1. The Ministers agreed at their meeting in May 1963:
   
   (a) that the trade negotiations shall include agricultural products;
   
   (b) that in view of the importance of agriculture in world trade, the trade negotiations shall provide for acceptable conditions of access to world markets; and
   
   (c) that the Trade Negotiations Committee shall work out "the rules to govern and the methods to be employed in the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products".

2. The Trade Negotiations Committee at its meeting in June agreed to set up a Committee on Agriculture, which would be subordinate and report to the Trade Negotiations Committee. The terms of reference of the Committee on Agriculture adhere to the wording used in the Ministers' Resolution.

3. The Trade Negotiations Committee also had a preliminary discussion on agriculture at its September meeting. The main conclusion emerging from this discussion was that the Committee on Agriculture should concentrate, through the first phase of its work, on temperate zone products. The Committee's initial membership reflects this decision.

4. It is suggested that among other things, the Committee on Agriculture, at its first meeting, should start by considering procedures before passing to questions of substance, for the following reasons:
   
   (a) The Committee is embarking on almost completely new work for which there are few precedents and no established procedures. No serious attempt has been made at previous GATT conferences to negotiate about the many non-tariff devices operating for the agricultural sector;
(b) the agricultural sector presents a wide, varied and complex series of problems. The first twenty-four chapters dealing with agricultural produce in the Brussels Nomenclature Tariff lists, account for one fifth of total world trade. This trade is governed by a much greater variety of protective devices (often for the same commodity) than is the case in the industrial field;

(c) agreements in the field of agriculture will, before an overall settlement can be reached, have to be balanced with agreements in the industrial field so as to obtain the fair balance of advantage for all participating countries envisaged in the Conclusions of Ministers.

5. It is desirable to avoid an item-by-item approach such as has been applied in previous tariff negotiations.

6. The most practical way seems to be for the Committee to examine, in a first and general survey, the appropriate chapters in the tariff list (e.g. the chapters 1-24 under the Brussels Nomenclature) and:

(i) to select the products or groups of products which have been or are to be referred to special groups for the negotiation of general arrangements;

(ii) to determine which products, such as tropical products, are to be discussed by the Committee at a later stage; and

(iii) to attempt, by means of an examination of relevant facts concerning the nature of the product, the various trade regimes and other protective devices, to identify the products for which the general rules of the Trade Negotiating Plan do not appear to be appropriate, and for which, therefore, the Committee eventually has to devise special rules and methods.

It would be the understanding that products not appearing on these lists would be subject to the general rules of the Trade Negotiating Plan, save in so far as any of them could be justified for inclusion in exceptions lists.

7. In selecting the groups of products for which general arrangements may be required, the Committee might also discuss, or refer to the special groups, the question which products more specifically are to be dealt with by the special groups.

8. It would also be the understanding that although the classification at a certain stage should be finalized, the classification in the initial stages would only be provisional and would in no sense commit governments. Furthermore,
the Committee should remain free to reclassify certain products or groups of products in accordance with circumstances; for example the possibility is to be maintained for the Committee to consider products which initially are referred to a special group, but for which a general arrangement subsequently does not appear to be appropriate.

9. After this pre-selection, the Committee would enter into the second phase of its work and would concentrate on the products listed under (iii) in paragraph 6. The Committee might endeavour, it is suggested, to devise certain practicable and acceptable categories to be identified by a survey of the nature and various circumstances of trade, including measures of protection, in each product or group of products. A more thorough examination of the remaining items within the appropriate chapters of the Brussels Nomenclature is therefore suggested. This examination, to be supported by data on trade and protective arrangements, should clarify ideas on possible categories and criteria for the purpose of negotiations; it should attempt on the basis of facts thrown up by the survey some provisional allocation of products to particular categories; and it should prepare the way for preliminary consideration of possible techniques of negotiation.

10. In so far as items of agricultural trade can be grouped into one category so that a common treatment in the negotiations can be applied to all or most of the items of that category, it might be possible for negotiations to take place on the basis of the relative degree of protection afforded in each country. For example, if trade in a particular commodity was wholly or mainly governed by quotas, and it was impossible to remove the quotas, it might be possible to define certain percentages by which quotas could be increased. In other cases, where barriers to trade are very diverse, it may be necessary to seek new ideas and techniques to enable meaningful negotiations to take place. There will be new ground to be broken and the means of doing this are most likely to emerge from a survey of the facts.

11. An approach by the Committee to its task on the foregoing lines seems at once essential to clear the ground for the orderly commencement of formal negotiations in 1964, and to avoid premature negotiation, on the basis of incomplete knowledge of the relevant facts, about the items within the Committee's field.