AGRICULTURAL POLICY

Measures Taken Recently by Contracting Parties

Note by the secretariat

List of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>A. General agricultural policy, including price policy measures</td>
<td>2</td>
</tr>
<tr>
<td>1. General</td>
<td>2</td>
</tr>
<tr>
<td>2. Price policy measures</td>
<td>4</td>
</tr>
<tr>
<td>3. Various export and import measures</td>
<td>7</td>
</tr>
<tr>
<td>B. Bilateral arrangements and agreements including agreements on voluntary restraints of exports</td>
<td>12</td>
</tr>
<tr>
<td>1. Long-term agreements and supply undertakings for grain</td>
<td>12</td>
</tr>
<tr>
<td>2. Other bilateral arrangements and agreements</td>
<td>19</td>
</tr>
<tr>
<td>C. Multilateral activities</td>
<td>21</td>
</tr>
</tbody>
</table>
Introduction

1. At its fourteenth meeting in March, 1981, the Consultative Group of Eighteen requested the GATT secretariat to prepare, inter alia, a note on recent agriculture policy measures taken by contracting parties.

2. This paper aims to meet that request. In addition to measures related to domestic policies and trade policies, known bilateral (governmental) arrangements and agreements and various multilateral activities are included. This note enumerates mainly policy measures coming into force during the first six months of 1981.

3. The information is, to a large extent derived from secondary sources. It has not always been possible to verify all information with their original texts.

4. For any further work on this matter, the secretariat would be grateful to members of the Group for any suggestions, guidance, advice or supplementary information they might be able to provide.

A. General agricultural policy, including price policy measures

1. General

EUROPEAN COMMUNITIES

New common organization of the market in sugar

(a) On 30 June 1981, the EC Council adopted the regulations on the new common organization of the sugar market. This new market organization, to be applied for a five-year period from 1 July 1981, essentially makes provision for a production quota system with modulated guarantees and financial participation by producers in the costs of absorbing any surpluses.

(b) The allocation and changing of quota is carried out by the member States.

The envisaged 10 per cent limit for the reserve quantity does not apply to either Italy or to the French overseas departments in the case of restructuring plans (such as already provided for in previous regulations); however, transfer of quotas (A + B) from the French overseas departments to metropolitan France may not exceed 30,000 tonnes. The possibility of a revision of the A and B quotas for the marketing years 1984/85 and 1985/86 is envisaged.
(c) Provisions are made for the financial participation of producers by way of a basic production levy (A and B sugar) of 2 per cent and an additional levy on B sugar of 30 per cent of the intervention price for white sugar for financing of export refunds. If, despite these levies, financial losses were still incurred, the levy on B quota sugar could be raised 7.5 percentage points in the following year.

(d) National aid is maintained in the French overseas departments and in Italy. As far as Italy is concerned, aid may be applied to the quantity covered by the present maximum quota. However, in Northern Italy, national aid will be reduced by an amount corresponding to 2 per cent of the intervention price for each marketing year.

(e) To the extent the application of special measures might be required in the event of Community accession to the ISA, such measures may be adopted, if necessary as a derogation from provisions of the regulations.

Sources: Bulletin of the European Communities, Official Journal of the European Communities, and L/5175

Aid to honey production

A system of aid for beekeeping has been established for the marketing years 1981/82 to 1983/84. The aid, which is fixed at ECU 1 per hive in production and per marketing year, may be used through recognized associations of beekeepers for the purchase of reduced-price feed sugar or for general programmes for the improvement of honey production, technology and marketing.

Source: Bulletin of the European Communities

FINLAND

A new voluntary system (for a three year period) based on agreements between the State and milk producers entered into force on 1 July 1981. Producers who sign these voluntary agreements commit themselves to curb their milk production by at least 25 per cent as compared to production in the preceding year.

Source: DPC/W/14, 1 September 1981

UNITED STATES

On 24 July 1981, the United States Government announced a grain storage programme for wheat harvested during the Spring of 1981. The programme aims at supporting prices by keeping grain off the market.

2. Price policy measures

AUSTRALIA

The Australian Government has announced a longer-term underwriting scheme applied to butter, skimmed milk powder, casein, certain cheese and whole milk powder and a new method for determining underwriting values.

Source: DPC/W/14, 1 September 1981.

AUSTRIA

On 8 March 1981, producers' prices for milk were raised by 5.2 per cent.

Source: DPC/W/14, 1 September 1981.

