UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Quota Restrictions on Imports of Certain Dairy Products

The following communication dated 24 September 1968 has been submitted by the United States delegation in accordance with paragraph 4 of the "Conditions and Procedures" of the Decision of the CONTRACTING PARTIES of 5 March 1955.

I have been requested by my Government to inform you that the President, acting upon the recommendation of the Secretary of Agriculture, has issued an emergency proclamation, effective 23 September, establishing temporary annual import quotas on (a) processed Edam and Gouda cheese, (b) Swiss-type cheeses (Emmenthaler and Gruyere process) and (c) cheese and substitutes for cheese (other than Colby, goat's and sheep's milk cheeses) provided for in 117.75 and 117.85 of the Tariff Schedules of the United States, pending receipt of the Tariff Commission report.

This emergency action was taken because of increasing large-scale imports, apparently in anticipation of the imposition of import controls. July 1968 imports of the aforementioned cheeses were nearly 17 million pounds, almost one third of the entire calendar year 1967 imports. Indications are August-November imports would aggregate in excess of 100 million pounds, of which 65-70 million pounds would have entered between now and mid-November, the earliest time final action on the Tariff Commission's forthcoming report is practicable.

For the remainder of calendar year 1968 the Presidential proclamation establishes the following quotas (quantity thousand pounds) equal to 30 per cent of the provisional annual quotas:

(a) Processed Edam and Gouda, total 945 of which allocation to Denmark 514, Ireland 99, Netherlands 51, Norway 110, Federal Republic of Germany 154, all others 17.

(b) Miscellaneous cheeses provided for in TSUS items 117.75 and 117.85, total 5,249 of which allocation to Belgium 62, Denmark 2,690, Finland 337, France 279, Iceland 168, Ireland 45, Netherlands 17, Norway 67, Poland 619, Sweden 460, Switzerland 10, United Kingdom 82, Federal Republic of Germany 297, all others 116.

(c) Emmenthaler, total 1,281 of which allocation to Austria 291, Denmark 183, Finland 553, Norway 110, Switzerland 60, Federal Republic of Germany 37, others 47.

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(d) Gruyère process, total 987 of which allocation to Austria 145, Denmark 36, Finland 455, Switzerland 3, Federal Republic of Germany 323, others 25.

(e) Annual quotas for Emmenthaler and Gruyère process cheese 50 per cent of total 1967 imports such cheese valued under 47 cents per pound f.o.b. and are minimum quantity permissible under Section 22.

(f) Annual quota of miscellaneous cheeses 100 per cent of 1967 imports of such cheese valued under 47 cents f.o.b.; that for processed Edam and Gouda 100 per cent of total 1967 imports regardless of price.

(g) Price of 47 cents established in relation to the Commodity Credit Corporation purchase price for Cheddar cheese under United States Department of Agriculture Price Support Programme. The exemption of cheeses valued 47 cents and over permits freedom of trade in high-quality Swiss-type cheeses and many high-priced miscellaneous specialty cheeses.

(h) Country allocations Emmenthaler, Gruyère and miscellaneous varieties 117.75 and 117.85 calculated on basis of 1967 imports; country allocations for processed Edam and Gouda on the other hand are based on 1965/67 imports.

Shipments in transit prior to the effective date of the proclamation will be charged against quotas for the remainder of 1968, but any in transit quantities in excess of quotas will be permitted entry.