The objectives of the negotiations in the field of agriculture were established by the GATT Ministers at their meeting in May 1963:

"That the trade negotiations shall cover all classes of products ... including agricultural ... products ... and that ... the trade negotiations shall provide for acceptable conditions of access to world markets for agricultural products."

The Ministers further directed the Trade Negotiations Committee and its committees (including the special groups for cereals, meats and dairy products) to elaborate "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."

The Agriculture Committee and the special groups for cereals, meats and dairy products have held numerous meetings for the purpose of carrying out the Ministers' directive. The work of these groups, the problems confronting them and the solutions under consideration are summarized in separate reports. This report, therefore, is confined to agricultural commodities other than cereals, meats, and dairy products.

The Agriculture Committee, in the course of its deliberations, has been presented with two general proposals for dealing with agricultural products.¹

¹The Committee discussed the possibility that in due course other commodities might be considered suitable for treatment under international commodity arrangements.
The first was a United States proposal that agricultural products be given a treatment comparable to that of industrial products, utilizing where possible the across-the-board linear cut agreed upon for these products. Where measures other than fixed tariffs which affect trade are utilized, the objective should be to negotiate reductions comparable to the linear cut applied to other products. This proposal was not adopted as a general negotiating plan.

The European Economic Community has proposed a negotiating plan generally applicable to all agricultural products in all countries. Under this plan it was stated that a maximum margin of support - referred to as the montant de soutien - would be bound for each agricultural product in each country. The margin of support would be calculated in each case in relation to "reference prices" to be established. It was not possible to see how it could be implemented and contribute to the achievement of the objectives laid down by the Ministers. Indeed, in many cases, where fixed tariff bindings now exist, the plan was considered to hold the possibility of increasing levels of protection. This plan also was not adopted as a general negotiating plan.

The suggestion was then made that a pragmatic approach be tried. The Committee agreed that an examination be made of the flows of trade, the nature of products, and the various forms of protection used, as a basis for the formulation of methods of negotiating reductions in trade barriers appropriate to the particular needs and circumstances of groups of products.

A Technical Sub-Committee was established to undertake to group products showing trade flows on the basis of the nature of the product and the methods of protection. The Technical Sub-Committee produced tables showing trade flows and trade control measures by commodities for twenty-seven countries, and more detailed data for four major countries - EEC, Japan, United Kingdom and United States, Spec(64)58, Spec(64)79 and Spec(64)80.
These tables show that:

1. A large volume of agricultural trade (on a value basis) in a wide variety of products moves over zero duties or fixed tariffs only. The import duty remains the single most important means of protection for the products falling outside the scope of the commodities assigned to special groups (cereals, meats and dairy products).

2. For a significant volume of trade various other forms of import controls and various internal governmental measures which affect trade are used, either in connexion with, or as a substitute for, fixed tariffs.

3. The pattern of trade controls differs greatly among countries and, within each country, among the various agricultural commodities.

Considerations and conclusions

This study led to the following considerations and conclusions, which received wide support:

A. It would not be feasible to conduct the agricultural negotiations on the basis of a rule of general application. A pragmatic approach is required that deals effectively with all barriers to trade, whatever form they take.

B. For the greater part of the agricultural trade under consideration, tariffs are the sole or major form of restriction affecting trade. Where the bulk of trade in a commodity is accounted for by countries using tariffs only, the objectives can be carried out by negotiating reductions and binding of tariffs. For these commodities, countries should offer substantial tariff cuts, not excluding the possibility of a 50 per cent cut where appropriate. Remaining countries utilizing other kinds of restrictions in combination with, or in lieu of, fixed tariffs should make equivalent reductions and bindings of their trade restrictive measures.

C. In cases where tariffs generally are supplemented by other frontier controls, where tariffs are not the major barriers to trade, or where internal policies are also important factors affecting access to markets, negotiations should also deal with these other measures, the objective being a significant reduction in trade barriers.
D. Offers for reductions and bindings of trade barriers should be such as to give effect to the objectives laid down by the Ministers.

Procedures

The following procedures have been suggested for consideration:

1. The basis for negotiations would be the existing tariffs and tariff bindings (including zero bindings) and other barriers to trade in accordance with A above.

2. Each country should formulate offers appropriate to the nature of the protective or support measures maintained by it for particular products or groups of products. Such offers would be tabled on 10 September 1964, concurrently with the tabling of the exceptions lists.

3. Offers should be made in respect of all products with the exception of products which are included in the exceptions lists. Such exceptions would be subject to confrontation and justification.

4. Every endeavour should be made to bring about the elimination of restrictions which are inconsistent with the provisions of the General Agreement.

5. The Committee on Agriculture should supervise and facilitate the negotiations with a view to ensuring the fullest possible multilateral effort to achieve the agreed objectives. Accordingly, the results of the individual negotiations should be reported to the Committee on Agriculture.

6. The results of the negotiations should ultimately be generalized to all contracting parties in accordance with standing GATT practices.