

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

AG/DOC/5/AUS/1

2 September 1982

Special Distribution

## AGRICULTURE DOCUMENTATION INVENTORY OF NON-TARIFF MEASURES

### Measures and Mechanisms Influencing Exports

#### Information Relating to:

#### AUSTRALIA

	<u>Page</u>
I. Information on export credits	2
II. Live cattle, beef and veal, other meats and processed meats	3
III. Dairy products	3
IV. Fruits and vegetables	7
V. Grains	10
VI. Sugar	14

---

This document is one in a series which updates the information originally circulated in the MTN/3E/DOC/5 and Addenda series.

For additional information regarding measures and mechanisms influencing exports of Australia - see (i) document L/5102/Add.8 of 28 October 1981, Australia's Notification Pursuant to Article XVI:1 (Subsidies) which reports, inter alia, measures in force for the marketing of dairy products, dried grapes, apples and pears, and sugar. Australia's Notification Pursuant to Article XVII:4(a) (State Trading) circulated in document L/5104/Add.5, of 4 June 1981 is also relevant - recording the activities of (a) the Australian Wheat Board, (b) the Australian Dairy Corporation, (c) the Australian Egg Board, (d) the Australian Honey Board, (e) the Queensland Sugar Board, (f) the Australian Meat and Livestock Corporation, (g) the Australian Apple and Pear Corporation, (h) the Australian Dried Fruits Corporation and (i) the Australian Canned Fruits Corporation.

As regards non-tariff measures (NTM) other than those covered by this document please refer to document AG/DOC/1 which provides an overview of the way in which NTM information is organized within the AG/DOC/- series.

## I. INFORMATION ON EXPORT CREDITS

The following details update the information previously submitted concerning dairy products, grains, meat, sugar, fruit and vegetables.

### Dairy products

Trader-to-trader sales are made on normal commercial terms. There are no extended credit sales on dairy products.

### Grains

#### Wheat

Quantities of wheat and flour are donated under the Food Aid Convention of the International Wheat Agreement. There are no sales under non-commercial export credit terms. The Australian Wheat Board, however, has extended credit for up to three years on some sales in the past. For some sales on credit terms the Australian Government bears some of the risk of non-payment under the "national interest" provisions of the Export Finance Insurance Corporation Act.

#### Maize

There are no specific measures to assist export trade in maize.

#### Oats

There are no specific measures to assist export trade in oats. There have been no non-commercial transactions in oats.

#### Barley

There are no specific measures to assist export trade in barley. Stock management is in the hands of several marketing boards and one grower co-operative and there is no government intervention.

#### Sorghum

There are no specific measures relating to sorghum.

### Meat

There are no specific export facilities for transactions covering meat exports. Non-commercial exports are confined to donations by the Australian Government distributed through the United Nations World Food Programme or the Colombo Plan. Donations are bought by the Government at ruling prices after tender and quantities involved are very small.

### Sugar

There are no specific measures to assist export trade in sugar.

### Fruit and vegetables

#### Citrus fruit

Export credit is limited to normal commercial practice.

#### Other fresh fruit (apples and pears)

Export credit is limited to normal commercial practice. Forward sales are made against irrevocable letters of credit. Non-commercial transactions are limited to very small quantities exported for promotion of trade.

#### Canned fruit

Non-commercial exports are confined to donations by the Australian Government. Aid is either multilateral, through the UN World Food Programme, or bilateral through the Colombo Plan. Donations are bought by the Government at ruling prices after tender. Quantities involved are very small in relation to total trade.

## II. LIVE CATTLE, BEEF AND VEAL, OTHER MEATS AND PROCESSED MEATS

### A. Observations

There are no direct Government support measures.

## III. DAIRY PRODUCTS

### A. Observations

Legislation was passed in June 1977 to provide for a levy/disbursement scheme to replace the voluntary equalization scheme previously operated by the industry. The legislation provides for levies to be payable by manufacturers on the production of prescribed products, i.e. butter, cheese (initially Cheddar, Gouda, granular and stirred curd, but from 1 July 1981 also includes Colby and Cheedam), skim milk powder, casein and whole milk powder, which are sold on the domestic market. The levy/disbursement arrangements are designed to provide each manufacturer with an equalized return from his domestic and export sales of prescribed products.

