Australian Wheat Board.

Commonwealth allocations are distributed to the State Departments of Agriculture, the C.S.I.R.O., the Australian universities and other research organizations, for scientific research on wheat production. Many of these organizations are also involved in general agricultural research which affects wheat growers. For example, the C.S.I.R.O. research on the treatment of trace element deficiencies in soils has enabled large areas of formerly unproductive land to be developed.

Extension

The Commonwealth Government is making available additional funds for extension purposes, over and above the US\$1.55 million provided in 1965/66. The additions are planned to raise expenditure by 1971/72 to US\$4.4 million annually. Most of these funds will be used to improve farm advisory services and to bring the findings of research quickly to farmers and graziers.

Financial incentives

Australian wheat growers are also affected by the general financial incentives offered to all primary producers by the Commonwealth Government. For example, in calculating the incidence of Commonwealth income tax 120 per cent of the cost of plant and equipment may be written off over a period of five years (i.e. a special additional deduction of 20 per cent of the cost of plant may be taken into account in the first year). Also, the full amount of certain capital expenditure on such items as soil reclamation, water conservation and fencing for pest control is deductible from income for tax purposes in the year in which it is incurred.

The use of fertilizer is encouraged by the Government's payment of a bounty at the rate of US\$6.7 per ton on superphosphate produced and sold for use as a fertilizer in Australia.

In 1966/67 over 80 per cent of the area sown to wheat was treated with artificial fertilizers; over 95 per cent of fertilizer used on wheat crops was superphosphate. Since 1966/67 a bounty of US\$88.8 per ton of nitrogen has also been payable on nitrogenous fertilizers sold by manufacturers and importers in the period 17 August 1966 to 31 October 1969. The Government has provided through the banking system, special credit facilities for rural industries generally to enable farmers to carry out worth-while development programmes on their properties.

Development of new agricultural areas

State Governments have provided assistance for development of new lands by farmers primarily through institutional changes in land tenure, release of crown lands and establishment of research stations.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

Under the current Wheat Industry Stabilization Plan (which expires with the marketing of the 1967/68 crop) the wheat producer is guaranteed a certain return on up to 150 million bushels of wheat or wheat equivalent exported from each season's crop. This guaranteed export return is equated to an assessed cost of production which is determined each season by the adjustment of a base figure according to movements in costs. The selling price for wheat for consumption within Australia is the equivalent of the season's guaranteed export price, plus a small loading to cover the cost of transporting wheat from the mainland to Tasmania (which is not self-sufficient in wheat).

The guaranteed return on exports operates through a Wheat Prices Stabilization Fund. Growers contribute to the Fund up to a maximum of 15 cents a bushel in respect of all exports when the average export return for a season's pool exceeds that season's guaranteed price. In years when the average export return is less than the guaranteed price the deficiency in respect of exports to a maximum of 150 million bushels is made up by a withdrawal from the Fund. Continued withdrawals led to the exhaustion in 1961 of growers' moneys in the Fund. For each pool since then the guaranteed price has continued to be above the average export return and the Commonwealth Government has been required to meet the deficiency in accordance with its obligations with respect to the guaranteed export return. The main features of the current Wheat Stabilization Plan, which is the fourth since 1948, are:

Fourth Wheat Stabilization Plan

(covering the five crops 1963/64 to 1967/68)

1. Period of the Plan

The Plan operates for five years, commencing with the 1963/64 wheat crop and ending with the marketing of the 1967/68 crop.

2. Commonwealth guarantee

The Commonwealth guarantees a return of US\$1.60 per bushel to growers on up to 150 million bushels of wheat exported from the crop in the first year of the Plan. The guaranteed return of US\$1.60 is based on the findings of a survey of the economic structure of the wheat industry conducted by the Bureau of Agricultural Economics. It will be adjusted in each of the following years of the Plan on up to 150 million bushels in accordance with the movements in costs based on a cost index established from the survey. The first three Five-Year Stabilization Plans each guaranteed a lesser quantity of 100 million bushels from each crop.

3. Australian Wheat Board

The Australian Wheat Board is retained as the sole constituted authority for the marketing of wheat within Australia and for the marketing of wheat and flour for export from Australia for the period of the Plan.

4. Stabilization Fund - Export Tax

A tax is collected on wheat exported which is equivalent to the excess of the returns from all export sales over the guaranteed return. However, the maximum rate of export tax is 16.6 United States cents per bushel.

Size of the Fund: The ceiling of the stabilization fund is US\$67.20 million (US\$44.80 million under previous plans). Any excess beyond that figure would be returned to growers on the "first-in-first-out" principle.

Use of the Stabilization Fund: When the average export realizations fall below the guaranteed return, the deficiency will be made up, first by drawing upon the Stabilization Fund, in respect of up to 150 million bushels of wheat from each crop. When the fund is exhausted, the Commonwealth will meet its obligations under the guarantee.

5. Home consumption price

The home consumption base price for 1963/64, the first year of the Plan, is established at US\$1.60 per bushel, bulk basis, f.o.r. ports, plus 1.84 United States cents per bushel loading to cover freight on wheat to Tasmania (see item 6 below). There is provision in the Plan for annual adjustments in the following years.

6. Freight on wheat to Tasmania

Provision is made for a loading on the price of all wheat sold for consumption in Australia to the extent necessary to cover the cost of transporting wheat from the mainland to Tasmania in each season of the Plan. For the first year of the current Plan (1963/64) this loading is 1.84 United States cent per bushel.

7. Additional payment on Western Australian wheat

An additional amount may be paid from export realizations on wheat grown in Western Australia and exported from that State, in recognition of the natural freight advantage enjoyed by Western Australia over other States in relation to some Asian markets for wheat. The additional payment is equal to the amount of the actual freight advantage shown by Western Australia up to a maximum of 2.78 United States cents per bushel. It is currently less than 1 cent a bushel. (Under previous plans the premium was 2.78 United States cents per bushel.)

8. Legislation

The Plan required the passing of complementary Commonwealth and State legislation for its operation.

B.I.2. Levels of guaranteed prices or support pricesB.I.3. Amount of producer subsidiesB.I.4. Average returns to producers

Relevant figures are given in the table below.

WHEAT PRICES - AUSTRALIA

for f.a.q. wheat in bulk, f.o.r. ports

Season	Guaranteed price	Stabilization Fund contribution ^{1/2/}		Average return to producer ^{4/}
	Australian cents/bushel	Per bushel Australian cents	Total US\$	Australian cents per bushel
1963/64	144.2	0.6	1.9	137.3
1964/65	145.3	5.2	18.1	134.9
1965/66	151.7	6.9	16.2	141.1
1966/67	155.0	^{3/}		^{3/}
1967/68	164.0	^{3/}		^{3/}

^{1/} For each pool since 1961 met wholly from a Commonwealth Government subvention.

^{2/} Average based on pool receivals.

^{3/} Not yet available as pools are incomplete.

^{4/} F.o.r. ports. Individual grower's freights (local depot/ports) to be deducted.

At present negotiations are being conducted by the Commonwealth Government with the wheat industry and the State Governments on stabilization arrangements to apply to the 1968/69 and subsequent crops.

B.I.5. Method of determining returns for producers, etc.

Generally, all wheat from each season's harvest which is in excess of the farmers' own needs for seed and feed must be delivered to the Australian Wheat Board for sale on a pool basis. No wheat may be sold, either within Australia or overseas, without the Board's consent. Realizations from local and export sales are pooled with the result that all growers throughout Australia receive the same return on an f.o.r. ports of export basis for bulk, f.a.q. wheat.

