STATE TRADING

Notifications Pursuant to Article XVII:4(a)

AUSTRALIA

The following communication, dated 24 August 1984, has been received from the Permanent Mission of Australia.

In accordance with the Decision of the CONTRACTING PARTIES at the Twentieth Session, Australia submits the attached complete notification of state trading measures for 1984.

This notification covers new measures and changes introduced since the previous full notification in 1981 (L/5104/Add.5) and supplementary notification in 1983 (L/5445/Add.1).
AUSTRALIA'S 1984 NOTIFICATION OF STATE-TRADING ENTERPRISES UNDER ARTICLE XVII:4(a)

I. Enumeration of State-trading enterprises

This paper describes Australian state trading enterprises which are notified in accordance with Article XVII of the GATT. The enterprises are:

(a) Australian Wheat Board
(b) Australian Dairy Corporation
(c) Australian Egg Board
(d) Australian Honey Board
(e) The (Queensland) Sugar Board
(f) Australian Meat and Livestock Corporation
(g) Australian Apple and Pear Corporation
(h) Australian Dried Fruits Corporation
(i) Australian Canned Fruits Corporation
(j) Australian Wine and Brandy Corporation

II. Reason and Purpose for introducing and maintaining State-trading enterprises.

(a) Australian Wheat Board

The Australian Wheat Board was set up at the outbreak of war in 1939 to assist the wheat industry in a period of low prices and difficulties created by war conditions, eg marketing and transport.

The Australian Government under the war-time Wheat Acquisition Regulations, constituted the Board on 21 September 1939, to acquire, with certain exceptions, all wheat held in Australia and to arrange for its disposal.

With the commencement of the first post-war Wheat Industry Stabilisation Plans in 1949 the Board was reconstituted under the Wheat Industry Stabilisation Act 1948 (complementary Commonwealth and State Government legislation was required). The purpose of reconstituting the Board was to establish it as the central marketing authority for wheat. In addition it has been required to administer the various wheat stabilisation and marketing arrangements. Overall, these arrangements have guaranteed a degree of stability and orderly marketing to the Australian wheat crop. The Wheat Board has continued in existence under subsequent stabilisation and marketing plans. The current five year wheat plan, under the Wheat Marketing Act 1979 and complementary State legislation, expires on 30 September 1984. The arrangements to apply from 1 October 1984 are currently the subject of negotiations with the States and industry.

(b) Australian Dairy Corporation

The Australian Dairy Corporation (ADC) is a statutory authority established by the Australian Government to regulate and promote the marketing of Australian dairy
products. The ADC commenced operations on 1 July 1975. It replaced the Australian Dairy Produce Board and assumed the powers and functions of the Board as well as certain other powers.

When established the ADC was given some powers additional to those of its predecessor. These were in three areas where it was considered that the additional powers would benefit the industry and improve the Corporation's operations. First, the ADC's regulatory functions were strengthened to provide it with specific power, after consultation with appropriate industry bodies, to determine the quantity of dairy produce to be exported to a particular country or countries in the course of a season. Second, provision was made for the ADC to be granted monopoly trading power by regulation for specific export markets after consultation with the industry. Third, the ADC's borrowing powers were extended. However, in practice, these powers have not been used to a great extent.

From 1 July 1977, the ADC was invested with additional powers in respect of the administration of the new statutory marketing arrangements for the dairy industry. These arrangements established a compulsory levy/disbursement system for the major dairy products and were designed to protect the domestic pricing structure and to provide each manufacturer with an equalised return from domestic and export sales of such products.

(c) Australian Egg Board

In 1943, under the National Security (Egg Industry) Regulations, a scheme on an Australia-wide basis was introduced to control the marketing of eggs commercially produced in Australia. The objects of the scheme, briefly, were to provide for the needs of the Armed Forces and the Australian civilian population on the most economic basis, and according to priority.

Exports, except for the use of services overseas, virtually ceased until the end of hostilities in 1945, when the shipment of eggs and egg products to the United Kingdom was resumed. Shipments to the United Kingdom were then made under contract with the United Kingdom Ministry of Food.