CANADA

Grains. On 17 July 1981, the Canadian Wheat Board announced the initial payments for the basic grades of wheat and coarse grains in the 1981/82 crop year, which will be effective from 1 August 1981. The new rates are shown in Table 1, together with the rates for the 1980/81 crop year.

| TABLE 1 |

| Canada: Initial Payments for 1981/82 Compared with 1980/81 |
|---|---|---|---|
| Basic grades | Canadian dollars | United States dollars |
| Wheat | | | |
| No. 1 CW Red Spring | 196.50 | 174.50 | 164.29 | 144.69 |
| No. 1 CW Amber Durum | 239.00 | 174.50 | 199.83 | 144.69 |
| Coarse grains | | | |
| No. 2 6-row designated barley | 168.00 | 158.00 | 140.47 | 131.00 |
| No. 1 Feed barley | 131.00 | 124.00 | 109.53 | 102.82 |
| No. 1 Feed oats | 88.08 | 110.00 | 73.65 | 91.21 |

1/ In store Thunder Bay or Vancouver
2/ US$ = Can$1.196
3/ US$ = Can$1.206

Milk

The target return for industrial milk was fixed at Can$34.61 per hecto-litre, as from 1 August 1980 (an increase of 3.9 per cent). According to the returns adjustment formula used for determining this level, the target price was raised to Can$35.7 at 1 January 1981 and to Can$36.61 per hecto-litre as from 1 April 1981; the support prices for butter and skimmed milk powder were raised to Can$3.78 per kg. and Can$2.28 per kg. respectively.

Source: DPC/W/14, 1 September 1981.

EUROPEAN COMMUNITIES

(a) In April 1981, the EC Council reached overall agreement on agricultural prices and related measures for 1981/82 as well as measures concerning structural policy. The measures were implemented as of July 1981. At the same time certain agro-monetary measures were taken, i.e. adoption of new green rates and monetary compensatory amounts.

(b) The average increase in agricultural prices for 1981/82 was of the order of 11 per cent compared to the previous year (including monetary adjustments). The largest increases were made in prices for crop products, especially those produced in the southern parts of the Community.

(c) 1981/82 target prices for rye, wheat, barley and maize were increased by 6 to 8 per cent, while that for rice was raised by 10 per cent. The Council also agreed, in principle, to apply co-responsibility measures also in the cereals sector. The target price for milk and intervention prices for butter and skimmed milk powder were raised by 9 per cent, and those for certain cheeses by slightly more. The co-responsibility levy for 1981/82 was fixed at 2 1/2 per cent of the target price for milk.

Guide and intervention prices for beef and veal were raised by 10 per cent to be implemented in two stages. The basic prices of pigmeat and sheepmeat were increased by 11 and 7 1/2 per cent respectively.

The basic price for sugar beets, and the intervention price for white sugar were increased by 8 1/2 per cent, with the basic co-responsibility levy fixed at 2 per cent and an additional levy on 8 sugar of 30 per cent of the intervention price for white sugar. Target prices for oilseeds and olive oil were raised by 10 per cent; the basic buying-in prices for cauliflowers, peaches, lemons, pears, table grapes, mandarins and sweet oranges were increased by 11 per cent, those for tomatoes by 8 per cent and those for apples by 9 per cent. The marketing premiums for oranges, mandarins, clementines and lemons were increased by similar amounts. Guide prices for tobacco were raised by 8 per cent and those for nearly all types of wine by 10 per cent.

JAPAN

When fixing for the period April 1981-March 1982 the guaranteed price of milk for processing the Japanese Government decided to maintain it at the level for the four preceding fiscal years (¥ 88.87 per kg.) and set the maximum quantity for deficiency payment by LIPS at the same level (1,930,000 tons) as in the 1979 and 1980 fiscal years. It also maintained at the same levels the stabilization indicative prices for butter, skimmed milk powder, sweetened condensed whole milk and sweetened condensed skimmed milk.

Source: DPC/W/14, 1 September 1981

NEW ZEALAND

Under the farm income supplement scheme, the New Zealand Government has established a 1980/81 minimum price of 230 cents per kg. of milk fat for whole milk "at farm" and a 1981/82 minimum price of 265 cents per kg. of milk fat for whole milk "at farm". No supplementary payment is foreseen for either season.

Source: DPC/W/14, 1 September 1981

NORWAY

An increase of Nkr 2,229.5 million (approximately US$364 million) in aggregate income for the agricultural sector has been targeted for 1981/82. About one half of the increase would be covered by increased prices to consumers and the other half by public funds. (The price increases to producers would amount to 10 per cent for bovine meat and to about 14 per cent for grains, milk and pigmeat).