As already explained, for wheat sold within Australia the producer receives the equivalent of the guaranteed price plus a small loading to cover the cost of transporting wheat to Tasmania. The guaranteed price is the cost of production assessed for each season; it is not a price based on overseas prices. As for pricing in overseas markets, the Australian Wheat Board, as an autonomous trading organization marketing wheat to the best advantage of growers, sells overseas for the best prices it can obtain in the light of each market's competitive circumstances, subject to any current international agreements fixing minimum or maximum prices.

After all the wheat in a season's pool is sold the average export return per bushel is calculated and if it is below the guaranteed price the deficiency per bushel is multiplied by 150 million to determine the total sum to be withdrawn from the Stabilization Fund for the credit of the pool. If the average export return exceeds the guaranteed price the excess on all exports, up to 15 cents per bushel, is deducted from the growers' returns and paid to the Stabilization Fund.

B.II. Measures at the frontier

There have been no wheat imports for ten years and it is only in the most unusual circumstances that imports are made. There are no measures at the frontier other than import duties and the usual quarantine measures. The duties applicable to wheat are:

General	\$4.41 per metric ton plus primage 10 per cent ad valorem
Preferential Free	plus primage 10 per cent ad valorem
Canada	\$4.41 per metric ton plus primage 10 per cent ad valorem

C. Consumption and internal prices

C.1. Statistical data on consumption

CONSUMPTION AND INTERNAL PRICES
CONSUMPTION OF WHEAT - AUSTRALIA

(million metric tons)

Year ended 30 November	Flour ^{1/}	Breakfast foods and other uses ^{1/}	Stock- feed	Seed and retentions on farms	Total
1965	1.20	.052	.78	.61	2.64
1966	1.20	.065	.55	.69	2.51
1967	1.19	.049	.42	.75	2.41
1970 ^{2/}	1.19	.049	.46	.75	2.45

^{1/}Wheat equivalent.

^{2/}Projection.

Source: Commonwealth Bureau of Census and Statistics.

C.2. Trends in consumption and estimates for 1970

Consumption of wheat in Australia for manufacture of foodstuffs for humans has shown little tendency to expand during the last decade, averaging 1.255 million metric tons in the period 1965/67. Stock feed wheat sales have risen appreciably in drought years reaching some 78,000 metric tons in 1964/65. In general, however, there has been no distinct trend in feed consumption. Total domestic consumption generally accounts for some 20 per cent to 30 per cent of production. Consumption in 1969/70 is estimated at 2.45 million metric tons which approximates the level in 1966/67.

C.3. Retail and wholesale prices on major internal markets

The home consumption price of wheat in Australia has been determined annually under the current and previous Wheat Industry Stabilization Acts, and does not undergo any seasonal adjustment during the year.

Home consumption prices, at which the Australian Wheat Board sells wheat, together with marketing costs, are set out below for the years covered by the present Stabilization Scheme.

DOMESTIC PRICES OF WHEAT AND MARKETING COSTS - AUSTRALIA
1963/64 TO 1967/68

(US\$/bushel)

Crop year	Wheat home consumption price ^{1/}	Marketing costs ^{2/}	
		Freight	Board costs
1963/64	1.62	.1793	.0588
1964/65	1.63	.1853	.0616
1965/66	1.70	.1654	.0896
1966/67	1.74	.2001	.0563
1967/68	1.84	.1987	.1071

^{1/} Bulk basis, f.o.r., main terminals

^{2/} Domestic costs (marketing) incurred by Australian Wheat Board during crop year. These costs are charged against the farmer, i.e. they are deducted from his return and are not added to the home consumption price.

C.4. Factors which condition the evolution of internal consumption

Statistics relating to internal consumption of wheat and flour are recorded under two main groupings - flour and breakfast foods. Most of the flour consumed is in the form of bread, and the consumption pattern of this commodity in post-war years has been similar to that of other developed countries where rising real incomes has resulted in reduced per capita consumption of cereal products. Since 1950 total consumption has declined by an average of about 1 per cent per annum, and in the Australian context this is attributable to the increase in real incomes, increasing urbanization and a decrease in the proportion of the population engaged in heavy manual types of occupation. The Australian migration programme has had an offsetting influence to this trend, as immigrants' eating preferences have tended to be concentrated more on starchy low protein foods. For example, production per head of macaroni, vermicelli and spaghetti more than doubled between 1948/49 and 1961/62, even though still only accounting for about 2 per cent of total flour consumption.

Breakfast foods have comprised about 4 per cent of human wheat consumption in recent years, but this component could be expected to increase over the next decade, as the production and promotion of manufactured wheaten breakfast foods gathers momentum.

The following table shows the movement in flour consumption per head from 1936/37 to 1965/66.

FLOUR: CONSUMPTION PER HEAD
1936/37 TO 1965/66

	(kg./caput)
1936/37 to 1938/39 (Average)	113.40
1946/47 to 1948/49 (Average)	113.40
1950/51 to 1952/53 (Average)	115.21
1953/54 to 1955/56 (Average)	104.92
1956/57 to 1958/59 (Average)	105.23
1959/60 to 1961/62 (Average)	81.33
1962/63	94.71
1963/64	98.29
1964/65	99.34
1965/66	97.52

C.5. Policies and measures affecting consumption

Governmental policies are concerned with the production of wheat and, apart from the benefits to consumers of fixed annual prices of wheat and flour resulting from the operation of the Wheat Stabilization Schemes, no steps have been taken to affect the level of domestic consumption of wheat.

Wheat has been provided by the Australian Government, both under regular programmes such as World Food Program and in order to meet emergency needs in underdeveloped countries. The following table details Australian food aid to various countries since 1964/65.

FOOD AID PROVIDED BY AUSTRALIA - WHEAT AND FLOUR
1964/65 TO 1967/68^{1/}

Country	Year	Commodity grant	
		Wheat (metric tons)	Flour (metric tons)
Ceylon	1964/65		9,485
	1965/66		9,870
	1966/67		11,068
	1967/68 ^{1/}		9,866
India	1964/65	153,000	
	1965/66	131,441	
	1966/67	155,663	
	1967/68 ^{1/}	152,445	
Pakistan	1965/66	10,389	
	1967/68 ^{1/}	20,910	
Indonesia	1966/67		3,284
Laos	1965/66		674
	1966/67		454
<u>Under World Food Program</u>			
Western Samoa	1965/66		404
	1966/67		816

^{1/} Figures shown for 1967/68 relate to the five months from June to November 1967.

D. International trade and prices

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

Explanatory note:

Imports

Items shown are those where import values exceeded \$A20,000 (US\$22,400) in either of the two years. Due to the introduction in 1965/66 of a new Import Commodity Classification, details are not available on a comparable basis prior to that year.

Exports

Countries shown are those where export values exceeded \$A40,000 (US\$44,800) for the year indicated. (A dash means the value for the year was \$A40,000 or less.)

