VEGETABLE OILS AND OILSEEDS

1. In view of the fact that vegetable oils and oilseeds is one of the commodities discussed by Committee III, the following comments constitute only a brief reference to non-tariff devices applicable to trade in this commodity and the effects of the use of such devices.

2. Non-tariff measures are widely employed in respect to production and trade in vegetable oils and oilseeds. Restrictive measures applied by governments on imports of vegetable oils and oilseeds include the use of quota restrictions, variable import levies, mixing regulations and differential duties. Quantitative restrictions are the most widely used non-tariff measure, although direct aids to exports and deficiency payments are also used to a significant extent.

3. The measures described above tend to limit the export earnings of producers of vegetable oils and oilseeds, some of which are countries in the process of development. In many cases the measures applied to vegetable oils and oilseeds are not related to any basic objectives of national agricultural policies, but appear to be intended primarily to give protection to domestic processing industries. In a number of countries, oilseeds constitute one of the first alternatives available to the production of wheat or other grains in surplus supply. Efforts of some countries to develop production and trade in oilseeds on a normal commercial basis, as an alternative to grain products, are hampered by the existence of non-tariff measures which tend to restrict trade and to stimulate additions to supplies of similar or competitive products.