Source: St. prp. No. 4

SWEDEN

Agricultural prices in Sweden increased as of 1 July 1981. It was aimed at increasing agricultural incomes by an aggregate amount of SKr 1,183.3 million. Prices for grains were raised by 14 to 15 per cent. The increases in prices on livestock products include compensation to the processing industry, therefore it is difficult to indicate the overall percentage increase in prices. With effect from 1 July 1981, target prices for butter, cheese, and skimmed milk powder were raised.

Sources: Jordbrukskonomiske Meddellanden Nr. 6, 1981, LAND Nr. 24, 1981. DPC/INV/1/Add.9/Suppl.1, DPC/W/14
SWITZERLAND

As from 1 January 1981, the basic producer price for milk was raised by 3 centimes per litre. Certain measures were taken in May 1981 to limit dairy production: when the quota system was extended and contributions to farms with cows which did not market any milk were raised, as were premiums on feed grains. Prices on edible oils and fats and imported cheese were also raised.

Source: DPC/INV/1/Add.5/Suppl.1 and DPC/W/14.

UNITED STATES

Legislation passed by Congress waived the 1 April 1981 adjustment in the support price for milk and the calculated purchase price for butter, (US$1.49 per lb., Chicago), American cheese (US$1.395 per lb.) and non-fat dry milk (94 cents per lb.) remained unchanged.

Source: DPC/W/14, 1 September 1981.

YUGOSLAVIA

Prices paid to sugar producers were increased by 33 per cent as of 15 April 1981.


3. Various export and import measures

ARGENTINA

Measures announced on 1 April 1981 include a 30 per cent devaluation of the Argentina peso, the establishment of export taxes on certain agricultural products and the reduction or elimination of export rebates on others. The export tax will amount to a 12 per cent tax on grains (except rice) and other various agricultural commodities. The tax on wheat, oats, barley, rye and millet will be phased out gradually by reducing the tax 1 per cent a month during May 1981-February 1982, with the remaining 2 per cent eliminated on 1 March 1982. The export rebate of 10 per cent on wheat flour was eliminated and the rebate on rice was lowered from 10 to 7 per cent.

Source: USDA FAS, WR.16-81 (22 April 1981).
In the second quarter of 1981 Argentina authorities adopted import measures in respect of certain dairy products, and minimum import prices were fixed for the following products: whole milk powder (US$2,200 per ton), skimmed milk powder (US$1,600 per ton), blue-veined cheeses (US$3,750 per ton), gouda, edam and semi-hard cheeses (US$3,300 per ton), gruyère or emmenthal (US$3,750 per ton), and processed cheese (US$3,750 per ton).

Source: DPC/W/13, 20 July 1981

BRAZIL

Brazilian authorities have eliminated the minimum export price for frozen, concentrated orange juice that had been in effect since June 1980. The minimum export had been $900 per ton (65 degree brix concentrate, f.o.b. Santos, Brazil). Export prices have since dropped to $550 to $600 per ton. Other aspects of this season's citrus policy have remained unchanged.


Brazil has reduced the contribution quota on green coffee exports and cut the minimum export registration price. These measures were expected to reduce the refunds received by roasters. New supply contracts offered to roasters, which coincided with the opening of registrations for August and September, limited the rebate to the contribution quota; and cut back the rebate to $50 per 60 kilogram bag from the previous $177. The minimum export price, which acts as the reference price for the rebate, was fixed at $1.07 per lb. Previously, the reference price had been the ICO indicator for unwashed arabicas.

Source: Public Ledger, 7 July 1981 and Commodity Week, 11 July 1981

BURUNDI

Imports of cigarettes (CCCN 24.02.20) have been banned.

Source: British Business, 13 March 1981

CHILE

In March, specific duties were reduced for milk powder and eliminated for other types of preserved milk.

Source: L/5184

CONGO

Additional tax on imports of certain alcoholic beverages:

As regards customs, there are changes in the amount of additional tax to be paid on imports of the following products:

- Ex 22.05: wine (other than liqueur wines and the like and sparkling wines) obtained exclusively by the fermentation of fresh grapes or the juice of fresh grapes, with the exception of distilling wines, put up otherwise than in bottles, flagons,... of a capacity not exceeding three litres:

  Previous rate: CFAF 25/litre
  New rate: CFAF 30/litre

The provisions of the Finance Law for 1980, increasing the rate of additional tax to CFAF 80/litre for wine in bottles, jars, flasks and similar containers of a capacity 3-20 litres remain in effect.