AUSTRALIA: IMPORTS OF AGRICULTURAL PRODUCTS
1965/66 AND 1966/67

Commodity	Quantity		Value	
	1965/66	1966/67	1965/66	1966/67
Country	Metric tons		US\$'000	
<u>Rice, glazed or polished, but not otherwise worked</u>				
Thailand	204	75	30	15
United States	1,364	1,521	305	354
Other countries	13	50	3	13
Total	1,582	1,646	338	382
<u>Maize, unmilled</u>				
New Zealand	56	154	21	53
United States	1,758	278	134	102
Other countries	4	38	2	12
Total	1,818	470	158	167

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	'000 metric tons			US\$'000		
<u>Wheat</u>						
Brazil	-	-	104	-	-	6,383
Chile	-	-	47	-	-	2,940
China (Mainland)	2,275	2,017	2,163	129,547	112,427	129,860
China (Formosa)	31	66	34	1,966	3,732	2,008
Hong Kong	59	77	100	3,537	4,388	6,336
India*	477	181	400	27,819	10,819	24,567
Iran	244	164	56	15,748	9,773	3,818
Iraq	66	1	133	3,975	76	8,913
Ireland	10	50	53	612	2,855	3,238
Japan	442	363	431	26,450	20,920	26,694
Korea Republic	-	102	107	-	6,080	6,778
Kuwait	10	21	76	609	1,301	5,172
Lebanon	73	30	139	4,418	1,832	9,048
Malaysia/Singapore	100	224	452	5,942	13,011	28,000
Malta	22	18	30	1,550	1,182	2,027
Mozambique	20	24	86	1,338	1,460	5,544
Muscat and Oman	-	2	3	-	149	298
Netherlands	-	-	120	-	-	7,860
New Caledonia	-	1	1	-	74	64
New Zealand	166	148	105	10,003	8,544	6,513
Norway	76	18	112	4,543	1,084	6,944
Pakistan*	59	43	698	3,568	2,502	43,493
Peru	-	-	22	-	-	1,454
Philippines	-	-	2	-	-	157
Polynesia	-	-	1	-	-	49
Saudi Arabia	19	27	63	1,425	1,963	4,768
Somaliland	-	-	1	-	-	120

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	'000 metric tons			US\$'000		
<u>Wheat (cont'd)</u>						
South Africa	-	60	284	-	3,715	18,889
South Arabia Federation	44	64	72	3,198	4,719	5,522
Syria	-	-	19	-	-	1,234
Thailand	12	13	37	704	858	2,432
Trucial States	-	-	1	-	-	46
United Arab Republic	19	123	51	1,178	7,199	3,190
United Kingdom	520	633	387	29,902	36,399	24,058
Yemen	-	-	10	-	-	865
Zambia	-	12	38	-	838	2,468
Germany, East	-	11	-	-	704	-
Germany, F.R.	-	9	-	-	540	-
Rhodesia	41	62	-	2,324	3,636	-
USSR	862	575	-	49,176	32,754	-
Kenya	2	-	-	122	-	-
Belgium-Luxemburg	1	-	-	57	-	-
Indonesia	4	-	-	269	-	-
Korea North	45	-	-	2,575	-	-
Other countries	15	16	71 ¹	309	213	3,476 ¹
Total	5,714	5,156	6,507	332,865	295,749	405,226

¹Includes shipments "For Orders" 53,850 tons valued at US\$3,277,000.

*Exports under Aid Programmes included in figures of exports:

India	157	131	142	8,514	7,879	9,031
Pakistan	-	10	21	-	739	1,546

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$'000		
<u>Barley</u>						
China (Formosa)	-	-	18,342	-	-	1,000
Denmark	-	3,848	3,387	-	231	198
Italy	52,842	59,306	111,675	2,731	3,172	6,061
Japan	167,636	41,289	169,283	9,611	2,573	9,820
Kuwait	7,318	752	6,615	421	45	405
Lebanon	-	-	14,647	-	-	797
Netherlands	48,656	26,832	27,691	2,541	1,556	1,559
Norway	2,163	-	3,465	119	-	212
Pakistan	-	-	804	-	-	52
Peru	-	-	3,512	-	-	215
Qatar	-	-	1,141	-	-	71
Saudi Arabia	5,047	1,050	14,865	314	63	950
South Africa	-	-	3,194	-	-	258
South Arabia Federation	-	-	724	-	-	47
Spain	-	-	12,993	-	-	684
Trucial States	-	-	1,040	-	-	64
United Kingdom	38,724	35,317	25,144	1,996	2,025	1,411
Germany, F.R.	38,172	42,772	-	1,938	2,335	-
Poland	-	13,468	-	-	756	-
Rhodesia	792	-	-	45	-	-
China (Mainland)	5,108	-	-	289	-	-
Korea Republic	1,016	-	-	58	-	-
Other countries	1,745	2,026	9,294 ¹	101	134	551 ¹
Total	369,222	226,658	427,816	20,162	12,889	24,356

¹Includes shipments "For Orders" 6,738 tons valued at US\$378,600.

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$'000		
<u>Oats</u>						
Belgium-Luxemburg	-	-	2,774	-	-	129
Denmark	-	-	1,469	-	-	80
Ecuador	874	-	1,869	68	-	159
Germany, F.R.	180,442	168,404	132,631	8,594	8,906	6,537
Hong Kong	-	-	813	-	-	50
Italy	20,879	27,257	100,136	969	1,410	4,713
Japan	13,955	10,991	18,516	647	590	912
Malaysia/Singapore	3,718	1,608	2,951	169	100	188
Netherlands	22,259	13,936	73,775	1,102	735	3,410
Philippines	1,293	1,823	1,857	75	129	118
South Africa	8,340	-	7,406	394	-	367
United Kingdom	12,319	16,677	16,564	645	952	906
United States	-	-	4,470	-	-	199
Norway	-	6,909	-	-	379	-
India	1,144	-	-	63	-	-
New Zealand	2,416	-	-	138	-	-
Rhodesia	1,017	-	-	55	-	-
China (Mainland)	41,927	-	-	2,001	-	-
Germany, East	10,553	-	-	505	-	-
Poland	23,268	-	-	1,073	-	-
Other countries	21,370 ¹	3,225	36,349 ¹	991 ¹	217	1,776 ¹
Total	365,773	250,830	401,580	17,490	13,418	19,545

¹Includes shipments "For Orders" 17,480 tons valued at US\$802,000 and 34,617 tons valued at US\$1,671,000 in 1964/65 and 1966/67 respectively.

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$ '000		
<u>Maize</u>						
New Zealand	-	-	1,965	-	-	117
Other countries	508	26	78	47	4	11
Total	508	26	2,043	47	4	128

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$ '000		
<u>Millet</u>						
Germany, F.R.	-	-	777	-	-	54
Japan	-	1,115	3,594	-	83	342
New Zealand	862	508	854	80	63	62
United Kingdom	3,172	1,536	3,584	215	121	234
Other countries	2,877	1,170	2,558	227	105	186
Total	6,911	4,329	11,368	522	372	877
<u>Panicum including Setaria</u>						
Italy	1,058	630	1,206	86	60	105
Netherlands	849	570	1,128	69	57	106
United Kingdom	564	673	744	46	65	64
Japan	1,113	-	-	99	-	-
Other countries	1,432	750	3,747	117	76	137
Total	5,015	2,622	6,824	417	259	412

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$ '000		
<u>Sorghum</u>						
Japan	-	-	27,188	-	-	1,294
Saudi Arabia	-	-	1,954	-	-	127
United Kingdom	1,973	-	12,602	82	-	612
Other countries	149	197	1,062	9	11	62
Total	2,122	197	42,806	91	11	2,093
<u>Other items, the value of which is not over \$A1 million</u>						
Rye	56	1	235	4	neg.	15
Canary grass seed	1,075	385	2,909	143	73	407
Other unprepared grains	44	62	2,728	7	6	143