The government also underwrites equalized returns to manufacturers. For the 1981/82 and 1982/83 seasons the government has undertaken to underwrite gross equalized pool returns for the total production of each of the prescribed dairy products at 95 per cent of a three-year moving average of gross equalized pool returns.

The gross equalized pool returns taken into consideration in determination of the underwritten values will be the return forecast for the year in which underwriting is being determined and the return in the two previous years.

The government agreed to phase in arrangements for the 1981/82 season by reducing the weight to be attached to the lower returning 1979/80 year and thereby giving greater weight to current and expected returns.

It is not anticipated that the government's commitment in respect of either the 1981/82 or 1982/83 season will involve any financial outlay.

# IIIB. STATISTICS

Value of Exports (\$A'000)<sup>1/</sup>

Products	Years	Total	With direct assistance	With indirect assistance	Without assistance	Non- commercial transactions	Total amount of export payments
Butter	1973/74	41,881	-	41,881	-	-	15,523
	1974/75	33,834	-	33,834	-	-	8,089
	1975/76	63,658	-	-	63,658	-	-
	1976/77	38,112	-	38,112	-	-	2,000
	1977/78	43,946	-	43,946	-	-	15,200
	1978/79	61,324	-	61,324	-	-	6,080
	1979/80	38,602	-	-	38,602	-	-
	1980/81	29,795	-	-	29,795	-	-
Skimmed milk powder	1973/74	39,196	-	-	39,196	840	-
	1974/75	43,530	-	-	43,530	1,300	-
	1975/76	44,130	-	-	44,130	900	-
	1976/77	36,033	-	36,033	-	700	-
	1977/78	13,851	-	-	13,851	800	-
	1978/79	8,375	-	-	8,375	1,281	-
	1979/80	6,778	-	-	6,778	1,299	-
	1980/81	6,063	-	-	6,063	1,708	-
Processed milk products	1973/74	49,571	23,303	-	26,268	-	203
	1974/75	50,327	34,895	-	15,432	-	100
	1975/76	58,278	-	-	58,278	-	-
	1976/77	71,699	-	-	71,699	-	-
	1977/78	84,494	-	59,407	25,087	-	3,100
	1978/79	93,753	-	49,622	44,131	-	1,958
	1979/80	124,000	-	66,000	58,000	984	3,224
	1980/81	132,078	-	-	132,078	1,489	-

IIIB. STATISTICS (cont'd)

AG/DOC/5/AUS/1  
Page 6

Value of Exports (\$A'000)<sup>1/</sup>

Products	Years	Total	With direct assistance	With indirect assistance	Without assistance	Non- commercial transactions	Total amount of export payments
Cheese	1973/74	28,937	-	24,854	4,083	-	2,951
	1974/75	34,640	-	33,321	1,319	-	1,541
	1975/76	35,178	-	-	35,178	-	-
	1976/77	56,249	-	-	56,249	-	-
	1977/78	55,498	-	-	55,498	-	-
	1978/79	68,974	-	-	68,974	-	-
	1979/80	94,390	-	-	94,390	-	-
	1980/81	103,750	-	-	103,750	-	-
Total of products listed above	1973/74	159,585	23,303	66,735	69,547	840	18,677
	1974/75	162,331	34,895	67,155	60,281	1,300	9,730
	1975/76	201,244	-	-	201,244	930	-
	1976/77	202,093	-	74,145	127,948	700	2,000
	1977/78	197,789	-	103,353	94,436	800	18,300
	1978/79	232,426	-	110,946	121,480	1,281	8,038
	1979/80	263,770	-	66,000	197,770	2,283	3,224
	1980/81	271,686	-	-	271,686	3,197	-

<sup>1/</sup> Subject to revision

Figures under "non-commercial transactions" are based on date of shipment. For this reason they may not be strictly comparable with other data which are based on date of lodgement of export entries.

#### IV. FRUIT AND VEGETABLES

##### A. Observations

A price stabilization scheme operated in each of the 1971 to 1980 export seasons and covered that portion of fresh apple and pear exports "shipped at risk" (i.e. exported at some degree of risk to the owner of the fruit at the time of export). At the end of each export season, owners of fruit either contributed to or received payments from "Varietal Funds" depending on the extent to which the average realization for each variety was above or below a predetermined support price. The Government guaranteed the operation of the various Varietal Funds up to predetermined limits for each export season.