Upon the expiry of the Australian Parliament's powers under the National Security Regulations, the marketing of eggs within Australia became once again the responsibility of the respective States. However, in order to ensure continuance of an orderly export marketing system for Australian eggs and to provide adequate safeguards in respect of the contracts entered into between the United Kingdom and Australian Governments, the Australian Egg Board was constituted to operate from 1 January 1948, under the Egg Export Control Act, 1947.
The Board purchased from the State Egg Boards eggs and egg products for shipment to the United Kingdom at the equivalent of the contract prices. The contracts provided an assured market for Australian eggs and egg products until the end of May 1953. For frozen egg pulp a further twelve month's contract with the United Kingdom Ministry of Food was arranged.

In 1954, the Egg Export Control Act was amended with the intention of giving the State Boards an opportunity to market their export eggs through a single authority, instead of in competition with each other as had been the practice pre-war.

The Australian Egg Board, as then reconstituted, was empowered to conduct trading operations on behalf of any of the State Boards which wished to avail themselves of the Board's facilities. Until recently all State Boards marketed their exports of eggs in shell and frozen whole egg pulp through the Australian Egg Board.

Supply control introduced in 1972 has been directed at reducing the amount of egg products that have to be sold on the uneconomic export market. The resultant lower exports combined with low prices and higher costs led to an internal review of the Board in 1983 and the current policy of winding down the Board's activities to an agency role. States now handle their own egg exports.

(d) The Australian Honey Board

The Australian Honey Board was established under the Honey Industry Act in 1962 at the request of the industry to regulate Australian exports of honey and to conduct promotion activities on behalf of the industry.

The purpose of establishing the Board was to eliminate disruptive competition in overseas markets and to maximise returns to producers. One of the critical factors was the extent to which export market prices were influencing the domestic market.

Australian honey exports are currently made on a trader-to-trader basis under terms fixed by the Board which only has power to trade where producers voluntarily place honey under its control for that purpose. Full details of the Board's powers in respect of export marketing are shown in Part III.

(e) The (Queensland) Sugar Board

The Sugar Board is constituted under the Queensland Sugar Acquisition Act. The Board, on behalf of the Queensland Government, acquires all raw sugar produced in Queensland and also purchases all raw sugar produced in New South Wales. Sugar is not produced commercially elsewhere in Australia. The acquisition and marketing of Australian raw sugar by the Sugar Board is recognised in the Commonwealth/Queensland Sugar Agreement which was renegotiated in 1984 to operate from 1 July 1984 to 30 June 1989.
The reason for the Board's acquisition of all Australian produced sugar is to assist in regulating the production and marketing of sugar. Under present arrangements returns to growers from domestic and export sales are pooled; this gives growers a uniform return on the sugar content of their cane. The domestic price is controlled at a level agreed between the Commonwealth and Queensland Governments. This provides a stabilising influence on growers' and millers' returns as well as conferring the benefits of a stable price on Australian consumers. The arrangements also facilitate the regulation of exports in conformity with the Australian Government's international obligations, for example, under quota provisions of the 1977 International Sugar Agreement, or in relation to bilateral long term agreements for the supply and purchase of Australian raw sugar.

Under the Commonwealth/Queensland Sugar Agreement the Queensland Government (through the Sugar Board) regulates production, acquires or purchases the sugar produced, supplies refined sugar and sugar products at nominated major population centres at not more than the prices set by the Agreement, and finances sugar rebates.

(f) Australian Meat and Live-stock Corporation

The Australian Meat and Live-stock Corporation is a successor to the Australian Meat Board, which was established in 1936 and reconstituted in 1977 as the Corporation.

The Corporation's role is to protect, develop and promote Australia's export trade in meat and livestock, and to encourage the consumption of meat in Australia. In this role the Corporation is empowered to control and regulate exports of meat and livestock by private traders.

The Corporation also has power to engage in export trading and may, with the approval of the Minister for Primary Industry, adopt the role of sole exporter to a specific market. However, these powers were not intended for routine trading but for situations which call for the use of such powers in the interests of the Australian meat and livestock industry. To date the Corporation has not engaged in trading.

(g) Australian Apple and Pear Corporation

The Australian Apple and Pear Corporation (AAPC) was established in 1973 and commenced operations in 1974.