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$'000		
<u>Rice, polished or glazed (broken)</u>						
Canada	2,417	-	2,551	426	-	248
Germany, F.R.	-	-	510	-	-	46
Hong Kong	-	-	1,341	-	-	148
Malaysia/Singapore	-	-	3,455	-	-	337
Netherlands	486	-	1,022	56	-	110
Okinawa	-	-	1,475	-	-	144
Papua/New Guinea	-	-	1,090	-	-	148
United Kingdom	593	-	2,385	64	-	241
Other American Pacific Islands	810	-	-	74	-	-
Other countries	625	1,226	10	72	130	2
Total	4,931	1,226	13,840	691	130	1,424
<u>Rice (other)</u>						
Hong Kong	-	-	1,033	-	-	77
Papua/New Guinea	10,502	10,730	9,259	1,364	1,393	1,292
Other countries	485	864	347	59	114	46
Total	10,987	11,594	10,640	1,424	1,508	1,416

Exports under Aid Programmes included in figures of total exports supplied separately:

Indonesia	-	1,600	-	-	215	-
Western Samoa	-	203	-	-	37	-

AUSTRALIA: EXPORTS OF AGRICULTURAL PRODUCTS
1964/65 TO 1966/67 (cont'd)

Commodity	Quantity			Value		
	1964/65	1965/66	1966/67	1964/65	1965/66	1966/67
Country	Metric tons			US\$ '000		
<u>Rice, polished or glazed (whole)</u>						
Gilbert & Ellis Islands	908	974	1,134	141	150	179
Guam	5,517	3,579	5,030	754	506	811
Hong Kong	1,517	610	1,773	206	90	283
Nauru	592	721	966	92	113	157
New Hebrides	2,562	2,622	2,793	370	385	440
New Zealand	2,299	1,817	1,974	314	271	299
Okonawa	-	-	15,137	-	-	2,321
Papua/New Guinea	12,244	18,686	20,264	1,725	2,630	3,003
Samoa (American)	405	704	1,189	58	104	190
Samoa (Western)	718	908	1,142	103	138	178
Solomon Islands	2,630	2,986	3,214	401	457	504
United Kingdom	7,494	5,069	6,281	1,094	790	992
Other American Pacific Islands	10,173	11,536	4,436	1,317	1,549	679
Christmas Island	375	444	-	58	68	-
United States	-	358	-	-	57	-
New Caledonia	-	306	-	-	45	-
Fiji	313	-	-	47	-	-
Other countries	1,191	420	620	139	58	96
Total	48,940	51,740	65,952	6,819	7,411	10,133

D.2. Levels of export prices

The c.i.f. price on the United Kingdom market, which generally reflects the competitive position of Australian f.a.q. wheat vis-à-vis other wheats, provides the basis for pricing on other markets. The following table shows average monthly quotations in the United Kingdom for the three years 1965 to 1967.

AVERAGE MONTHLY PRICES - AUSTRALIAN F.A.Q. WHEAT
C.I.F. UNITED KINGDOM

	1965	1966	1967
	(US\$ per metric ton)		
January	69.58	72.68	73.72
February	67.86	73.12	74.06
March	68.03	73.37	74.06
April	68.64	73.37	74.06
May	69.17	73.37	74.06
June	70.44	73.37	74.23
July	70.62	74.13	73.37
August	70.31	76.30	72.43 ^{1/}
September	70.96	77.16	71.13
October	70.96	77.16	70.96
November	71.31	75.36	70.96
December	71.65	73.58	69.14

^{1/}From August 1967 basis trans-shipment Continent.

Source: I.W.C. - World Wheat Statistics.

Australia has established markets in Asia and the Pacific and Indian Ocean areas. Substantial sales to Mainland China commenced in 1960. These sales are on an f.o.b. basis, with prices being derived from those current on the United Kingdom market, taking account of quality differential and the large quantities involved.

The only importation of wheat in recent years occurred in 1958, following severe drought in the main producing areas in Australia.

D.3. Export aid measures and policies

(a) Details of the Wheat Stabilization Plan are given in Section B.1. The current plan which expires on 30 November 1968 provides for a guaranteed minimum price on exports of up to 150 million bushels (4.08 million tons).

(b) Stocks management policy is determined by the marketing authority, the Australian Wheat Board, which in its day-to-day operations is free from Government control.

(c) As shown in Section C.5. quantities of wheat are donated under bilateral and multilateral aid programmes. There are no sales under non-commercial export credit terms.

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

AUSTRALIA/CEYLON TRADE UNDERSTANDING

agreement negotiated in 1958. Renewed every two years thereafter.

Due to the fact that Australia's share of the flour market in Ceylon was endangered by heavily subsidized European flour, Australia sought and obtained an assurance that Ceylon would continue to purchase at least 100,000 tons of Australian flour offered for sale on a fair commercial basis.

AUSTRALIAN AGREEMENTS WITH E. ST EUROPEAN COUNTRIES

The following trade agreements have been signed: USSR, Poland, Bulgaria, Rumania and Hungary.

These agreements provide only for reciprocal most-favoured-nation tariff treatment and contain no commodity or quota commitments.

AUSTRALIA/INDONESIA TRADE AGREEMENT

Article I provides for the two Governments to take all appropriate measures to facilitate trade between the two countries particularly in respect of listed goods and commodities including:

Australian exports to Indonesia

Wheat, flour
Malt, including roasted and torrified barley.

In article V - "The Indonesian Government recognizes the importance of the trade in flour between the two countries to the maintenance of adequate shipping services. It is the expectation of the two Governments that on the basis of quality and terms and conditions of delivery Australia will continue to be an important supplier of flour to Indonesia. Through the formal consultation machinery established in this agreement, it is the intention of both Governments to work towards greater predictability in the flour trade."

AUSTRALIA/JAPAN TRADE AGREEMENT

The Agreement was originally signed on 6 July 1957. It was renegotiated in 1963 and ratified in 1964.

Undertakings by Australia

Australia has undertaken to give most-favoured-nation treatment to Japanese goods.

Undertakings by Japan

In view of the fact that some products of importance to Australia's export trade are subject to a State Trading régime in Japan, Australia sought and obtained undertakings to assure non-discriminatory access to the Japanese market and containment of levels of protection. The undertakings secured in 1963 were as follows:

Wheat

Importation into Japan of Australian soft wheat would continue at a stabilized level.
Japanese Government intended to study with Australian Government possibility of bringing price differential in Japan between Australian F.A.M. wheat and United States Western White wheat down to differential in world markets.
Japanese Government was prepared to purchase Queensland and northern New South Wales hard wheat then necessary requirements for such purchase met.

Barley

Japan normally self-sufficient in barley production but Australian barley would be accorded non-discriminatory access on most-favoured-nation treatment basis for any emergency imports made by Food Agency. In fact barley is now a significant item in Australia's export trade to Japan.

AUSTRALIA/FOREIGN TRADE AGREEMENT

Agreement signed 21 September 1965.

The Agreement provides for reciprocal most-favoured-nation treatment.

Article IV provides that both countries shall take all appropriate measures to facilitate trade between them, particularly in items listed in Schedules A and B. Following products of interest were listed: wheat, barley, rice, oats.

AUSTRALIA/MALAYA TRADE AGREEMENT

General

The agreement was negotiated in 1958 with the Federation of Malaya and has not since been revised to apply to Malaysia.

The Agreement assures reciprocal most-favoured national treatment.

Parties to the Agreement agree to consider, on request, anti-dumping or countervailing action to protect each other's trade from injury resulting from dumping or subsidization by third countries.

Undertakings by Australia

The rate and preference margin bindings by Australia do not cover any of the products under study.

Undertakings by Malaya

Under the Agreement Malaya binds duty rates on wheat flour, wheat and bran.