**Source:** Moniteur du Commerce international, 2 March 1981

Import monopoly for flour and yeast:

According to order No. 9271 of 31 October 1980, published by the Brazzaville Chamber of Commerce Bulletin No. 25 of 26 November 1980, the Minoterie aliment du bétail (MAB) has been given the monopoly on the importation and allocation of flour and yeast for baking and pastry-making.

**Source:** Moniteur du Commerce international, 12 January 1981

**EUROPEAN COMMUNITIES**

Suspension of imports into Italy of grooved carped shells and other molluscs.

By regulation (EEC) No. 337/81 of 9 February 1981, the Commission of the European Communities suspended until 14 June 1981 the importation into Italy of grooved carped shells and other molluscs of the family Veneridae. The measures were considered necessary as a result of a considerable increase in imports in recent months at prices causing a threat of serious injury to the Italian producers.

**Source:** L/5127, 24 March 1981

Potato granules

On 28 April 1981, the Commission of the European Communities imposed a provisional anti-dumping duty on imports of potato granules originating in Canada. The duty does not apply to potato granules exported by Carnation Inc. and Carnation Foods Company Ltd., Canada.
The duty is equivalent to 4.481 European units of account per 100 kgs. net weight, except for potato granules exported by Vauxhall Foods Ltd. for which the duty shall be 0.437 European units of account per 100 kgs. net weight.


HAITI

Temporary import prohibitions.

By Decree of 26 February 1981 (published on 17 March 1981) the Haitian authorities have prohibited for a period of two years the imports of, inter alia, coffee, certain alcoholic beverages, bakery products, canned fruit juices and vinegar.

Source: Moniteur du Commerce international, 30 March 1981

INDIA

Effective 1 December 1980, the Indian Government increased the minimum export prices for blanched peanuts in bulk from Rs 9,000 to Rs 16,000 per tonne and for roasted and salted peanuts in consumer packs weighing up to 2 kgs. from Rs 14,000 to Rs 25,000 per tonne. Exports will be allowed, to a limited ceiling, on a first-come-first-served basis.

The Indian Government has banned the export of butter, molasses, industrial alcohol, and wood and timber.

Source: Economic Trends, 1 and 16 December 1980

JAPAN

As of 1 April 1981, Japan has reduced import customs duties on manufactured tobacco products.

Source: British Business, 1 May 1981

MADAGASCAR

Law No. 80.035 of 22 December 1980 (Finance Law for 1981), published in the Official Gazette of Madagascar of 27 December 1980, increased the rates:

- of the consumption tax on imports of coffee and cocoa;
- of the import tax, inter alia, on products falling within chapters: 11 (11.07), 12 (12.05), 19 (19.01), 21 (21.07), 24 (24.02)

Source: Moniteur du Commerce international, 2 February 1981
British Business, 13 February 1981
PERU

Supreme Decree No. 053-81-EF introduced tariff reductions in respect of chapters 7, 8 and 9 of the customs tariff. As a result, for imports of vegetables, plants, roots and certain fruits the duty rates are now 20 and 30 per cent. For certain types of spices the rates of duty were reduced from 50 to 40 per cent.

These measures entered into force on 24 March 1981.

Source: Nachrichten für Aussenhandel, 24 April 1981

SOUTH AFRICA

In February 1981 the rate of duty on frozen citrus juices (CCCN 20.07.30) was increased from free to 20 per cent, and the rate of duty on soya protein concentrates (CCCN 21.07) in powder form, with a protein content, by mass, exceeding 65 per cent was reduced from 20 per cent to 10 per cent. The changes are retroactive to June 1980. The quantity of beer which entering under item 606.04.03 for use in the manufacture of other beer, shall be a factor in determining the rate of duty on tariff item 104.10.20. Beer made from malt may enter with a rebate of duty if it is for use in the manufacture of similar beer with a determined lower or higher relative density before fermentation. The rate of duty on champagne and certain other fermented beverages is reduced by 300 cents per 100 litres. The rate of duty on fortified still wine, sparkling wine and fortified still and fermented apple, pear and orange beverages is reduced by 300 cents per 100 litres.

In March 1981 the rate of duty on certain prepared or preserved macadamia nuts (CCCN 20.06) was reduced from 420 cents per 100 kgs. to free.

SPAIN

Import duties applicable to the Canary Islands for tomato concentrate in airtight containers (CCCN 20.02 A1) and for tomato ketchup (CCCN 21.04C) have been raised from 5 to 10 and 9 per cent for each, respectively.