In 1981 the Government introduced an Apple and Pear Export Underwriting Scheme to separately cover apples and pears for the seasons 1981 to 1985. At the same time, the stabilization scheme for apples is being phased out over the four years 1981 to 1985 while the scheme for pears was terminated at the end of the 1980 season. The provision for growers to pay into "Varietal Funds" was also removed.

An underwriting scheme for dried sultanas is currently in operation. It has replaced earlier stabilization schemes. The arrangement is based on the Australian Government guaranteeing minimum returns per tonne from production in the 1982, 1983 and 1984 seasons equal to 90 per cent of the average of net returns at packing houses in the preceding two seasons and the estimated net return for the current season. In the 1985 and 1986 seasons the guaranteed minimum return is to be 95 per cent of the three year average net return. If the net return for a season is less than the guaranteed level, an underwriting payment equal to the difference will be made on the total production in that season.

Underwriting does not insulate producers from significant market trends.

IVB. STATISTICS

Product	Year	Value of exports (\$A'000)				Total amount of export payments (\$A'000)	Ratio of non-assist. exports to total exp. (%)	Ratio of total amount of export payment	
		Total	With direct assist.	Without assist.	Non-commercial transactions			To total exp. (%)	To assist. exp. (%)
<u>Apples and pears - fresh</u>									
ex 08.06	1976/77 <sup>2/</sup>	17,584	8,851	8,733	-	593 <sup>1/</sup>	50	3	7
	1977/78	23,280	11,398	11,882	-	410 <sup>1/</sup>	51	2	4
	1978/79	31,296	4,223	27,073	-	2,813 <sup>1/</sup>	87	9	67
	1979/80	38,391	7,934	30,457	-	218 <sup>1/</sup>	79	0.6	0.7
	1980/81	35,288	35,288	-	-	5,294 <sup>2/</sup>	-	15	15
<u>Sultanas, raisins, currants</u>									
ex 08.04	1973/74	17,747	17,747	-	-	390	-	2	2
	1974/75	19,990	-	19,990	-	- <sup>3/</sup>	100	-	-
	1975/76	26,878	-	26,878	-	- <sup>3/</sup>	100	-	-
	1976/77	26,677	26,677	-	-	660	-	2	2
	1977/78	35,755	35,755	-	-	770	-	2	2
	1978/79	46,867	-	46,867	-	- <sup>4/</sup>	100	-	-
	1979/80	54,648	-	54,648	-	- <sup>5/</sup>	100	-	-
	1980/81	74,967	-	74,967	-	- <sup>4/</sup>	100	-	-

<sup>1/</sup> Payments under Apple and Pear Stabilization Scheme

<sup>2/</sup> Combined payments under Apple and Pear Export Underwriting Scheme and Apple and Pear Stabilization Scheme

<sup>3/</sup> No pay-ins by growers or pay-outs by the Commonwealth under Dried Vine Fruit Stabilization Scheme in respect of 1973, 1974 and 1975 seasons

<sup>4/</sup> Dried Vine Fruit Stabilization Scheme did not operate in respect of 1977, 1979 and 1980 seasons

<sup>5/</sup> Only grower pay-ins to the Dried Vine Fruit Stabilization Scheme in respect of the 1978 season