In an endeavour to afford some protection against heavily subsidized European competition in a traditional market, Australia sought and obtained from Malaya an assurance that it would maintain its level of imports from Australia of wheat flour at 80,000 tons per annum and of wheat at 14,000 tons per annum. These figures were based on Australia's exports to this market over a representative period.

NEW ZEALAND/AUSTRALIA FREE TRADE AGREEMENT

Bilateral arrangements between Australia and New Zealand are regulated by the New Zealand/Australia Free Trade Agreement, the text of which is contained in GATT document L/2485/Add.1. This Agreement, which formally established a Free Trade Area between the two countries, was signed on 31 August 1965 and commenced to operate on 1 January 1966. The Free Trade Agreement incorporates the Australia/New Zealand Trade Agreement of 1933.

Under the Free Trade Agreement both countries have agreed to phase out duties on trade between them in products of area origin listed in Schedule A to the Agreement. Provision has been made for annual reviews of the trade between the two countries with a view to the inclusion of additional items in Schedule A.

Agricultural commodities at present listed in Schedule A include amongst others: wheat, rye and rice.

The objective of the annual reviews provided for in the Agreement is the progressive listing in Schedule A of all goods which enter or might enter the trade of either country, with the exception of those goods the inclusion of which would be seriously detrimental to an industry in either country, or would be contrary to the national interest of either country, or would be inconsistent with the objectives of any commodity arrangement to which both countries are parties.

AUSTRALIA'S TRADE AGREEMENT WITH THE UNITED KINGDOM

The United Kingdom/Australia Trade Agreement was signed in February 1957.

The Agreement which replaced the 1932 Ottawa Agreement provides for preferences on both United Kingdom and Australian goods.

Undertakings by Australia

Under the Agreement, Australia grants to the United Kingdom preferences on grains.

Undertakings by the United Kingdom

Margins of preference granted under the Agreement by the United Kingdom to Australia are set out in Schedule A attached.

There are also special arrangements in respect of cereals which vary or supplement the information shown on the attached list. Details are as follows:

Cereals

The United Kingdom 1964 Bilateral Cereals Agreements with major suppliers including Australia and covering all major grains traded is scheduled to be superseded by the new United Kingdom Multilateral Cereals Agreement negotiated in 1967 and due to come into force on 1 July 1968.

The new Agreement retains the system of minimum import prices established under the 1964 Agreements (although details of prices have not yet been finalized) but no longer contains provisions relating to access to the United Kingdom market.

In addition, under Article 6 of the United Kingdom/Australia Trade Agreement, in recognition of Australia's traditional share of the United Kingdom wheat market, and taking into account the decline in sales of Australian wheat due to local production and competition from subsidized European wheat, the United Kingdom Government agreed to consider sympathetically any practical measures which would improve the opportunities for Australian wheat.

It was the United Kingdom's desire and expectation that sales on commercial terms of Australian f.a.q. milling wheat, or wheat equivalent in flour, would be not less than 750,000 tons per annum.

For various reasons this target has never been reached although sales have reached an "acceptable level" on occasions.

SCHEDULE A

- (a) The margins of preference referred to in Article 3 are in the case of wines the amounts shown in column 2 of this Schedule. The margins of preference on other goods are the amounts shown in that column except as provided in (b) below.
- (b) In the case of goods containing ingredients liable to revenue duties the margin of preference is the amount shown in column 2 less any such revenue duties at the rates from time to time in force - except that in cases marked * the amounts shown in column 2 shall not be reduced by the duty on the sugar ingredient.

Class or description of goods (1)	Margin of preference (2)
Barley in grain	10 per cent ad valorem
Oats in grain	US\$6.61 per metric ton
Rice, whole, further processed after husking, but not including broken rice or manufactured products of or including rice	US\$13.22 per metric ton
Millet and sorghums, in grain	10 per cent ad valorem

BARLEY

A. Production: production measures and policies

A.1. Statistical data on total volume of production, acreage and average yield

Year	Area of crop sown for grain (million hectares)	Average yield per hectare (metric tons)	Production (million metric tons)
1964-65	0.84	1.33	1.12
1965-66	0.93	1.02	0.95
1966-67	1.01	1.39	1.40
1969-70 ^{1/}	0.97	1.18	1.13

^{1/} Projection.

Source: Commonwealth Bureau of Census and Statistics.

A.2. Trends in production and estimates for 1970

Substantial yearly fluctuations in barley production have occurred in the past due principally to variations in the average yield. In recent years the area sown to barley has shown no distinct trend.

Little change is expected in barley yields or area during the next three years, and under the assumption of average seasonal conditions, output in 1969-70 should approximate 1.13 million metric tons.

A.3. Statistical data on carry-over stocks

No recent statistical data on carry-over stocks of barley held on farms or by marketing authorities is available. Up to 1964 however, stocks, including barley held awaiting shipment, amounted to less than 5 per cent of annual production. Barley retained on farms for seed may be presumed to be used prior to the end of the crop year. There are no Government stocks.

A.4. Factors which affect production

Although barley does compete with wheat for available land, this competition is limited, as barley requires somewhat different growing conditions to wheat. In post-war years, the total area sown to barley has been affected in some areas by the transfer of lands between wheat and barley according to the relative profitability of the two crops.

An expansionary phase existed between 1946-47 and 1960-61, when barley area rose from 0.3 million hectares to 1.1 million hectares. This expansion coincided with a general decline in wheat area and represented a transfer of resources out of wheat and into barley.

During a second phase, between 1960-61 and 1964-65, although wheat areas recorded a series of increases and sheep numbers also were increasing, the area sown to barley declined only slightly. The settling of the area in the range 0.9 to 1 million hectares in recent years can be explained by generally increased productivity in mixed livestock-grain areas and some shortening of wheat rotations.

A.5. Policies and measures of governments

There is no direct governmental assistance for barley production in Australia, but many of the general policies and financial incentives mentioned in relation to wheat would also affect barley production. An important factor in encouraging barley production vis-à-vis wheat production is the level of premium prices offered by maltsters.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

B.I.2. Levels of guaranteed or support prices

B.I.3. Amount of producer subsidies

Apart from the measures outlined in the section on wheat which are applicable to all rural industries, there are no support measures for barley growers.

B.I.4. Average returns to producers

Available data is contained in Section C.3.

B.I.5. Method of determining returns for producers

There are three statutory marketing boards operating independently under legislation of the several State Governments - Australian Barley Board which operates in Victoria and South Australia, and the Queensland and Western Australian Barley Marketing Boards. In New South Wales the crop is marketed privately, whilst in Tasmania a voluntary growers' organization handles much of the local crop. The statutory marketing boards operate pooling systems, taking account of differences in grades delivered. Prices for barley used for domestic malting are negotiated annually with maltsters, and local requirements are satisfied before sales are made on export markets.

B.II. Measures at the frontier

It would be only in exceptional circumstances that barley would be imported. The only restrictions imposed would be normal quarantine requirements. The rates of duty are \$3.31 per metric ton plus 5 per cent (preferential) and \$4.41 per metric ton plus primage 10 per cent (general).

C. Consumption and internal prices

C.1. Statistical data on consumption

UTILIZATION OF BARLEY: AUSTRALIA

Apparent Domestic Utilization

Year ended 30 November	Exports	In factories ^{1/}	Seed ^{2/}	Stockfeed ^{3/}	Total apparent domestic utilization
	'000 metric tons	'000 metric tons	'000 metric tons	'000 metric tons	'000 metric tons
1959	853.8	188.6	67.4	243.2	499.2
1960	457.3	199.4	81.0	118.6	399.0
1961	943.1	208.5	72.4	251.4	532.3
1962	419.4	236.9	62.7	206.1	505.7
1963	273.7	238.2	61.8	283.7	583.7
1964	391.5	279.1	62.9	192.4	534.4
1965	371.0	270.3	70.2	406.9	747.4
1966	223.2	297.6	76.9	351.1	725.6
1969-70 ^{4/}	405	350	79	300	729

^{1/} For malting, distilling and pearl barley for export and consumption in Australia.

