I. NATIONAL AGRICULTURAL POLICIES

A. General Objectives

The essential objective of the Government agricultural policy is to implement the agricultural and transport development programme initiated in 1954. The programme includes the expansion of irrigation facilities and conservation of water, building of more farm-to-market roads, increasing research and extension services, expanding agricultural credit facilities, the raising of farm prices, and the liberalization of trade in agricultural products.

The agricultural policy is also aimed at greater self-sufficiency in food and fibres and at increasing the agricultural share of the gross national product.

B. Special Measures

The main instruments for implementing agricultural policies are exchange control, State monopoly, export control and price fixing.

Imports of all agricultural products are made through private channels with the exception of wheat and meat, the two most important agricultural imports. The Instituto Nacional de Comercio, a government agency, has exclusive power for imports and domestic purchases of wheat and meat.

Agricultural exports are licensed to ensure the surrender of exchange and to enforce export quotas. With a view to safeguarding consumer interests through maintaining supplies in the domestic market, exports of foods are subject to quantitative control through export quotas.

1 Prepared by the secretariat.
For wheat and rice official producer prices are fixed annually. The wheat price is determined taking into account changes in the prices of input items and in the general price level of the country. Through insulation of the domestic market by a State import monopoly for wheat and close export and import control, including exchange rate controls for other foods, agricultural producer prices are contained at rather low levels compared to international prices. Nevertheless, in certain areas and for small farmers, the official prices operate as support prices insofar as they can be effectively implemented. In addition to direct price control, producer prices of many other foods are indirectly controlled through a combination of foreign trade controls and retail ceiling prices.

Consumer prices of agricultural products are regulated mainly through foreign trade controls, aimed at maintaining domestic prices at rather low levels, compared to international prices. Fixed prices are established at the producer level for the two staples, wheat and rice. For numerous other products retail, and sometimes wholesale, price ceilings are enforced through penalties. When shortages drive prices beyond these ceilings the Government enters the markets with imported supplies which often involve a subsidy.

II. SUBSIDIES
(Including all forms of income and price support)

Direct subsidies are sometimes paid to producers but on a limited scale estimated at some 1 per cent of total agricultural costs in each of the years 1946 to 1953.

Under the agricultural and transportation development programme, Government assistance is given for irrigation projects, road building, credit facilities, agricultural research, extension and educational services, etc.

NOTE: The consumer price of wheat is usually subsidized.

III. MIXING REGULATIONS

No mixing regulations are in force in Chile.
IV. STATE-TRADING OPERATIONS

(Including private enterprises enjoying special privileges)

The State monopolies for wheat and meat have been described in Section IB.

V. IMPORT RESTRICTIONS

Imports are permitted only for goods which are included in a list issued by the authorities. For these imports no licence is necessary but an importer must make an advance deposit for which different rates are established for the different categories of goods. Among agricultural products the rates of advance deposit are as follows:

<table>
<thead>
<tr>
<th>% of deposit</th>
<th>Principal agricultural items</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Coffee, rubber, tea, sugar, wheat, jute fibre</td>
</tr>
<tr>
<td>50</td>
<td>Cotton</td>
</tr>
<tr>
<td>100</td>
<td>Meats, livestock, breeding animals, lard, powdered milk, butter</td>
</tr>
<tr>
<td>150</td>
<td>Vegetable fibres, seeds</td>
</tr>
<tr>
<td>200</td>
<td>Cocoa, tobacco</td>
</tr>
<tr>
<td>1000</td>
<td>Pineapples</td>
</tr>
</tbody>
</table>

VI. MEASURES WHICH TEND TO REDUCE OR REMOVE THE NEED FOR NON-TARIFF MEASURES OF PROTECTION OR SUPPORT

General statement to be furnished by the Government of Chile.

1 See the section on State-trading.