Product	Year	Value of exports (\$A'000)				Total amount of export payments (\$A'000)	Ratio of non-assist. exports to total exp. (%)	Ratio of total amount of export payment	
		Total	With direct assist.	Without assist.	Non- commercial transactions			To total exp. (%)	To assist. exp. (%)
<u>Canned fruit</u>									
ex 99.31	1973/74	44,542	-	44,542	-	-	100	-	-
- 99.51	1974/75	33,596	-	33,596	-	-	100	-	-
	1975/76	32,896	-	32,896	-	-	100	-	-
	1976/77	40,145	-	40,145	-	-	100	-	-
	1977/78	35,730	-	35,730	-	-	100	-	-
	1978/79	37,761	-	37,761	-	-	100	-	-
	1979/80	55,002	-	55,002	-	-	100	-	-
	1980/81	54,011	-	54,011	-	-	100	-	-
<u>Other fruits - fresh</u>									
	1974/75	2,412	-	2,412	-	-	100	-	-
	1975/76	3,045	-	3,045	-	-	100	-	-
	1976/77	3,686	-	3,686	-	-	100	-	-
	1977/78	4,430	-	4,430	-	-	100	-	-
	1978/79	6,660	-	6,660	-	-	100	-	-
	1979/80 <sup>1/</sup>	20,362	-	20,362	-	-	100	-	-
	1980/81 <sup>1/</sup>	19,343	-	19,343	-	-	100	-	-
<u>Vegetables</u>									
	1973/74	7,196	-	7,196	-	-	100	-	-
	1974/75	7,927	-	7,927	-	-	100	-	-
	1975/76	7,789	-	7,789	-	-	100	-	-
	1976/77	11,537	-	11,537	-	-	100	-	-
	1977/78	10,684	-	10,684	-	-	100	-	-
	1978/79	14,324	-	14,324	-	-	100	-	-
	1979/80	20,218	-	20,218	-	-	100	-	-
	1980/81	24,288	-	24,288	-	-	100	-	-

<sup>1/</sup> Includes citrus fruit

V. GRAINS

A. Observations

The five-year wheat marketing arrangements commencing with the 1979/80 season provide for a guaranteed minimum delivery price (GMDP). The GMDP is set at 95 per cent of the average of the estimated net pool return for the subject season and for the two previous seasons. Movements in the GMDP from one season to the next are subject to a limit of 15 per cent. Any deficiency between the net pool return and the GMDP is met by the government as a payment from revenue when the particular pool is finalized. No deficiency payments have yet been made.

Product	Year	Value of Exports (\$A'000)					Ratio of non-assisted to total exports (%)	Ratio of total amount of export payments	
		Total	With direct assistance	Without assistance	Non-commercial transactions	Total amount of export payments		To total exports (%)	To assisted exports (%)
<u>Wheat and flour</u> <sup>1/</sup>									
10.01	1973/74	537,300	537,300 <sup>2/</sup>	-	29,981 <sup>3/</sup>	12,360 <sup>4/</sup>	-	2.3	2.3
	1974/75	1,083,400	-	1,083,400	44,787 <sup>3/</sup>	-	100	-	-
	1975/76	962,000	-	962,000	32,067 <sup>3/</sup>	-	100	-	-
	1976/77	892,100	-	892,100	24,082 <sup>3/</sup>	-	100	-	-
	1977/78	1,035,300	-	1,035,300	29,361 <sup>3/</sup>	-	100	-	-
	1978/79	810,200	-	810,200	38,782 <sup>3/</sup>	-	100	-	-
	1979/80	2,190,077	-	2,190,077	45,869 <sup>3/</sup>	-	100	-	-
	1980/81	1,744,629	-	1,744,629	70,726 <sup>3/</sup>	-	100	-	-
<u>Rye</u>									
10.02	1973/74	2	-	2	-	-	100	-	-
	1974/75	2	-	2	-	-	100	-	-
	1975/76	-	-	-	-	-	100	-	-
	1976/77	-	-	-	-	-	100	-	-
	1977/78	1	-	1	-	-	100	-	-
	1978/79	-	-	-	-	-	100	-	-
	1979/80	-	-	-	-	-	100	-	-
	1980/81	-	-	-	-	-	100	-	-

<sup>1/</sup> Includes unmilled wheat, wholemeal flour, plain white flour, self-raising flour, wheaten sharps

<sup>2/</sup> In 1973/74 one volume of exports was below the guaranteed quantity, hence the total value of exports is shown under "with direct assistance".

<sup>3/</sup> Figures under "non-commercial transactions" are based on date of shipment. For this reason they may not be strictly comparable with other data which are based on date of lodgement of export entries.

<sup>4/</sup> Disbursements by the Commonwealth Government to the Stabilization Fund in the year in which payments were actually made.