Source: Moniteur du Commerce, 2 February 1981

SWITZERLAND

With effect from 1 May 1981 some adjustments were made in import charges on certain cheeses.

Source: DPC/INV/1/Add.5/Suppl.1
UNITED KINGDOM

The UK Government announced on 27 August 1981, that, as of 1 September 1981, importation of poultry, eggs and egg products would be allowed only from those countries pursuing a slaughter policy for the control of Newcastle's Disease (as opposed to vaccination control).

Source: VWD Europa, Nr. 165/81

UNITED STATES

The International Trade Commission recommended an increase to 200 million lbs. in the peanut import quota (shelled peanuts) for the twelve-month period ending 30 July 1981.

A temporary emergency increase in the quota for peanuts was authorized by the Agriculture Department in December, following urgent appeals from peanut processors after the drought last year which reduced, by half, the yield of the United States peanut crop.

Source: Tariffs and Trade, 9 February 1981

B. Bilateral arrangements and agreements, including agreements on voluntary restrictions of exports

1. Long-term agreements and supply undertakings for grain

(a) ARGENTINA
(b) AUSTRALIA
(c) CANADA
(d) UNITED STATES
(e) EEC (France)
(f) CHINA
(g) USSR

<table>
<thead>
<tr>
<th>COUNTRY IMPORTING</th>
<th>QUANTITY m. TONS</th>
<th>TERMS OF AGREEMENTS/SALE</th>
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<tbody>
<tr>
<td>CHINA</td>
<td>1.0/1.5 per year</td>
<td>A 4-Year Agreement for delivery of 0.7/0.9 m. tons of wheat and 0.3/0.6 m. tons of maize and soyabean annually from 1981 to 1984. Sales to be made at prevailing market prices. No sales as yet reported for 1981.</td>
</tr>
<tr>
<td>IRAQ</td>
<td>0.3- per year</td>
<td>A 3-Year Agreement providing for shipment of wheat between December 1980 and November 1983. Argentina will also provide technical assistance on warehousing and marketing. The wheat to be sold at prevailing market prices. Sales will be handled by private exporting companies. So far one sale of 0.1 m. tons for January/February shipment has been reported.</td>
</tr>
<tr>
<td>MEXICO</td>
<td>1.0-per year</td>
<td>A 2-Year Agreement providing for delivery of 0.4 m. tons of maize, 0.3 m. tons of sorghum and 0.3 m. tons of soyabean or sunflowerseeds annually during 1981 and 1982. Sales to be made at prevailing market prices.</td>
</tr>
<tr>
<td>USSR</td>
<td>4.5- per year</td>
<td>A 5-Year Agreement for delivery of 4.5 m. tons of maize, sorghum and soyabean annually from 1980 to 1985.</td>
</tr>
</tbody>
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It should be added, that normally CHILE, BOLIVIA, PERU and PARAGUAY purchase a total of about 1 m. tons of Argentine grain each year, and a further 1.0 m. tons is purchased by BRAZIL.
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<tr>
<td>CHINA</td>
<td>7.5</td>
<td>A 3-Year Agreement commencing 1979. It was reported that China so far has bought a total 5.5 m. tons of wheat, including 2.5 m. in the first year, 2.0 m. tons in the second year and 1.0 m. tons in the third year of Agreement. Outstanding balance under the Agreement is 2.0 m. tons.</td>
</tr>
<tr>
<td>EGYPT</td>
<td>3.0</td>
<td>A 3-Year Agreement providing for the shipment of a minimum of 1.0 m. tons of wheat annually, commencing 1st January 1979. On 27th October 1980 the AWB announced a sale of 1.0 m. tons of wheat, advising that this sale completed Agreement. However, on 5th February an additional sale of 0.25 m. tons of wheat for delivery by the end of November 1981 was announced. A 5-Year Agreement providing for delivery of a minimum of 1.0 m. ton wheat a year for the next five years starting from the end of 1981.</td>
</tr>
<tr>
<td>QATAR</td>
<td>0.48</td>
<td>An Agreement providing for delivery of 485,000 tons of wheat over ten years.</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>0.60</td>
<td>Agreement to supply wheat for delivery in 1981.</td>
</tr>
<tr>
<td>JAPAN</td>
<td>0.90</td>
<td>Agreement to supply 0.9 m. tons wheat in 1981 calendar year.</td>
</tr>
<tr>
<td>USSR</td>
<td>3.86</td>
