

**STATE TRADING**

New and Full Notification Pursuant to Article XVII:4(a) of the  
GATT 1994 and Paragraph 1 of the Understanding on  
the Interpretation of Article XVII

**GRENADA**

The following communication, dated 5 July 2010, is being circulated at the request of the Delegation of Grenada.

**I. ENUMERATION OF STATE TRADING ENTERPRISES**

*A. Identification of state trading enterprises.*

The state trading enterprise is the Grenada Cocoa Association (GCA).

*B. Description of products affected (including tariff item number(s) encompassed in product description).*

Cocoa Beans.

**II. REASON AND PURPOSE**

*A. Reason or purpose for establishing and/or maintaining state trading enterprise.*

The GCA is a Statutory Organization which was established in 1964 to provide for the future regulation and control of the production, processing and marketing of cocoa in Grenada.

*B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers.*

The Grenada Cocoa Association was established by an Act of Parliament by the Government of Grenada which is the Grenada Cocoa Industry Ordinance Act 30 Of 1964 which was superseded by the Grenada Cocoa Industry Act No.4 of 1989.

### **III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE (GCA)**

*A. Summary statement providing overview of operations of the state trading enterprise.*

The GCA is responsible for marketing, plant protection, and post harvest handling including fermenting, drying and quality control, plant propagation, cocoa extension services and over site of cocoa husbandry on farmers' fields; also the GCA guarantees the purchase of all cocoa produced by farmers in Grenada.

*B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise.*

GCA is the sole exporter of cocoa and determines prices paid to farmers.

GCA has exclusive rights to grant licences to local Agents to purchase cocoa beans from farmers.

*C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation.*

N/A.

*D. How import/export levels are established by the state trading enterprise.*

GCA forecast the crop using a custom made crop forecasting model in the prior year. The projected production is then offered to the market.

*E. How export prices are determined.*

GCA established a farm gate price on a per metric ton basis and includes the administrative cost per ton. Once these figures are established, we engage our clients in price negotiation.

*F. How the resale prices of imported products are determined.*

N/A.

*G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government.*

Long term contracts are rarely negotiated. Government does not enter into contract for or on behalf of GCA

*H. Brief description of market structure.*

GCA has approximately 7,000 registered cocoa farmers. These farmers sell to three strategically located Agents or directly to the GCA. The Agents operate by way of their own funding and are responsible for fermenting and drying wet cocoa beans into dry cocoa beans.

The Agents sell their dry cocoa beans through the GCA; GCA then grade and bag the dry cocoa beans and export to contracted customers abroad.

- IV. STATISTICAL INFORMATION (*SEE ATTACHED TABLES I - III*)**
- V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (*AS APPROPRIATE*)**
- VI. ADDITIONAL INFORMATION (*AS APPROPRIATE*)**

**TABLE I**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, IMPORTS*

Description of product	Total quantity imported <sup>1</sup>	Quantity imported by state trading enterprise <sup>1</sup>	Average import price	Average representative domestic sales price	Mark-up <sup>2</sup>	National production
n/a	n/a	n/a	n/a	n/a	n/a	n/a

---

<sup>1</sup> In cases where no imports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

<sup>2</sup> Members may report either under columns 4 and 5 or under column 6.

**TABLE II**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, EXPORTS*

For the Crop Year 01 October 2007 – 30 September 2008

<b>Description of product(s) (including HS number(s))</b>	<b>Total quantity exported<sup>1</sup> lbs</b>	<b>Quantity exported by state trading enterprise<sup>1</sup> lbs</b>	<b>Average procurement price<sup>2</sup> USD/lbs</b>	<b>Average representative domestic sales price USD/lbs</b>	<b>Average export price USD/lbs</b>	<b>National production lbs</b>
Cocoa Beans	755,287	755,287	1.32	0.40	1.80/lb	783,989

---

<sup>1</sup> In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

<sup>2</sup> In cases where the initial procurement price is augmented by other payments, additional payments should also be reported.

**TABLE II**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, EXPORTS*

For the Crop Year 01 October 2006 – 30 September 2007

Description of product(s) (including HS number(s))	Total quantity exported <sup>1</sup> lbs	Quantity exported by state trading enterprise <sup>1</sup> lbs	Average procurement price <sup>2</sup> USD/lbs	Average representative domestic sales price USD/lbs	Average export price USD/lbs	National production lbs
Cocoa Beans	479,128	479,128	1.26	0.40	2.06	484,581

<sup>1</sup> In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

<sup>2</sup> In cases where the initial procurement price is augmented by other payments, additional payments should also be reported.

**TABLE II**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, EXPORTS*

For the Crop Year 01 October 2005 – 30 September 2006

<b>Description of product(s) (including HS number(s))</b>	<b>Total quantity exported<sup>1</sup> lbs</b>	<b>Quantity exported by state trading enterprise<sup>1</sup> lbs</b>	<b>Average procurement price<sup>2</sup> USD/lbs</b>	<b>Average representative domestic sales price USD/lbs</b>	<b>Average export price USD/lbs</b>	<b>National production lbs</b>
Cocoa Beans	188,877	187,819	1.08	0.40	1.51	169,724

---

<sup>1</sup> In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

<sup>2</sup> In cases where the initial procurement price is augmented by other payments, additional payments should also be reported.

**TABLE III**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, DOMESTIC ACTIVITIES*

For Crop Year 01 October 2007 – 30 September 2008

<b>Description of product(s) (including HS number(s))</b>	<b>Domestic purchases by state trading enterprise lbs</b>	<b>National production lbs</b>	<b>Domestic sales by state trading enterprise lbs</b>	<b>National consumption</b>
Cocoa Beans	783,989	783,989	6,249	n/a

Information on National Consumption not available.



**TABLE III**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, DOMESTIC ACTIVITIES*

For Crop Year 01 October 2006 – 30 September 2007

<b>Description of product(s) (including HS number(s))</b>	<b>Domestic purchases by state trading enterprise lbs</b>	<b>National production lbs</b>	<b>Domestic sales by state trading enterprise lbs</b>	<b>National consumption</b>
Cocoa Beans	484,581	484,581	4,374	n/a

Information on National Consumption not available.

**TABLE III**

STATE TRADING: Grenada Cocoa Association

*STATISTICAL INFORMATION, DOMESTIC ACTIVITIES*

For Crop Year 01 October 2005 – 30 September 2006

<b>Description of product(s) (including HS number(s))</b>	<b>Domestic purchases by state trading enterprise lbs</b>	<b>National production lbs</b>	<b>Domestic sales by state trading enterprise lbs</b>	<b>National consumption</b>
Cocoa Beans	169,724	169,724	0.00	n/a

Information on National Consumption not available.

---