^{2/} Based on area sown (year following) at 1 1/4 bushels per acre.

^{3/} Balance figure.

^{4/} Projected.

C.2. Trends in consumption and estimates for 1970

Usage by maltsters has expanded steadily while sales for stockfeed have fluctuated considerably with seasonal conditions. In the drought-affected years of 1964-65 and 1965-66 the volume used as stockfeed was relatively high. Domestic consumption of barley in 1969-70 (assuming good seasonal conditions) is expected to be around the 1965-66 level - an expansion in usage for malting is likely to approximately offset a decline in the quantity used for stockfeed.

Relatively specialized export markets exist in Western Europe and Japan. The quantity of barley available for export in each year (sold both for manufacturing and livestock feeding purposes) has fluctuated according to the movements in the level of domestic production.

C.3. Retail and wholesale prices on major internal markets; marketing costs if available

Barley produced in Victoria and South Australia is marketed through the Australian Barley Board, whilst Queensland and Western Australia have established separate statutory marketing boards. In New South Wales and Tasmania the barley crops are marketed by private enterprise and voluntary growers' organization respectively. The Australian Barley Board markets a large proportion of Australian production and exports most of the Australian barley sold overseas. The following table shows final realizations (f.o.r. basis) to growers from the Australian Barley Board for the years 1963-64 to 1965-66. These prices represent a meld of domestic and export sales.

AUSTRALIAN BARLEY BOARD FINAL POOL REALIZATIONS^{1/}

Grade	Pool and barley season		
	1963/64 (No.25)	1964/65 (No.26)	1965/66 (No.27)
	US cents per bushel (1)		
<u>Chevalier and Research</u> (2 Row)			
<u>Bagged</u> Malting No. 1	118.63	120.0	128.73
Malting No. 2	111.13	112.5	121.23
No. 3 Grade	103.63	105.0	113.73
No. 4 Grade	96.13	97.5	106.23
No. 5 Grade	91.13	92.5	101.23
<u>Bulk</u> Malting No. 1	111.93	112.92	119.93
Malting No 2	104.43	105.42	112.43
No. 3 Grade	96.93	97.92	104.93
No. 4 Grade	89.43	90.42	97.43
No. 5 Grade	-	85.42	92.43
<u>Cape</u> (6 Row)			
<u>Bagged</u> Malting	91.13	92.5	101.23
No. 4 Grade	86.13	87.5	96.23
No. 5 Grade	81.13	82.5	91.23
<u>Bulk</u> No. 4 Grade	-	80.42	-
No. 5 Grade	-	75.42	-

^{1/} Basis f.o.r. main terminals.

Average wholesale prices for cape barley (bagged) at the Alexandria market (Sydney) during the last five years are shown below.

PRICES OF CAPE BARLEY: ALEXANDRIA

Average for year (Jan-Dec.)	US\$ per metric ton
1963	53.35
1964	48.94
1965	61.29
1966	58.64
1967	52.91

C.4. Factors which condition the evolution of internal consumption - interdependence of products

Domestic consumption of barley is determined mainly by the demands of the malting industry and by stockfeed usage which varies in accordance with the seasonal demands of the livestock industry.

Usage of malting barley has grown steadily, reflecting the increased beer consumption by an increasing domestic population and increasing exports of malt to overseas markets.

New barley varieties developed over the last decade have proved popular with maltsters in Australia and overseas.

C.5. Measures and policies affecting consumption

There are no measures or policies affecting consumption.

D. International trade and prices

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

See the section on wheat. D.1 on page 21.

D.2. Levels of export prices

Because of the existence of several marketing channels, no comprehensive data on export prices is available. The data in section D.1 is the best available guide.

D.3. Export aid measures and policies

There are no specific measures to assist export trade in barley. Stocks management is in the hands of the several marketing boards and there is no Government intervention. There have been no non-commercial transactions in barley.

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

See the section on wheat. D.4 on page 26.

OATS

A. Production: production measures and policies

A.1. Statistical data on total volume of production, acreage and average yield

Area^{1/}, PRODUCTION AND AVERAGE YIELD: AUSTRALIA
1950-51 TO 1966-67 AND PROJECTION FOR 1969-70

Year	Area of crop (million hectares)	Average yield per hectare (metric tons)	Production (million metric tons)
1964-65	1.42	0.89	1.27
1965-66	1.52	0.72	1.10
1966-67	1.72	1.13	1.94
1969-70 ^{2/}	1.62	0.92	1.49

^{1/} Sown for grain.

^{2/} Projection.

Sources: Commonwealth Bureau of Census and Statistics (statistics) and
Bureau of Agricultural Economics (projection).

A.2. Trends in production and estimates for 1970

Expansion of oat production in the past has been associated with the feed requirements of the livestock industry. Since the early 1950's the area sown for grain has more than doubled and with the expected steady increase in livestock numbers, it is estimated that area sown for grain should remain at a high level. Oats production rose sharply to a record 1.94 million metric tons in 1966-67 but this is seen as a response to the drought of the preceding year rather than indicating any major change in trend.

With average yield relatively unchanged at 0.92 metric tons per hectare, it is estimated that production will be 1.49 million metric tons from 1.62 million hectares planted in 1969-70.

A.3. Statistical data on carry-over stocks and stockpiles

There is no available data on carry-over stocks of oats. There are no Government stocks.

A.4. Factors which affect production

Production of oats in Australia is mainly associated with livestock enterprises and most of the crop is used for stockfeed. Oats are an important rotational crop for wheat farmers and is mainly produced on farms which grow wheat as the major crop. It is used as a winter forage crop in the higher rainfall cereal regions. If seasonal conditions are favourable, it can be left to grow on to grain, but should conditions deteriorate during the ripening period it may be harvested as oaten hay. High acreages harvested for grain are thus normally associated with high yields, resulting in accentuated fluctuations in grain output.

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

There is no direct governmental assistance to oats growers in Australia, but the policies and financial incentives offered by the Government to primary producers (previously outlined in relation to wheat growers¹) would also apply to oats producers.

¹See page 4.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

- - -

B.I.2. Levels of guaranteed or support prices

- - -

B.I.3. Amount of producer subsidies

Apart from the general measures outlined in the section on wheat applicable to all rural production there are no support measures for oat growing.

B.I.4. Average returns to producers

No data is available concerning average return to growers, other than that contained in Section C.3.

B.I.5. Method of determining returns for producers

Apart from voluntary pools operating in Victoria and Western Australia, there are no centrally organized marketing arrangements.

B.II. Measures at the frontier

Imports of oats are rare and negligible. Apart from normal quarantine requirements the only frontier measures are tariffs. The duties are: Preferential \$2.47 per metric ton plus primage 5 per cent ad valorem. General \$3.31 per metric ton plus primage 10 per cent ad valorem.