The Corporation is charged with promoting and controlling the export of apples and pears from Australia, promoting trade and commerce of apples and pears on the domestic market, and improving production and consumption of apples and pears in the Australian Territories.
The Corporation has been given the power to trade in fresh apples and pears. The Corporation's trading power is qualified by a requirement that it must seek the approval of the Minister to engage in trade in competition with Australian concerns and it must conduct any such trade in a manner that accords with commercial practice.

(h) **Australian Dried Fruits Corporation**

The Australian Dried Fruits Corporation was established on 1 January 1979. It is charged with promoting and controlling the export of dried fruit (dried currants, dried sultanas and dried raisins) from Australia.

Subject to approval by the Minister for Primary Industry, the Corporation may engage in trade in dried fruit but in so doing would be subject to any conditions the Minister may specify. It has not as yet sought to use this power.

(i) **Australian Canned Fruits Corporation**

The Australian Canned Fruits Corporation was established to administer a statutory marketing and equalisation scheme for the canned deciduous fruits industry (canned apricots, peaches, pears and mixtures of these fruits). The statutory scheme has operated since 1 January 1980.

The objectives of the marketing arrangements are to facilitate industry adjustment to dramatically changed trading conditions and to avoid the effects of competitive selling practices by individual producers.

Production quotas are allocated to each canner to give entitlement for sales to the Equalisation Market which comprises Australia, Ireland, Japan and Scandinavia. Over quota canned fruit may only be sold on the Equalisation Market when all canner entitlements have been sold.

Canners compete for sales opportunities on the non-Pool markets.

(j) **Australian Wine & Brandy Corporation**

The Australian Wine & Brandy Corporation commenced operation on 1 July 1981. The Corporation retained the regulatory functions of its predecessor, the Australian Wine Board, established in 1929, and gained further functions.

The Corporation's major role is to control the export of wine, brandy and rectified spirit from Australia and to encourage and promote the consumption and sale of these products, both within Australia and overseas. Although grape juice, as such, is not included, provision exists for regulations to be made to allow the Corporation to play some part in grape juice disposal if grape surpluses occur.
The most notable enhancement of power granted to the new Corporation is the power to trade on the export market. This power requires Ministerial approval and is not to be used in competition with commercial enterprises, otherwise than in a manner that accords with commercial practice.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE-TRADING ENTERPRISES

(a) Australian Wheat Board

Under the complementary Commonwealth and State legislation, the Australian Wheat Board is constituted as the authority responsible for the marketing of wheat both domestically and on the export market, and administers export controls on wheat and wheat products. With certain exceptions, all wheat produced in Australia comes under the control of the Australian Wheat Board.

Because Australia is a large exporter it is only in the most unusual circumstances that imports are made, and then they are comparatively small. There have been no imports of wheat since 1957/58. The Board has specific, but not sole powers to import wheat. Wheat imports are subject to quarantine requirements. Under Customs regulations, importation of the seed of a plant of the genus Triticum (including a plant of any variety or type of cultivated wheat) is subject to the permission of the Minister for Primary Industry.

The Act provides that, except with the consent of the Board, a private trader shall not export wheat or wheat products (other than bran or pollard). In practice, however, export sales are made not only by the Board direct, but also in a number of ways involving intermediaries. Commercial grain houses can act as principals and re-sell to their overseas clients.

The quantity of wheat exported is determined by normal commercial supply and demand factors. The criterion applied is simply that the full surplus after meeting local needs and maintaining adequate end-of-season pipeline stocks will be available for overseas markets.

Export prices received by the Board are determined by normal commercial supply and demand factors and competitive conditions.

Agreements to supply of up to five years duration to overseas customers have been entered into by the Board under which there are commitments as to quantities to be sold/purchased annually and under which contracts are negotiated periodically during the term of agreement.

The Australian Wheat Board is the sole constituted authority for the marketing of the Australian wheat crop and the Australian Government does not enter into contractual
obligations involving trade in wheat.