<td>According to reported commitments about 2.16 m. tons of wheat and 1.4 million tons of coarse grains to be delivered to the USSR by end June 1981.</td>
</tr>
<tr>
<td>YEMEN ARAB REP.</td>
<td>0.35/0.50-per year</td>
<td>A 3-year Agreement providing for delivery of wheat from December 1981 through November 1984.</td>
</tr>
<tr>
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<tr>
<td>BRAZIL</td>
<td>3.0</td>
<td>A 3-Year Agreement for delivery of 2.0 m. tons of wheat in 1980, 0.50 m. tons in 1981 and 0.50 m. tons in 1982. Prices to be fixed according to the world market at the date of delivery.</td>
</tr>
<tr>
<td>CHINA</td>
<td>8.4-10.5</td>
<td>A 3-Year Agreement starting 1st August 1979.</td>
</tr>
<tr>
<td></td>
<td>2.0</td>
<td>Contract under the above Agreement. Shipment from October 1979.</td>
</tr>
<tr>
<td></td>
<td>1.4</td>
<td>Contract under the above Agreement. Shipment from August 1980 through January 1981. Payments for wheat under this contract to be made in cash.</td>
</tr>
<tr>
<td></td>
<td>1.4</td>
<td>Contract, which completes the second year of the above Agreement. Shipment from February through July 1981. Credit terms under this contract call for payment of 25% cash when vessel is loaded and the balance, with interest, payable in 18 months.</td>
</tr>
<tr>
<td>JAMAICA</td>
<td>0.15/0.25</td>
<td>An Agreement providing for the shipment of wheat from 1979 to 1981.</td>
</tr>
<tr>
<td>JAPAN</td>
<td>2.15</td>
<td>Agreement to supply 1.3 m. tons of wheat and 0.85 m. tons of barley in 1981 calendar year.</td>
</tr>
<tr>
<td>MEXICO</td>
<td>0.5</td>
<td>A 2-Year Agreement for the delivery of about 0.10/0.15 m. tons of wheat in 1981 and 0.10/0.35 m. tons in 1982. No sales yet announced.</td>
</tr>
<tr>
<td>POLAND</td>
<td>4.5</td>
<td>A 3-Year Agreement, providing for the shipment of 1.0/1.5 m. tons of wheat, durum, barley and oats during 1980-1982.</td>
</tr>
<tr>
<td>USSR</td>
<td>5.6-5.9</td>
<td>According to Canadian sources, total purchases of grains by the USSR for 1980/81 (August/July) will probably reach 5.6 - 5.9 m. tons. It is estimated that these comprise about 4.5 m. tons of wheat, and the balance - coarse grains (barley, oats).</td>
</tr>
<tr>
<td></td>
<td>25.0 m.</td>
<td>A 5-Year Agreement providing for delivery of 25.0 m. tons of wheat and feed grains from 1st August 1981 to 31st July 1986. Minimum of 4 m. tons for shipment in 1981/82, and 6m. tons in 1985/86.</td>
</tr>
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<tr>
<td>CHINA</td>
<td>6.0-9.0</td>
<td>A 4-Year Agreement providing for delivery of a minimum of 6.0 m. and a maximum 9.0 m. tons of wheat and maize (corn) starting from January 1981. According to the USDA, as of 30th April 1981, sales and exports during the first year of the Agreement (Jan/Dec. 1981) total 3.73 m. tons of wheat and 0.19 m. tons of corn.</td>
</tr>
<tr>
<td>POLAND</td>
<td>2.5 a year</td>
<td>An Agreement for delivery of 2.5 m. tons of grains annually during 1975/76-1980/81.</td>
</tr>
<tr>
<td>USSR</td>
<td>6.0</td>
<td>A 5-Year Agreement for the shipment of a minimum 3.0 m. tons of wheat and 3.0 m. tons of maize (corn) annually commencing 1st October 1976. Under the fifth and the final year of the Agreement (October 1980/September 1981) the USSR purchased 3.0 m. tons of wheat and 5.0 m. tons of maize (corn). These quantities already delivered. Consultations to be held on additional sales to, or needs of, the USSR for shipment by end September 1981.</td>
</tr>
<tr>
<td>MEXICO</td>
<td>6.15-8.18</td>
<td>An Agreement providing for delivery in 1981 of grains, oilseeds and vegetable oils. Under this Agreement Mexico to purchase 1.5/2.25 m. tons of maize (corn), 2.5/3.0 m. tons of maize (corn) or sorghum and 0.85/1.00 m. tons of soyabean. Quantities of individual products subject to change by either party.</td>
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<tr>
<td>CHINA</td>
<td>0.5-0.7</td>
<td>An agreement in principle between Governments of France and China providing for delivery of these quantities of wheat annually over a three year period from 1980/81.</td>
</tr>
</tbody>
</table>
(f) CHINA: LONG-TERM AGREEMENTS FOR WHEAT IN 1981/82