C. Consumption and internal prices

C.1. Statistical data on consumption

UTILIZATION OF OATS: AUSTRALIA

1958-59 to 1966-67 and projection for 1969-70

Year ended 30 November	Exports '000 metric tons	Factories '000 metric tons	Apparent domestic utilization		
			Seed ^{2/} '000 metric tons	Stockfeed ^{3/} '000 metric tons	Total '000 metric tons
1959	395.6	30.0	147.5	1,003.6	1,181.1
1960	227.7	30.6	166.0	425.6	622.2
1961	362.1	31.5	150.3	873.0	1,054.8
1962	284.2	31.8	162.0	522.3	716.1
1963	315.2	30.6	161.8	740.9	933.3
1964	387.3	30.4	171.4	648.9	850.7
1965	291.7	31.7	177.5	769.9	979.1
1966	266.1	31.2	191.4	613.4	836.0
1967	400.1	n.a.	n.a.	n.a.	n.a.
1969-70 ^{1/}	403.0	33.0	208.0	846.0	1,087.0

^{1/} Projection.

^{2/} Based on area sown in year following at 1½ bushels per acre.

^{3/} Balance figure.

Sources: Commonwealth Bureau of Census and Statistics (statistics) and Bureau of Agricultural Economics (projection).

C.2. Trends in consumption and estimates for 1970

In Australia oats are grown principally as a stockfeed and is used mainly on the farm or in the district where it is produced. Usage by factories (chiefly for breakfast foods, etc.) is small and is expected to show little growth by 1969-70. Given some expansion in stock numbers total domestic consumption of oats is projected at 1.1 million metric tons.

C.3. Retail and wholesale prices on major internal markets

Wholesale prices for oats (bagged) at the Alexandria market (Sydney) during the last five years are as follows:

Year (January-December)	Average for year US\$ per metric ton
1963	45.19
1964	44.09
1965	60.08
1966	57.87
1967	43.00

There is a certain amount of variation in prices during the year, reflecting the changes in supply and in the demands of the livestock enterprises. The following table demonstrates the monthly variation in oats prices during 1966, 1967 and early 1968 at the Alexandria market.

BAGGED OATS - AVERAGE MONTHLY PRICES - ALEXANDRIA

		(US\$ per bushel)	
		Feed oats	Milling oats
1966	January	1.44	1.35
	February	1.31	1.38
	March	1.31	1.35
	April	1.32	1.35
	May	1.32	1.37
	June	1.30	1.33
	July	1.23	1.28
	August	1.21	1.25
	September	1.07	1.11
	October	0.98	1.01
	November	0.87	0.91
	December	0.84	0.90
1967	January	0.84	0.88
	February	0.85	0.90
	March	0.89	0.93
	April	0.91	0.95
	May	1.01	1.05
	June	1.01	1.04
	July	0.90	0.94
	August	0.94	0.98
	September	0.97	1.00
	October	1.05	1.10
	November	1.22	1.28
	December	1.31	1.38
1968	January	1.35	1.42
	February	1.39	1.43

C.4. Factors which condition the evolution of internal consumption

The market for stockfeed has been the predominant factor in determining internal prices for oats. In general, seasonal factors will continue to influence supply of and demand for oats, and hence the level of consumption relative to other stockfeeds. Oats used by factories goes primarily into oatmeal and consumption is expected to rise only slowly in view of a declining trend in per caput consumption offsetting to some extent the effect of an increasing population.

C.5. Measures and policies affecting consumption

Because oats consumption is geared so closely to the requirements of the livestock industry, the expansion of these industries has been of importance. Recent drought relief measures provided by the Commonwealth and State governments include freight concessions on transport of feedstuffs including oats. There has been a general increase in oats used as stockfeed over recent drought years, and it may be expected that farmers in some areas will tend to keep larger reserves of oats in future than was their custom in the past.

D. International trade and prices

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

See the section on wheat. D.1 on page 19.

D.2. Level of export prices

No data is available other than that derived from the data in Section D.1.

D.3. Export aid measures and policies

There are no specific measures to assist export trade in oats. There have been no non-commercial transactions in oats.

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

See the section on wheat D.4 on page 26.

SORGHUM

A. Production: production measures and policies

A.1. Statistical data on total volume of production, acreage and average yield

SORGHUM PRODUCTION

Year	Area (a) ('000 hectares)	Yield (metric tons/ha.)	Production ('000 metric tons)
1964/65	140.0	1.39	195.9
1965/66	175.2	1.11	193.2
1966/67	203.2	1.56	318.4

Source: Commonwealth Bureau of Census and Statistics.

A.2. Trends in production and estimates for 1970

Sorghum for grain has, up to the present, been a relatively minor crop in Australia. A steady upward trend in plantings was evident from 1950 to 1960 and the rate of expansion has increased in later years, stimulated in part by increasing demand for sorghum as a component of manufactured poultry feeds. Recently, an increasing awareness of the potential of certain export markets has led to the formulation of plans for substantial increases in production, especially in the northern territory. If these plans are achieved, production in 1970 could reach 500,000 metric tons; it is, however, too early to evaluate the progress made to date and any forward estimate of Australian production must be regarded as tentative.

A.3. Statistical data on stocks

There is no data available, but it is known that carry-over stocks would be negligible in most years. There are no Government stocks.

A.4. Factors which affect production

Until recently, the bulk of production has been from the grain-growing areas of Queensland and northern New South Wales. Farmers' planting intentions are influenced by the relative profitability of alternative crops as well as by weather conditions at planting time. Increased demand for sorghum for stockfeed has led to increased output. Exports have been sporadic, but recent assessments of the Japanese market have encouraged enterprises to commence production specifically for export. A large-scale private development in the northern territory has commenced operations,

whilst irrigated sorghum on the Ord River Irrigation Scheme in the far north of Western Australia offers the prospect of diversifying production in that area which is at present largely devoted to cotton monoculture. Other new areas are also turning to sorghum.

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

There is no direct governmental assistance to sorghum growers apart from the measures¹ applying generally to primary producers, outlined in the section on wheat. The Commonwealth Government did, however, amend the land laws of the northern territory to permit agricultural activities on pastoral holdings, thus enabling the development of sorghum production mentioned above to proceed. Irrigation schemes in Western Australia and Queensland, which are being assisted by long-term Commonwealth loans to the State Governments, could result in increased production of sorghum.

¹See page 4.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

B.I.2. Levels of guaranteed prices

B.I.3. Amount of producer subsidies

Apart from the general measures applying to all primary producers, there are no support measures, subsidies or price guarantees in relation to sorghum growing.

B.I.4. Average returns to producers

The Central Queensland Grain Sorghum Marketing Board handles a relatively small proportion of the crop; the balance is sold through private traders. Price quotations on the principal produce market for sorghum are given in section C.3. below.

B.I.5. Method of determining returns to growers

Returns from produce market sales would be market price less commission and handling charges, and freight from grower's property to the market. The Central Queensland Grain Sorghum Marketing Board pools returns from local and export sales; freight charges from grower's rail sidings to port and administrative expenses are also pooled by the Board.

B.II. Measures at the frontier

Imports of sorghum are negligible and are subject only to import duties and quarantine requirements. The rates of duty applicable to grain sorghum are general \$A 0.001 per lb. plus primage 10 per cent ad valorem, preferential \$A 0.001 per lb. plus primage 5 per cent ad valorem.

Exports are controlled to the extent that domestic demand for stock-feed must be satisfied before shipments to overseas markets are permitted.

C. Consumption and internal pricesC.1. Statistical data on consumption

Statistical data relating to consumption is not available.

C.2. Trends in consumption

As stated earlier, domestic consumption of grain sorghum has been increasing and this trend is expected to continue. Consumption in 1970 is likely to be about 250,000 tons.

