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Working Party on State Trading Enterprises

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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

BARBADOS

The following communication, dated 10 April 2018, is being circulated at the request of the Delegation of Barbados.

Pursuant to Article XVII:4(a) of the GATT 1994 and Paragraph 1 of the Understanding on the Interpretation of Article XVII, Barbados makes the following full and new notification of its state trading enterprise for the calendar years of 2014 and 2015.

I. ENUMERATION OF STATE TRADING ENTERPRISE

A. Identification of the State Trading Enterprise

The State Trading Enterprise is the Barbados Agricultural Development and Marketing Corporation (BADMC).

B. Description of products affected

The products under the purview of the BADMC are as follows: Meats of Poultry (0207), 1602.32 (prepared or preserved chicken) and Onions (0703.10).

II. REASON AND PURPOSE

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

The BADMC is a statutory Corporation which was established by the Government of Barbados in 1993 to ensure the development of the local agricultural sector, through innovative technological applications, technical and marketing research, and to create opportunities for investment that engenders enterprise, food security and prosperity in the agricultural sector.

B. Summary of the Legal basis for Granting the Relevant Exclusive or Special Rights or Privileges, including Legal Provisions and Summary of Statutory or Constitutional Powers

The BADMC was established by an act of Parliament by the Government of Barbados which is the Barbados Agricultural Development and Marketing Act 1993-12. During 2002, the Corporation was conferred the status of sole importer of poultry parts (which includes chicken and turkey meats) for the domestic market. Then in 2013, the Corporation was subsequently made the sole importer of all chicken products. The arrangements are such that local importers import through the BADMC.

The Corporation also has the privilege of importing onions free of duty, primarily as a buffer stock in order to ensure the year-round availability of onions for agro-processors when local production is exhausted.

III. DESCRIPTION OF THE FUNCTIONING OF THE BADMC

A. Summary and Overview of the Operations of the BADMC

The BADMC provides farm support services to the country's non-sugar agricultural sector, collects agricultural statistical data, and provides irrigation services to small farmers. The BADMC's functions are as follows:

1. To develop agriculture and to operate and participate in such agricultural projects as the Minister may approve;
2. To facilitate Government's policy with respect to rural development and land reform;
3. To facilitate the development of agricultural programmes particularly among the youth;
4. To foster co-operation in agricultural development between the public and private sector;
5. To manage on a commercial basis such plantations and other agricultural land as may from time to time be vested in the Corporation in accordance with Government's agricultural policy;
6. To stimulate and improve the production, marketing and processing of agricultural produce;

7. To assist farmers in securing arrangements for the purchase, handling, transportation, exportation, shipping, marketing and sale of produce whether within or outside of Barbados;
8. To promote the development of agricultural co-operative societies, including the marketing of their produce;
9. To assist farmers in securing the most favourable arrangements for the storage of produce; and
10. To make recommendations on any matter directly or indirectly related to the production and marketing of produce.

B. Specification of Exclusive or Special Right or Privileges Enjoyed by the BADMC

The BADMC is permitted to import some products under its purview free of duty. With respect to poultry however, the Corporation has been bestowed the status of sole importer for this commodity.

C. Type of Entities other than the BADMC allowed Engaging in Importation / Exportation and Conditions

The BADMC only has exclusive rights to import the commodities which fall under its purview. However, local manufacturers which utilise agricultural products within their production base also are permitted to import these commodities free of duty.

All agricultural commodity import and export activities within the customs territory of Barbados may be freely entered into by private sector traders providing that the required sanitary and phytosanitary measures of the country are upheld.

D. How Import/Export Levels are Established by the BADMC

During the reporting periods, the BADMC has not engaged in the exportation of locally produced agricultural produce. Imports on the other hand, were established on the basis of productive capacity.

E. How Export Prices are Determined

As aforementioned, during the reporting periods the BADMC did not engage in the exportation of agricultural commodities.

F. How the resale price of imported products are determined

With the removal of price control on poultry products during 2013, the BADMC recognises its social responsibility and maintains its prices at a level that is affordable to all, especially low income and economically disadvantaged persons.

With respect to onions, the resale price offered by the Corporation is based upon the prevailing local market price for the commodity.

G. Whether Long-Term Contracts are Negotiated by the BADMC. Whether the BADMC is used to Fulfil Contractual Obligations Entered into by the Government

The BADMC does not negotiate long-term sales contracts. The Corporation also does not negotiate long-term purchasing contracts from local buyers. The Corporation is also not used to fulfil contractual obligations entered into by the Government.

H. Brief Description of the Market Structure

The agricultural commodity markets of Barbados – including the poultry sector – are characterised by numerous independent buyers and sellers. The industry itself is involved in its own development, working through agencies such as the Barbados Egg and Poultry Association. In

addition, the general services provided by the BADMC, such as extension services, also benefit the poultry sector.

