PROCEDURES AND TIME-TABLE FOR CONSULTATIONS ON AGRICULTURAL POLICIES

Note by the Executive Secretary

1. The Secretariat has considered the practical procedures which would enable the CONTRACTING PARTIES to give effect as quickly as possible to the recommendation of Committee II concerning the consultations to be held with the individual contracting parties regarding their agricultural policies. It came to the conclusion that the most effective way of securing in a manageable form the information required would be to proceed as follows:

2. The information required for each country falls into two categories i.e. background information, and information on specific commodities.

(a) Background Information:

3. So far as 26 countries are concerned, much of the material that is required is already included to a large extent in the country papers prepared for COMMITTEE II, by the secretariat with the co-operation of the contracting parties concerned, though this material will have to be enlarged in various respects as requested by COMMITTEE II. In many cases this would mean only the addition of a section relating to (i) total cost of government support programmes and (ii) farm net income. (Attached as Annex A to this Note is a schedule showing the material that will be required; this schedule represents an amalgamation of the material covered in the country papers as requested in Appendix II to COMMITTEE II/4 and the additional material which COMMITTEE II agreed would be required.)

4. It is suggested that those countries for which country chapters have already been prepared make available to the secretariat, in time for circulation not less than one month before the date fixed for the consultation, any details of background information which are not already covered in the country chapters and any amendments that they feel should be made to existing material. As regards the remaining countries, the secretariat would prepare draft country chapters which would be sent to the countries concerned for revision and completion; the revised text would be circulated not later than one month before the date fixed for the consultation.

(b) Commodity Information:

5. Annex B to the report of the COMMITTEE II (COM.II/5) lists the information that should be supplied for individual commodities. To some extent countries are being asked to cover some of the same ground that will be covered in the background material (e.g. descriptions of agricultural policy and objectives, quantitative
restrictions) and for the convenience of contracting parties the secretariat would suggest that countries should indicate to the secretariat, for circulation to the other contracting parties, where in the background material the relevant commodity information can be found so that it will only be necessary for contracting parties to supply further details (including tariff item numbers, tariff bindings, amount of subsidies per unit etc.) which cannot be found in the background material.

6. COMMITTEE II agreed that it would be desirable, without excluding any product which is of major importance to other contracting parties, to concentrate on those products which enter importantly into international trade. The secretariat consider that this principle would be met if, in sending out its requests for commodity information it indicated the few commodities i.e. dairy products, meat, cereals, sugar, vegetable oils and fish which are most likely to be the ones of major interest to the majority of contracting parties. At the same time as it made the request for information on these commodities from the country being consulted, the secretariat would invite other contracting parties who wished to do so to notify, in sufficient time for the country being consulted to prepare the material for circulation, any additions to this list of products that they would want to see included in any individual country's consultations.

7. It is suggested the consultations should start in the second half of September 1959 and attached is a draft programme of consultations from that time up to the sixteenth session (April 1960). The balance of the consultations would take place at or after the sixteenth session.

8. The CONTRACTING PARTIES should determine whether COMMITTEE II should carry out the consultations and, if so, they should authorize the Chairman of the CONTRACTING PARTIES to appoint a Vice-Chairman to assist the Chairman of COMMITTEE II and to replace him during his absence.
INFORMATION TO BE SUPPLIED BY COUNTRIES BEING CONSULTED

A. General Background Material

I. National Agricultural Policies
   (a) General objectives of policy;
   (b) Special measures for the implementation of these general objectives of policy.

II. Subsidies, including all forms of the income and price support

Details of the measures applied:

A. Production Subsidies
   Whether for the whole or part of the production (for example, for domestic sales only or also for exports).

B. Other forms of income support
   "Deficiency" payments and other measures.

C. Export Subsidies
   Direct bonuses or subsidies, whether for the whole or part of exports.

D. Financing of losses on Exports
   Aid granted by the State involving the total or partial reimbursement of export losses or of the difference between the domestic price and the export price.

E. Indirect Aids to Exports
   Preferential or reduced transport rates, subsidies or price reduction for agricultural products used in producing goods for export.