C.3. Market prices

The principal produce market where sorghum is traded is the Alexandria market in Sydney, New South Wales. Following are average monthly price quotations for the years 1965/67. Due to the drought prevailing in 1965, there are no quotations for much of that year.

GRAIN SORGHUM PRICES: SYDNEY, 1965-1967

(US\$ per metric ton)

	1965	1966	1967
January	59.50	n.q. ^{1/}	56.25
February	59.10	55.50	56.25
March	59.10	56.25	54.70
April	60.40	56.25	54.25
May	n.q.	55.90	54.70
June	n.q.	56.25	54.70
July	n.q.	56.65	54.70
August	n.q.	59.50	56.25
September	n.q.	58.70	58.30
October	n.q.	59.95	59.95
November	n.q.	60.75	60.75
December	n.q.	61.20	n.q.

^{1/}n.q. = not quoted.

Source: New South Wales Department of Agriculture.

C.4. Factors which affect consumption

The expanding demand for stockfeed consequent upon the growth of the broiler industry and the development of the pig industry along more intensified and specialized lines has been, and will continue to be, the dominant factor in increasing domestic demand for grain sorghum.

C.5. Measures and policies affecting consumption

No specific Government measures have been implemented to increase the consumption of sorghum in Australia.

D. International trade and prices

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

See the section on wheat D.1. on page 22.

D.2. Levels of export prices

Apart from unit values derived from the data in section D.1. above, no information is available.

D.3. Export aid measures and policies

No measures are in force specifically relating to sorghum. Exports vary substantially in volume from year to year and generally represent the surplus over domestic requirements.

D.4. Description of bilateral agreements

See the section on wheat D.4. on page 26.

MAIZE

A. Production: production measures and policies

A.1. Statistical data on total volume of production, acreage and average yield

MAIZE PRODUCTION

Year	Area planted ('000 ha.)	Yield (metric tons/ha.)	Production ('000 metric tons)
1965/66	79.7	1.56	124.9
1966/67	81.3	2.34	190.5
1967/68 ^{1/}	84.6	2.34	198.1
1969/70 ^{1/}	90.0	2.35	211.5

^{1/}Projection.

Sources: Commonwealth Bureau of Census and Statistics (statistics).
Bureau of Agricultural Economics (projection).

A.2. Trends in production

Maize production has been showing a steadily rising trend over the past 20 years, although output has rarely exceeded the average of the immediate pre-war period. Maize growing tends to be a side-line enterprise on many mixed farms. The introduction and increasing use of hybrid varieties is raising average yields, but with production geared mainly to the domestic market for animal feed and no extensive move to specialization in production of maize, no substantial increase in output is expected in the near future.

A.3. Statistical data on stocks

No statistical data is available, but it is known that in most years carry-over stocks would be negligible. There are no Government stocks.

A.4. Factors which affect production

The factors mentioned in A.2. above are the main ones affecting production. Maize competes with other coarse grains as a component of manufactured stockfeeds, demand for which comes mainly from the poultry industry. There is a steady demand for breakfast foods, starches, etc. The relative remoteness of the main maize growing areas from the major concentrations of the poultry industry and the latter's proximity to supplies of wheat and other grains militates against greatly increased use of maize.

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

No specific measures apply to maize production, but the Government measures affecting primary producers generally and which were described in the paper dealing with wheat would also be relevant under this heading.

B. Protection and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

B.I.2. Levels of guaranteed prices

B.I.3. Amount of producer subsidies

There are no price support measures, guaranteed prices or subsidies provided for maize growers.

B.I.4. Average returns to producers

The only two statutory maize marketing boards - Atherton Tableland Maize Marketing Board in North Queensland and the Victorian Maize Marketing Board - handle a small proportion of the total crop, but provide the only available data of this nature, apart from market prices quoted in section C.3. below.

RETURNS TO GROWERS

(US\$/metric ton)

	Atherton Tableland ^{1/}	Victoria	
		Red/Yellow Pool	Hickory King Pool
1964/65	56.00	56.00	69.55
1965/66	61.90	73.40	118.80
1966/67	49.80	51.45	142.90
1967/68	n.a.	46.75	112.30

^{1/}Shelled equivalent at farm.

B.I.5. As mentioned in B.I.4. above, only two maize marketing boards are operating and these would account for about 5 per cent of the total crop. The remainder of the crop is sold through private traders or retained on farm. In the absence of support measures or subsidies, returns to producers are governed by open market forces.

B.II. Measures at the frontier

Apart from quarantine measures and duties, there are no controls on imports. The rates of duty on imports are: general 35 cents per cental plus 10 per cent ad valorem; preferential 18.7 cents per cental plus 5 per cent ad valorem.

C. Consumption and internal prices

C.1. Statistical data on consumption

Detailed official statistics on maize utilization are not available, but the following information provides an approximation.

UTILIZATION OF MAIZE - AUSTRALIA

('000 metric tons)

	1961/62	1962/63	1963/64	1964/65	1965/66
Human consumption	33.7	34.9	38.1	42.0	33.9
Stockfeed	150.4	143.0	130.9	127.8	89.5
Seed	1.5	1.5	1.5	1.5	1.5
Export	<u>1/</u>	10.0	0.3	0.5	<u>1/</u>
Production	185.6	189.4	170.8	171.8	124.9

1/ Less than 50 tons.

Source: Bureau of Agricultural Economics.

C.2. Trends in consumption

Consumption of maize as food, mainly in the form of ready-prepared breakfast cereals, is tending to increase at a slightly greater rate than population. The sharp drop in 1965/66 shown in the table in section C.1. above was due to the drought in that year when prices for maize used for stockfeed reached high levels. The use of maize in manufactured stockfeeds accounts for about 20 per cent of the figures shown for stockfeed. It is not considered that any substantial changes in the pattern of consumption will take place by 1970.

C.3. Prices

A representative series is provided by average monthly prices prevailing on the Alexandria Produce Market, Sydney, New South Wales.

AVERAGE MONTHLY PRICES - BAGGED GRAIN

(US\$ per metric ton)

	1965	1966	1967
January	70.80	117.35	78.10
February	73.95	94.70	76.30
March	80.30	74.90	71.70
April	95.65	74.40	69.05
May	90.20	75.75	64.50
June	102.90	75.30	64.50
July	108.35	70.35	64.50
August	103.35	75.30	62.30
September	99.25	73.00	64.05
October	100.20	73.00	66.30
November	110.10	72.15	67.70
December	112.00	72.60	77.65

Source: New South Wales Department of Agriculture.

C.4. Factors affecting internal consumption

The level of consumption of maize for human food is largely conditioned by the sales and promotion policies of manufacturers of ready-prepared breakfast foods, who provide a range of goods based on the various grains.

The growing preference of consumers for "convenience" foods is creating an upward trend in consumption of prepared maize products.

In regard to the manufactured stockfeed market, there are competitive and also complementary relationships between grains in this end-use. As the price data in section C.3. shows, drought conditions have a substantial influence on local demand and price as these are heavily influenced in such times by greatly increased requirements for stockfeed. The demand for maize for stockfeed in the longer term will depend very much on the relative prices of other grains used for this purpose.

C.5. Policies and measures affecting consumption

There are no Government measures directly affecting the consumption of maize, either as human or animal food.

D. International trade and prices

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

See the section on wheat D.1. on pages 15 and 20.

D.2. Levels of export prices

Exports of maize are small and irregular (see C.1. above) and price series are not available.

D.3. Export aid measures and policies

There are no specific measures to assist export trade in maize. This grain has not been the subject of non-commercial transactions.

D.4. Description of bilateral agreements

See the section on wheat D.4. on page 26.