IV. OBJECTIVE: EXPLANATION OF WHY NO TRADE HAS TAKEN PLACE

During the reporting periods, the BADMC did not engage in exports because such activity was not required to achieve BADMC's mission.

Hence the absence of trade export figures in Section IV Table 2.

TABLE 1

STATE TRADING: BARBADOS AGRICULTURAL DEVELOPMENT AND MARKETING CORPORATION

STATISTICAL INFORMATION, IMPORTS

Reporting Period Calendar Years 2014-2015

Description of product(s) (including HS number(s))		Total quantity imported (kgs)	Quantity imported by state trading enterprise (kgs)	Average import price (Bds\$/kg)	Avg representative domestic sales price (Bds\$/kg)	Mark - up ⁽¹⁾	National production (kgs)
Product Description	HS Numbers						
1		2	3	4	5	6	7
2014:							
Meat of poultry:		207					
chicken meat:	0207.11 - 0207.14	85,540	-	7.98		n/a	14,392
meat of turkey	207.27	1,295,511	1,250,049	5.79	n/a	n/a	183
meat of ducks, geese, etc.	0207.32 - 0207.36	22,666	-	-	n/a	n/a	
other preparations of chicken	1602.32	227,046	-	10.35			
Onions	0703.10.10	1,711,569	1,537,070	0.99		n/a	315,250
2015:							
Meat of poultry:		207					
chicken meat	0207.11 - 0207.14	121,317	16,329	-	n/a	n/a	16,134
meat of turkey	207.27	831,478	831,478	13.95	n/a	n/a	190
meat of ducks, geese, etc.	0207.32 - 0207.36	24,866	-	8.42	n/a	n/a	
other preparations of chicken	1602.32	235,633		10.78			
Onions	0703.10.10	1,715,653.00	1,437,966.0	0.96		n/a	757,780

n.a. - figure not available

⁽¹⁾ Barbados operates in a competitive environment in which mark ups are generally determined by producers with the particular industry.

TABLE 2

STATE TRADING: BARBADOS AGRICULTURAL DEVELOPMENT AND MARKETING CORPORATION

STATISTICAL INFORMATION, EXPORTS

Reporting Period Calendar Years 2014-2015

Description of product(s)(including HS number(s))		Total quantity exported (kgs)	Quantity exported by state trading enterprise (kgs) ⁽¹⁾	Average procurement price (Bds\$/kg)	Avg representative domestic sales price (Bds\$/kg)	Average Export price (Bds\$/kg)	National production (kgs)
Product Description	HS Numbers						
1		2	3	4	5	6	7
2014: Meat of poultry:							
chicken meat	0207.11 - 0207.14	67,722	-	-	n/a	0.11	14,392
turkey meat	207.27	-	-	-	n/a		183
meat of ducks, geese, etc.	0207.32 - 0207.36	-	-	-	n/a		
Other preparations of chicken	1602.32						
Onions	0703.10.10		-	-			315,250
2015: Meat of poultry:							
chicken meat	0207.11 - 0207.14	38,721	-	-	n/a	9.43	16,134
turkey meat	207.27	-	-	-	n/a		190
meat of ducks, geese, etc.	0207.32 - 0207.36	-	-	-	n/a		
other preparations of chicken	1602.32						
Onions	0703.10.10		-	-			757,780

⁽¹⁾ See Section IV for an explanation of why no trade has taken place.

TABLE 3

STATE TRADING: BARBADOS AGRICULTURAL DEVELOPMENT AND MARKETING CORPORATION

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Reporting Period Calendar Years 2014 – 2015

Description of product(s) (including HS number(s))		Domestic purchases by state trading enterprise (kgs)	National Production (kgs)	Domestic sales by state trading enterprise (kgs)	National consumption ⁽¹⁾ (kgs)
Product Description	HS Number(s)				
1		2	3	4	5
2014:					
Meat of poultry:					
chicken meat	0207.11 - 0207.14	nil	14,392		n/a
turkey meat	207.27	nil	183	1,038,864.96	n/a
meat of ducks, geese, etc.	0207.32 - 0207.36	nil	n/a		n/a
other preparations of chicken	1602.32		n/a		n/a
onions	0703.10.10	nil	315,250	1,426,224.06	n/a
2015:					
Meat of poultry:					
chicken meat	0207.11 - 0207.14	nil	16,134	16,329	n/a
turkey meat	207.27	nil	190	995,179.52	n/a
meat of ducks, geese, etc.	0207.32 - 0207.36	nil	n/a		n/a
other preparations of chicken	1602.32		n/a		n/a
Onions	0703.10.10	nil	757,780	1,229,251.12	n/a

⁽¹⁾ The Ministry of Agriculture Food, Fisheries and Water Resource Management is in the process of finalising the methodology for calculating national consumption for meat products.