(b) Australian Dairy Corporation

The Australian Dairy Corporation (ADC) is a statutory authority established to regulate and promote the marketing of Australian dairy produce. The Corporation's enabling legislation is the Dairy Produce Act 1924. The Corporation commenced operation on 1 July 1977, subsuming the functions of its predecessor, the Australian Dairy Produce Board.

The ADC's principal powers and functions relate to the export of dairy produce as prescribed. Until 30 June 1977 these producers were butter, anhydrous milkfat, dry butterfat, ghee, certain varieties of cheese*, skim milk, casein and caseinates. As from 1 July 1977 wholemilk powder has been brought under the regulatory control of the Corporation. The Corporation's regulatory functions do not extend to processed products such as sweetened condensed milk, evaporated milk etc.

The ADC regulates the handling and storage of all prescribed dairy products for export; it may determine the timing, terms and conditions (including export pool returns) of export shipments as well as conditions of sale but in practice it only sets the export pool returns on a regular basis. Export sales made on a trader-to-trader basis are subject to the conditions outlined in the Dairy Produce Export Control Regulations. Control is achieved through Certificates of Authority to Export issued by the ADC to licensed exporters. Only persons licensed by the Australian Minister for Primary Industry, or his authorised representative, on the recommendation of the ADC, can export prescribed dairy products. In practice, licences are issued to manufacturers and to traders who have been appointed agents by manufacturers producing prescribed dairy produce. However, unlicensed private traders may export through one of these agents.

Export prices are determined on a normal competitive commercial basis, but for most markets the Corporation periodically determines export pool returns which is the return the exporter must pay into the appropriate product pool.

The Corporation has specific powers, after consultation with appropriate industry bodies, to determine the quantity of dairy produce which will be exported to a particular country or countries in the course of a season. However, in practice, it has only rarely used these powers, in times of production shortage. The Corporation can also be granted monopoly trading powers to specific markets by regulation, but this can only be achieved after prior consultation and approval of the representative industry bodies. The purpose

* The varieties of cheese currently included are cheddar, monterey, cheedam, colby and stirred curd.
is to ensure that adequate supplies are available for
domestic consumption and to allow the ADC to meet specific
overseas obligations, particularly in relation to long-term
arrangements.

The Corporation's powers in respect of imports are limited
to the purchase of dairy products for re-export to protect
traditional markets or develop new marketing opportunities
for Australian produce.

The ADC does not have sole trader or compulsory acquisition
powers.

From July 1977 the ADC was invested with powers in respect
of the administration of the statutory marketing
arrangements under the Dairy Industry Stabilization Act 1977
and the Dairy Industry Stabilization Levy Act 1977. These
arrangements established a compulsory levy/disbursement
system for the major dairy products, and were designed to
support the domestic pricing structure and to provide each
manufacturer with an equalised return from domestic and
export sales of such products.

In conjunction with the domestic marketing arrangements
market returns for prescribed dairy products have been
underwritten by the Commonwealth Government. Under the
current arrangements, which were introduced with effect from
1 July 1981, the Government has agreed to underwrite gross
equalised pool returns for each of the prescribed dairy
products at 95 per cent of a three year moving average of
gross equalised pool returns forecast for the year to which
underwriting applies and estimates for the 2 preceding
years.

The ADC also performs an administrative function in relation
to the provision of finance in the form of advances to
manufacturers. Advances are funded by means of a loan from
the Rural Credits Department of the Reserve Bank of
Australia which is guaranteed by the Minister for Primary
Industry. It enables payments to manufacturers and hence
farmers prior to the receipt of sale proceeds from domestic
and export markets.

Under the Dairy Industry Sales Promotion Act the ADC is
involved in generic advertising, promotion and publicity for
Australian dairy products, both domestically and overseas.
It is involved in the development and establishment of new
overseas markets; and provides information relating to
production and consumption trends and export availability.

The ADC's 100% owned subsidiary Asia Dairy Industries (HK)
Ltd (ADI) provides technical and management expertise and
dairy produce raw materials to joint venture operating
companies. The company is also responsible for the
management of the Corporation's overseas investments.
(c) Australian Egg Board

The Australian Egg Board’s function has essentially been reduced to that of an agent. The State Egg Boards are the only bodies licenced to export, although private traders are not prevented from applying for export licences if they wish to enter what historically has been a loss activity.

