UNITED STATES IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

Report by the Working Party
(Additional information submitted by the United States delegation)

Subsequent to the meeting of the Working Party, the United States representative announced that, with effect from 1 April 1966, his Government had initiated action to relax substantially the restrictions on cheddar cheese imports. The Government proposed to enlarge indefinitely the existing cheddar cheese quota from 2,780,100 to 4,005,100 pounds, the increase of 1,225,000 pounds to be cheese made from unpasteurized milk and aged nine months or more. For the year 1 July 1966 to 30 June 1967, imports would be at threefold (8,340,000) the present quota plus 1,225,000 pounds of cheese aged nine months or more. These proposals are subject to investigation and recommendation by the United States Tariff Commission, which is to submit its findings to the President by 1 June 1966. In addition, acting under emergency powers, the cheddar cheese quota has been doubled for the remainder (March-June licensing period) of the current fiscal year; this increase amounts to 926,700 pounds.

The representative of the United States also reported that, with effect from 1 April 1966, the price support level for manufacturing milk had been increased from $3.24 to $3.50 per cwt. Of the 26% increase, 10% was required by the parity formula and 16% was an actual increase in the support level, which had now been raised from the legal minimum of 75 per cent of parity to 78 per cent. The main purpose of the step was to assure supplies of dried milk needed for the Food for Freedom Program. For butter-fat, the support would remain at the legal minimum of 75 per cent; under the parity formula, the figure would change from 59.4% to 61.6% per pound.

The representative of the United States noted that the final decision would have to await the Tariff Commission's findings, but hoped that the CONTRACTING PARTIES would recognize the steps taken as further evidence of the desire of the United States to liberalize its import restrictions to the extent consistent with its production control and marketing programmes.