

5 December 1958

COMMITTEE II ON EXPANSION OF TRADETRADE IN AGRICULTURAL PRODUCTSTerms of Reference

The Committee has been asked "to assemble, in consultation with other competent international organizations and in particular with the Food and Agriculture Organization, data regarding the use by contracting parties of non-tariff measures for the protection of agriculture or in support of incomes of agricultural producers and the agricultural policies from which these measures derive".

Scope of Study

Papers to be prepared for the first meeting of the Committee should cover those agricultural products (including any farm product in its natural form or which has undergone such processing as is customarily required to prepare it for marketing in substantial volume in international trade) for which supply or demand on the domestic market is affected, directly or indirectly, by non-tariff measures of protection or support.

I. Import Restrictions

Details of the restrictions, as applied to particular products or groups of products:

- (i) the nature of the restriction, i.e. whether a complete or seasonal prohibition, a restriction based on volume or value, or a restriction based on a minimum price or on a requirement to purchase domestic products;
- (ii) if quotas are established, the basis of the system, i.e. whether global quotas (if so, the size of the quotas) or quotas allocated among countries (if so, whether by agreement with the exporting countries);

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- (iii), in the case of a licensing arrangement, the basis of which licences are issued and the administrative arrangements;
- (iv) if the restriction is based on a minimum import price, how this price is determined;
- (v) if based on purchase of domestic products, the ratios and how they are determined.

II. Subsidies,¹ including all Forms of Income and Price Support

Details of the measures applied:

A. Production Subsidies -

Whether for the whole or part of production
(for example, for domestic sales only or also for exports).

B. Other Forms of Income Support -

"Deficiency" payments and other measures.

C. Export Subsidies -

Direct bonuses or subsidies, whether for the whole or part of exports.

D. Financing of Losses on Exports -

Aid granted by the State involving the total or partial reimbursement of export losses or of the difference between the domestic price and the export price.

E. Indirect Aids to Exports -

Preferential or reduced transport rates; subsidies or price reductions for agricultural products used in producing goods for export.

F. Aids to Exports involving the use of Resources obtained from "Compensation" or "Price Equalization" operations

Aids financed by the use of resources obtained from:

- (i) profits on earlier exports;
- (ii) profits on products exported simultaneously at higher prices;
- (iii) extra amounts obtained from sales on the home market or re-exports of imported products;
- (iv) guarantee, support or incentive funds or schemes instituted by the State or operated under State control or authority.

¹ In each case, the cost of the subsidy, the source of the funds used and, if possible, the amount of subsidy per unit should be specified.

G. Other Forms of Aid -

Currency retention schemes or other exchange measures;
Remission of direct taxes or social welfare charges;
Remission of indirect taxes;
Supply of raw materials at preferential prices for the manufacture
of processed products for export.

III. Mixing Regulations

The proportions fixed for domestic and imported products and how
these are determined.

IV. State-Trading Operations

Description of the operations of State-trading enterprises (including
private enterprises enjoying special privileges):

Whether the enterprise deals with exports or with imports; or both.

Whether private traders are allowed to import or export and, if so,
on what conditions. Whether there is free competition between private
traders and the State-trading enterprise.

The criteria used for determining the quantities to be exported and
imported.

How export prices are determined. How the mark-up on imported products
is determined. How export prices and the resale prices of imports
compare with domestic prices.

Whether long-term contracts are negotiated by the State-trading
enterprise. Whether State-trading methods are used to fulfil
contractual obligations entered into by the Government.

Note: For each product or group of products, to which the measures described
in I - IV apply, statistics of production, imports and exports should
be provided for the three years 1955 to 1957.

V. Description of National Agricultural Policies

A. A general statement of policies, relating to agriculture in general or to particular products or groups of products, from which the measures described in I - IV are derived.

B. A general statement of measures directed towards reducing or removing the need for non-tariff measures of protection or support, for example:

- (i) to improve quality or productivity;
- (ii) to increase internal consumption;
- (iii) to provide alternative employment for agricultural labour.