The determination of the quantities to be exported is a matter for each State Board.

Export prices are determined on a normal competitive commercial basis. As no eggs for commercial purposes are imported into Australia, the question of retail prices for imported eggs does not arise. Domestic prices are fixed by the respective State Boards.

The Australian Egg Board has not entered into long-term contracts for some years but it is empowered to do so.

(d) The Australian Honey Board

The Australian Honey Board’s powers extend to recommending the licensing of Australian exporters by the Minister for Primary Industry and the issuing of export permits in respect of each shipment. Private traders are free subject to regulatory conditions determined by the Board, to export honey to all destinations. Quantities to be exported are restricted only by availability and overseas demand.

While the Australian Honey Board has no power to trade in honey in its own right, it does have the power to act as the agent for honey producers who wish to use the Board’s services. This power has not been used in the industry since 1970.

The Board has the power to advance finance to the owners of honey against such security as the Board considers appropriate. These advances are used to assist in the financing of honey stocks. Funds for these advances are borrowed by the Board from the Australian Reserve Bank’s Rural Credits Department and are available at concessional rates of interest. The Australian Government guarantees the Board’s borrowings from the Reserve Bank.

In recent times the use of this advance facility has been decreasing. This has to some extent been due to the general high cost of stock holding even when finance is available at concessional rates.

The Board does not exercise any control over imports of honey. Private traders are free to import honey but as Australia produces many varieties of honey and uses domestically only two-thirds of its production, imports are small. Imported honey is usually of a selected variety or quality and enjoys a price premium over most locally-produced honey.
Because exporters compete for supplies with traders on the domestic market returns to producers from the two markets are usually at around the same level for comparable grades.

(e) The (Queensland) Sugar Board

Under the Customs (Prohibited Exports) Regulations the export of sugar from Australia is prohibited except with the consent of the Minister for Primary Industry. This ensures retention of sufficient sugar for domestic requirements and facilitates compliance with Australia's international sugar trading undertakings. The Sugar Board as the representative of the Queensland Government (which acquires all raw sugar produced) is the sole exporter of raw sugar from Australia.

The importation of commercial quantities of sugar derived from sugar cane or sugar beet is prohibited (except with the consent of the Minister for Primary Industry) under the Sugar Agreement Act 1979.

Raw sugar is exported by the Sugar Board through the agency of CSR Limited.

Private trade in the export of sugar is limited to a few thousand tonnes of refined sugar exported under permit to Papua New Guinea, Australian Territories and nearby Pacific Islands. Traders obtain their requirements from the Sugar Board's agents and there is no competition between private traders and the State trading enterprise.

About one million tonnes of raw sugar are sold each year under the conditions of long-term bilateral contracts negotiated with China, New Zealand, Republic of Korea, Malaysia and Singapore by CSR as the agent for the Sugar Board. The remaining export sales are made on the basis of world free market prices.

(f) The Australian Meat and Live Stock Corporation

The Australian Meat and Live-stock Corporation operates under the provisions of the Australian Meat and Live-stock Corporation Act 1977 (as amended), the commodities within the Corporation's field of responsibility are beef and veal, mutton and lamb, goat meat and buffalo meat, together with live cattle, sheep, goats and buffaloes.

The Corporation promotes the consumption of red meat (i.e. the varieties specified above) in Australia and overseas by publicity and public relations activities. It maintains offices in several overseas locations to help develop trade and provides market information and other services to exporters. Exports of meat and livestock are controlled and regulated by the Corporation through the licensing of exporters and the issuing to licensees of orders and directions. These cover a variety of matters such as quality, special requirements for particular markets, shipping arrangements, and quota schemes in respect of countries which set limits on imports.
Exporting of meat and livestock is in the hands of private traders and export prices are determined solely by market forces. As noted earlier, the Corporation has so far not exercised its trading powers. Its predecessor, the Australian Meat Board, did so on isolated occasions when it supplied meat to foreign Government agencies which wished to deal with it.

(g) Australian Apple and Pear Corporation

The relevant functions of the Corporation as listed in the Australian Apple and Pear Corporation Act 1973 are:

- to promote the export from Australia of apples and pears;
- to control the export from Australia of apples and pears.

