AGRICULTURE COMMITTEE

The examination under the terms of reference for the Agriculture Committee agreed upon by the CONTRACTING PARTIES at the twenty-fourth Session of the problems in agriculture will of necessity entail reference to specific commodity problems, but the initial approach ought to focus on general classes of problems which characterize most of agricultural trade and production. It is likely that the search for solutions will evolve in phases: at some point in the examination, certain principles, guide-lines, or rules of conduct may be developed for certain problems. Later, more fundamental negotiating techniques might be developed for reducing the levels of protection and eliminating trade-disruptive practices.

I. International markets

(1) Examine the structure of international markets for the eight commodity sectors, in particular:

- the size of free markets and reserved markets
- the size of non-commercial transactions.

(2) On the basis of an inventory of measures and mechanisms influencing exports and imports identifying the repercussions of such measures and mechanisms upon international markets, in particular:

(a) Determine what portion of agricultural trade benefits directly or indirectly from export assistance, either governmental or otherwise or from other special export pricing practices.

- Examine impact of export subsidies on agricultural trade and determine in what commodity groups are subsidies most prominent and significant.

- Examine impact of all export pricing practices having substantially equivalent effect as subsidies on agricultural trade. This could include two price systems, State trading, certain bilateral arrangements, and exports by marketing or monopoly boards.

- Examine problems relating to non-commercial export transactions such as grants of commodities as food aid. Such an examination could result in an inventory of methods or practices countries follow in their food aid contributions.
(b) Review all quotas, whether or not maintained for balance-of-payments reasons or covered by waiver, minimum import prices and the general level of tariffs or levies on various commodity groups.

II. Production policies

(1) Examine the motivations and general orientation of production policies.

(2) Develop the concept of measuring the margin of support and apply it by country and commodity.

(3) Identify the consequences of production policies upon markets:
   - self-sufficiency ratios by country for the major products traded internationally;
   - prices received by producers, prices on internal markets.

Members of the Committee will participate in the work under the two respective main headings according to their particular interests in the problem or the commodity considered.