VB. STATISTICS (cont'd)

Product	Year	Value of Exports (\$A'000)					Ratio of non-assisted to total exports (%)	Ratio of total amount of export payments	
		Total	With direct assistance	Without assistance	Non-commercial transactions	Total amount of export payments		To total exports (%)	To assisted exports (%)
<u>Barley</u>									
10.03	1973/74	68,462	-	68,462	-	-	100	-	-
	1974/75	186,681	-	186,681	-	-	100	-	-
	1975/76	200,827	-	200,827	-	-	100	-	-
	1976/77	222,516	-	222,516	-	-	100	-	-
	1977/78	121,834	-	121,834	-	-	100	-	-
	1978/79	149,547	-	149,547	-	-	100	-	-
	1979/80	353,535	-	353,535	-	-	100	-	-
	1980/81	242,715	-	242,715	-	-	100	-	-
<u>Oats</u>									
10.04	1973/74	13,615	-	13,615	-	-	100	-	-
	1974/75	19,768	-	19,768	-	-	100	-	-
	1975/76	32,858	-	32,858	-	-	100	-	-
	1976/77	33,399	-	33,399	-	-	100	-	-
	1977/78	19,605	-	19,605	-	-	100	-	-
	1978/79	24,931	-	24,931	-	-	100	-	-
	1979/80	43,760	-	43,760	-	-	100	-	-
	1980/81	27,709	-	27,709	-	-	100	-	-

VB. STATISTICS (cont'd)

Product	Year	Value of Exports (\$A'000)					Ratio of non-assisted to total exports (%)	Ratio of total amount of export payments	
		Total	With direct assistance	Without assistance	Non-commercial transactions	Total amount of export payments		To total exports (%)	To assisted exports (%)
<u>Maize</u>									
10.05	1973/74	230	-	230	-	-	100	-	-
	1974/75	155	-	155	-	-	100	-	-
	1975/76	1,002	-	1,002	-	-	100	-	-
	1976/77	2,801	-	2,801	-	-	100	-	-
	1977/78	1,598	-	1,598	-	-	100	-	-
	1978/79	1,325	-	1,325	-	-	100	-	-
	1979/80	870	-	870	-	-	100	-	-
	1980/81	3,390	-	3,390	535	-	100	-	-
<u>Sorghum and other grains</u>									
10.07	1973/74	58,217	-	58,217	-	-	100	-	-
	1974/75	77,392	-	77,392	-	-	100	-	-
	1975/76	78,387	-	78,387	-	-	100	-	-
	1976/77	85,533	-	85,533	-	-	100	-	-
	1977/78	41,167	-	41,167	-	-	100	-	-
	1978/79	50,829	-	50,829	-	-	100	-	-
	1979/80	66,699	-	66,699	-	-	100	-	-
	1980/81	63,099	-	63,099	-	-	100	-	-
<u>Total coarse grains</u>									
	1973/74	140,526	-	140,526	-	-	100	-	-
	1974/75	283,998	-	283,998	-	-	100	-	-
	1975/76	313,075	-	313,075	-	-	100	-	-
	1976/77	344,249	-	344,249	-	-	100	-	-
	1977/78	184,205	-	184,205	-	-	100	-	-
	1978/79	226,632	-	226,632	-	-	100	-	-
	1979/80	464,864	-	464,864	-	-	100	-	-
	1980/81	336,913	-	336,913	-	-	100	-	-

Page 13

## VI. SUGAR

### A. Observations

Under the Customs (Prohibited Exports) Regulations the export of sugar from Australia is prohibited except with the consent of the Minister for Primary Industry. This ensures retention of sufficient sugar for domestic requirements.

Australia is a member of the International Sugar Agreement, 1977, which is designed to maintain sugar prices at levels both remunerative and just to producers and equitable to consumers, using combined mechanisms of export quotas and special stocks. The Customs (Prohibited Exports) Regulations assist Australia in complying with its obligations under the Agreement.

Australia currently exports approximately 2.5 million tons of sugar per year with close to 1.0 million tons being exported under long-term contracts with Malaysia, Singapore, Republic of Korea, New Zealand and China. The terms and conditions, including prices, under which the sugar is sold are stipulated in these contracts. Remaining export sales are made on the basis of world free market prices. The United States, Japan and Canada are important market outlets.

Under the terms of the Commonwealth/Queensland Sugar Agreement, export sugar rebates are payable on the Australian sugar content of exported goods when the price of sugar sold to manufacturers in Australia is higher than the lowest national import parity price calculated monthly. The rebates are equal to the difference. The cost of the rebate is borne by the Australian sugar industry.

In the year ended 30 June 1981, \$A548,000 was paid in export rebates.