F. Aids to Exports involving the use of resources obtained from "Compensation" or "Price Equalization" operations
   Aids financed by the use of resources obtained from:
   (i) profits on earlier exports;
   (ii) profits on products exported simultaneously at higher prices;
   (iii) extra amounts obtained from sales on the home market or re-exports of imported products;
   (iv) guarantee, support or incentive funds or schemes instituted by the State or operated under State control or authority.

1 In each case, the cost of the subsidy, the source of the funds used and, if possible, the amount of the subsidy per unit should be specified.
G. Other forms of aid

Currency retention schemes or other exchange measures; remission of direct taxes or social welfare charges; remission of indirect taxes; supply of raw materials at preferential prices for the manufacture of processed products for export.

III. Cost of programmes and farm net incomes

(a) Total cost of government support programmes for each of the last three years for which statistics are available,

(b) Farm net income for the same years as in (a) above (if not available, total value of farm production).

NOTE: The cost of support programmes should include direct and indirect production and export subsidies and losses on price support operations but would exclude the costs of research, education and normal service operations by governments on behalf of agriculture.

IV. Mixing Regulations

The proportions fixed for domestic and imported products and how these are determined.

V. State-Trading Operations

Description of the operations of State-trading enterprises (including private enterprises enjoying special privileges):

Whether the enterprise deals with exports or with imports; or both.

Whether private traders are allowed to import or export and, if so, on what conditions. Whether there is free competition between private traders and the State-trading enterprise.

The criteria used for determining the quantities to be exported and imported.

How export prices are determined. How the mark-up on imported products is determined. How export prices and the resale prices of imports compare with domestic prices.

Whether long-term contracts are negotiated by the State-trading enterprise. Whether State-trading methods are used to fulfil contractual obligations entered into by the government.

VI. Import Restrictions

Details of the restrictions applied to particular products or groups of products for which support measures are in force as described in I and II above:
(i) the nature of the restriction, i.e. whether a complete or seasonal prohibition, a restriction based on volume or value, or a restriction based on a minimum price or on a requirement to purchase domestic products;

(ii) if quotas are established, the basis of the system, i.e. whether global quotas (if so, the size of the quotas) or quotas allocated among countries (if so, whether by agreement with exporting countries);

(iii) in the case of a licensing arrangement, the basis of which licences are issued and the administrative arrangements;

(iv) if the restriction is based on a minimum import price, how this price is determined;

(v) if based on purchase of domestic products, the ratios and how they are determined.
Programme of Consultations till
Sixteenth Session (April 1960)

<table>
<thead>
<tr>
<th>Period</th>
<th>Duration</th>
<th>Countries</th>
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<tbody>
<tr>
<td>2nd half September 1959</td>
<td>2 weeks plus</td>
<td>Australia, France, Netherlands, Switzerland,</td>
</tr>
<tr>
<td></td>
<td>(12 working days)</td>
<td>Union of South Africa, United Kingdom</td>
</tr>
<tr>
<td>26 October – 14 November 1959</td>
<td>3 weeks</td>
<td>Burma, Ceylon, Chile, India, Indonesia, Malaya,</td>
</tr>
<tr>
<td>(Fifteenth Session - Tokyo)</td>
<td>(15 working days)</td>
<td>Pakistan</td>
</tr>
<tr>
<td>2nd half January 1960</td>
<td>3 weeks</td>
<td>Austria, Finland, Italy, Japan, New Zealand,</td>
</tr>
<tr>
<td>into February 1960</td>
<td>(15 working days)</td>
<td>Norway, Rhodesia &amp; Nyasaland, United States</td>
</tr>
<tr>
<td>Beginning March 1960</td>
<td>3 weeks</td>
<td>Belgium, Brazil, Canada, Denmark, Germany, Greece,</td>
</tr>
<tr>
<td></td>
<td>(15 working days)</td>
<td>Luxembourg, Sweden, Turkey</td>
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</tbody>
</table>

Balance to be consulted at or after sixteenth session (April 1960).