The Corporation's powers include the following which are of direct relevance to export trading:

- make recommendations to the Minister in relation to the export from Australia of apples and pears, including recommendations in respect of:
  (i) the persons who may be permitted to engage in the export of apples or pears;
  (ii) the quality, standards, and grading of apples or pears or of any variety of apples or pears for export;
- determine terms and conditions for the export of apples and pears including terms of payment and conditions for packaging, labelling and shipping;
- promote, by financial assistance and otherwise, new apple products or pear products;
- act as agent for producers or exporters of apples and pears;
- engage, or make other arrangements with, persons, organisations or companies to perform work, or act as agent, for the Corporation, whether in Australia or overseas;
- to the extent that it considers it necessary in the interests of the apple, pear, apple products or pear products industry, buy and sell and otherwise engage in trade in apples and pears and do all things necessary or convenient for engaging in that trade, including the chartering of ships.

The Corporation is not permitted to engage in trade in competition with persons resident in, or corporations incorporated in, Australia.
(a) without the approval of the Minister; or—
(b) otherwise than in a manner that accords with commercial practice.

The Corporation must comply with any directions given to it by the Minister with respect to the performance of its functions and the exercise of its powers.

The Corporation to date has not used the power to trade and therefore information on quantities available for trading, export prices and long-term contracts is not applicable.

(h) Australian Dried Fruits Corporation

The Australian Dried Fruits Corporation replaced the Australian Dried Fruits Export Control Board. Under the Corporation the functions of the Board, which had been established in 1924 were retained and further functions were added. The Board was established to facilitate the orderly export marketing of Australian dried fruit, a role the Corporation now fulfils because of a continuing need. The Board did not engage in trade.

In addition to its export functions the Corporation is responsible for administering certain aspects of the Dried Sultana Production Underwriting Scheme and the Dried Vine Fruits Equalization Scheme.

The Australian Dried Fruits Corporation operates under the Australian Dried Fruits Corporation Act 1979. Its functions are set out in Section 6 of the Act as follows:

(a) to promote and control the export of dried fruit from Australia;

(b) to promote and control the sale and distribution, after export, of Australian dried fruit;

(c) to encourage and promote the consumption of Australian dried fruit outside Australia.

The Corporation's powers include the following which are of direct relevance to export trading:

- make recommendations to the Minister in relation to the export from Australia of dried fruit and the sale and distribution of Australian dried fruit after export, including recommendations in respect of:

  (i) the terms and conditions of the export of dried fruit;

  (ii) the persons who may be permitted to engage in the export of dried fruit;

  (iii) the packaging and labelling of dried fruit for
export; and

(iv) the quality, standards and grading for export of dried fruit or of any kind of dried fruit;

- engage, or make other arrangements with, persons, organisations or companies to perform work, or act as agent for the Corporation, whether in Australia or overseas; and

- with the approval, in writing, of the Minister and subject to such conditions (if any) as are specified in the instrument of approval, buy and sell and otherwise engage in trade in dried fruit and do all things necessary or convenient for engaging in that trade.

(1) Australian Canned Fruits Corporation

Under the provisions of the Commonwealth and State legislation the Corporation is empowered to acquire and sell the production of canned peaches, pears and apricots of participating States and manage and control all matters connected with, or arising out of its handling, storage protection, transfer, shipment or sale.

The Corporation is also empowered to promote the sale and consumption of canned fruits whether in Australia or overseas and do such things as it thinks fit in order to improve the methods of production, storage, transport and marketing.

The Corporation, being the owner of all canned fruits acquired from the participating States has the responsibility for determining prices and terms of conditions of sales. Such sales are made through marketers nominated by canners and approved by the Corporation. Marketers also compete against private traders who import canned fruit. No pricing or quantity controls exist over imports. Production guidelines are established before the start of each season by the Corporation from an industry sales budget covering Equalisation Pool and Non-Pool markets. Quotas are allocated to give each canner entitlement for sales to the Equalisation Market. Over quota fruit may only be sold on the Equalisation Market when all canner entitlements have been sold.