<table>
<thead>
<tr>
<th>Supplying country</th>
<th>Quantity m. tons</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>0.7-0.9</td>
<td>A four-year agreement, which began in January 1981.</td>
</tr>
<tr>
<td>Australia</td>
<td>2.0</td>
<td>Outstanding balance under 3-year agreement</td>
</tr>
<tr>
<td>Canada</td>
<td>2.8-3.5</td>
<td>Annual commitment under 3-year agreement, which terminates in July 1982.</td>
</tr>
<tr>
<td>EEC (France)</td>
<td>0.5-0.7</td>
<td>Annual commitment under 3-year agreement, which began in 1980/81.</td>
</tr>
<tr>
<td>United States</td>
<td>5.1-6.4</td>
<td>Part of agreement providing for minimum annual delivery of 3.0 m. tons of wheat and maize (corn); latter grain to account for 15%-20% of total.</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11.1-13.5</strong></td>
<td></td>
</tr>
</tbody>
</table>

(g) USSR: LONG-TERM AGREEMENTS FOR WHEAT IN 1981/82

<table>
<thead>
<tr>
<th>Supplying country</th>
<th>Quantity m. tons</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>4.0</td>
<td>Part of five-year agreement for delivery of 25 m. tons of grain from 1st August 1981 to 31st July 1986. Minimum of 4 m. tons for shipment in 1981/82 and 6 m. tons in 1985/86.</td>
</tr>
<tr>
<td>United States</td>
<td>...</td>
<td>Under the fifth and the final year of agreement (October 1980/September 1981) the USSR has purchased 3.0 m. tons of wheat and 5.0 m. tons of maize (corn). These quantities have been delivered. Consultations to be held on additional sales to, or needs of, the USSR, for grain for shipment by end September 1981.</td>
</tr>
</tbody>
</table>
2. Other bilateral arrangements and agreements

ALGERIA-COLOMBIA

Algeria recently signed a $150 million trade agreement with Colombia involving an exchange of Colombian agricultural products for Algerian crude oil. Colombia is to supply coffee, tobacco, cocoa, sugar, cotton, rice and bananas.

Source: Middle East Economic Digest, 6 March 1981

ARGENTINA-EGYPT

An agreement, signed in March 1981, in which Argentina agrees to supply 32,000 tons of frozen boneless beef and 4,000 tons of beef liver in each year to March 1984. There is an option of a two-year extension to the agreement.

Source: United Kingdom - Meat and Livestock Commission

ARGENTINA-USSR

An agreement signed on 22 April 1981, under the terms of which Argentina agrees to deliver between 60,000 and 100,000 tons of manufacturing quality beef and veal, annually, between 1981 and 1985, inclusive. Pricing arrangements have not been disclosed.

Source: United Kingdom - Meat and Livestock Commission

BRAZIL-GERMAN DEMOCRATIC REPUBLIC, HUNGARY AND THE USSR

Brazil has bilateral agreements with the German Democratic Republic and Hungary, for sales of soybeans. A newly signed five-year agreement with the USSR for 1982-86, pledges USSR purchases from Brazil of 900,000 tons of soybeans and meal, 40,000 tons of soybean oil and 500,000 tons of maize.

Source: Soybean Update Vol. 5, No.28, 1981

CANADA-MEXICO

Trade Agreement

Canada and Mexico have concluded an agreement for the sale in 1981 and 1982 of certain agricultural commodities including dairy products.

Source: DPC/W/14, 1 September 1981
EGYPT-KENYA
Agreement on trade and economic and technical co-operation

On 28 November 1980 Egypt and Kenya signed agreements for trade, economic and technical co-operation. Kenya intends to export to Egypt products such as tea, coffee, wattle extract and printing and writing paper.

Source: Africa Research Bulletin, 15 November-14 December 1980

EUROPEAN COMMUNITIES
Sheepmeat and goatmeat

Voluntary restraint agreements with the main non-Community exporting countries (Argentina, Australia, New Zealand, Uruguay) were negotiated in 1980 and came into effect when the common organization for sheepmeat and goatmeat began operation. Other agreements have been negotiated with Austria, Hungary, Iceland, Poland, Romania and Yugoslavia. Bulgaria and Czechoslovakia have undertaken to limit their exports unilaterally to the quantities negotiated with the Commission, pending the final conclusion of such arrangements.

Source: L/5154 and Add.1

EUROPEAN COMMUNITIES-THAILAND

Under an informal agreement, Thailand has accepted to reduce progressively its exports of tapioca to the EEC to 5 million m.t. annually in 1981 and 1982, and to 4.5 million m.t. in 1983 and 1984 (with the possibility on allotting another 450,000 during the latter two-year period).

Source: Agra Europe, 5 June 1981

GERMAN DEMOCRATIC REPUBLIC-MOZAMBIQUE

1981 trade agreement

Under the 1981 trade agreement between the German Democratic Republic and Mozambique, concluded on 17 March 1981, citrus fruit, coal, cashew nuts and nuts and cotton are to be imported by the German Democratic Republic.


INDIA-BULGARIA

Five-year trade protocol

In March 1981 India and Bulgaria signed a trade protocol providing for a sharp rise in bilateral trade over the next five years, under which India will export to Bulgaria, inter alia, agricultural products.

INDIA-SOVIET UNION

Long-term trade agreement

India and the Soviet Union have signed a long-term trade agreement that will double Indo-Soviet trade within five years from rub 52.5 billion in 1979 to some rub 100 billion in 1985 (at current prices). This is in addition to the new aid package, worth some rub 532 million, for India's industrial development. India has also asked the Soviet Union for increased shipments of crude oil on a long-term basis. The Soviet Union is expected to provide additional shipment if India will supply food grains in return.

Source: East-West Fortnightly Bulletin of Business Developments with the USSR other CMEA Countries and Yugoslavia, 9 January 1981

NIGERIA-GERMAN DEMOCRATIC REPUBLIC

Long-term trade agreement

The German Democratic Republic and Nigeria have initialled a long-term trade agreement providing for "most-favoured-nation" status between the two countries. Under this agreement Nigeria shall supply, inter alia, cocoa beans, animal feedstuffs, agricultural products, for the German Democratic Republic.


UNITED STATES-MEXICO

A trade agreement between Mexico and the United States was signed on 9 June 1981. The agreement which is a successor of previous ones of the same type concerns Mexican purchases of 4.57 million tons of United States agricultural products in 1982, mainly maize, sorghum, wheat, soybeans, cottonseed and tallow. The purchases will be effected through normal commercial channels and at market prices.

Source: Agromonde Service No. 107, 18 July 1981

C. Multilateral activities

International Cocoa Agreement, 1980

The 1980 International Cocoa Agreement officially came into effect on 10 August 1981. The essential component of the Agreement is the provision for the accumulation of a buffer stock. In brief, the Agreement authorizes the buffer stock manager to accumulate stocks to support a price of US$1.10 per lb. ($2.42 per kg.) if prices fall below US$1.50 per lb. ($3.31 per kg.). These purchases, however, are restricted to 10,000 tons per day or 35,000 tons per week, and must be accompanied by one week's advance notice of purchase intention. The mid-August Agreement specified that purchaser must begin before 1 October 1981.
The buffer stock fund will be financed by contributions from signatories at the rate of US$0.01 per lb., per transaction.

Although the Ivory Coast did not join the Agreement (into retained observer status) it did not request the refund of mowies previously contributed to the fund. The deadline for adherence to the Agreement was extended to 31 March 1982.

**Sources:** Public Ledger Commodity Week, 15 August 1981
Cacaos, Cafes, Sucres, No. 1566

**International Coffee Organization**

As indicative prices for coffee fell below US 120 cents per lb. (intervention price, the ICC decided to reduce once more the export quotas for 1980/81. The measure brings quotas to 10.6 million bags for July-September and to 51.2 million bags for 1980/81.

**Source:** Public Ledger

**International Sugar Organization**

In May 1981, the ISA prevailing sugar price dropped below US15 cents per lb. and the ISC agreed that the provisions for limitation of exports under Article 44, paragraph 4, should be applied automatically. Later the ISC adopted a set of recommendations for the related accumulation of special stocks. The ISO Executive Secretary was asked to approach the EC Commission regarding possible co-operation given the difficult market situation.

In September 1981, the ISA prevailing sugar price fell below US13 cents per lb. and ISA sugar export quotas were reduced to the lowest possible level (85 per cent of BET), and imports by member countries from non-member countries were further restricted.

**Sources:** ISO Decisions, Thirty-Seventh Meeting
Financial Times, 10 September 1981
VWD Europa, No. 173/81