The Corporation is assisted in the performance of its functions by an advisory committee (Australian Canned Fruits Industry Advisory Committee).

Export prices are established in a competitive environment in circumstances where there is an oversupply of product and declining demand.

(j) Australian Wine & Brandy Corporation

The Australian Wine & Brandy Corporation was set up under the Australian Wine & Brandy Corporation Act 1980. Its
functions are set out in Section 7 of the Act, as follows:

- to promote and control the export of grape products from Australia
- to encourage and promote the consumption and sale of grape products both in Australia and overseas
- to improve the production of grape products in Australia
- to conduct, arrange for and assist in research into matters pertaining to the production, handling and transportation of grape products and of prescribed goods used, or suitable for use, in the production of grape products
- such other functions in connection with grape products as are conferred on the Corporation by the Act or regulations.

The Corporation's powers include the following, which are of direct relevance to export trading:

(a) to make recommendations to the Minister in relation to the export from Australia of any grape product, including recommendations in respect of

(i) the terms and conditions of the export of the grape product;
(ii) the persons who may be permitted to engage in the export of the grape product;
(iii) the packaging and labelling, for export, of the grape product; and
(iv) the quality, for export, of the grape product;

(b) to engage, or make other arrangements with, persons, organisations or companies to perform work, or act as agent, for the Corporation, whether in Australia or overseas.

The Corporation is not permitted to engage in trade in competition with natural persons resident in, or corporations incorporated in, Australia -

- without the approval of the Minister
- otherwise than in a manner that accords with commercial practice.

The Corporation, to date, has not used the power to trade, and therefore information on quantities available for trading, export prices and longer-term contracts is not applicable.
IV. STATISTICAL INFORMATION

Statistical information concerning the relevant products is contained in the attached annex.

Australian Apple and Pear Corporation

As previously stated under Section III, the Corporation so far has not used its power to trade. Therefore statistical information is not applicable.

Australian Dried Fruits Corporation

As previously stated under Section III, the Corporation so far has not used its power to trade. Therefore statistical information is not applicable.

Australian Wine & Brandy Corporation

As previously stated under Section III, the Corporation so far has not used its power to trade. Therefore statistical information is not applicable.

V. REASONS WHY NO FOREIGN TRADE HAS TAKEN PLACE (IF THIS IS THE CASE) IN PRODUCTS AFFECTED

The Australian Meat and Live-stock Corporation, the Australian Apple and Pear Corporation, the Australian Dried Fruit Corporation and the Australian Wine and Brandy Corporation have not, to date, engaged in trade. This is because the export of these commodities is carried out by approved private enterprise exporters. To date circumstances have not arisen where it would be considered desirable for those Corporations to engage in trade in competition with the approved exporters.

Importers of wheat and flour do not normally take place because Australia is a competitive producer and a large exporter and has no need to import wheat.

In Australia, the level of production and the wide variety of dairy produce manufactured have made it unnecessary for any appreciable imports of dairy products to meet domestic demand. However, relatively small but increasing quantities of cheddar and fancy varieties of cheese are imported.

The level of domestic production renders imports of eggs unnecessary. For animal health reasons, the import of eggs or egg products from any source except New Zealand is prohibited.

In the interests of orderly marketing of the Australian surplus, the import of sugar is prohibited.

VI. ADDITIONAL INFORMATION

Not applicable.
### STATE TRADING

(Years ended 30 June)  
(Values in $A millions)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Year</th>
<th>Imports By Trading Organisations (a)</th>
<th>Other Organisations (a)</th>
<th>Exports By Trading Organisations (a)</th>
<th>Other Organisations (a)</th>
<th>Re-exports</th>
<th>Production</th>
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<td>Butter</td>
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<td>1980/81</td>
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(a) ADC and ADI  
(b) Includes butteroil, butter concentrate and ghee.  
NA: Not separately available. Included, if any, in butter imports.  
Sources: Australian Bureau of Statistics  
          Australian Dairy Corporation
## STATE TRADING

(Years ended 30 June)

(Values in $A millions)

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(a) Tonnes carcase weight

NA: Not Available

Source: Australian Bureau of Statistics