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AGRICULTURAL PROTECTION BY NONTARIFF TRADE BARRIERS

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AGRICULTURAL PROTECTION BY NONTARIFF TRADE BARRIERS

Tariffs are well-known means by which governments raise revenue and protect both agricultural and nonagricultural industries. However, much less is known by the general public of the nontariff trade barriers that obstruct commerce.

Many countries continue to use import licensing or other controls to regulate foreign exchange payments because of continuing balance of payments problems. Many others, where balance of payments is not a serious problem, nevertheless retain foreign exchange regulations or other nontariff trade controls applicable to imports of farm products.

The term nontariff trade controls as used in this analysis includes all forms of import controls applicable to agricultural products, other than (1) import tariffs generally recognized as falling in the category of customs duties, and (2) prohibitions on the importation of unwholesome commodities such as products dangerous to human life, or capable of disseminating disease among domestic plants or animals.

This analysis has been made for the purpose of determining the extensiveness of nontariff trade control measures applicable to agricultural products produced in leading exporting and importing countries. No completely satisfactory method of making such a calculation has been found. The method used here is to compare the value of all major commodities or commodity groups produced in each country with the value of production of those items that are covered by nontariff import restrictions. Official publications for each country were used as the sources for production values and the import restrictions.

The percentage of domestic production shown in the tables below as being protected by nontariff control cannot be presumed to be an exact measurement of actual protection emanating from these controls. The extent of the quantitative restriction of imports under the control measure may vary from absolute embargo of certain commodities to restriction of imports seasonally when domestic production is adequate to meet estimated consumer requirements.

In some countries there are statutory restrictions of imports which are in fact superfluous since economic factors affecting trade such as efficiency of domestic production, consumer preference for the domestic product, or transportation costs, may be effective in limiting imports of products that would compete with domestic products in the local market. Also, protective tariffs may be such that they would protect domestic producers in the absence of nontariff import controls. However, import restrictions established under statutory authority and applicable to imports of products of the type produced domestically are assumed to be protective of domestic producers.

While indicating the extent of nontariff protection of domestic agricultural production the percentages shown in Table 1 and country tables in no way measure the extent to which agricultural trade would be increased if the existing controls were removed or relaxed.

Nontariff controls of the types listed below were used in calculating the extent of controls ostensibly protecting or benefiting domestic producers. Only those controls in effect during 1962 and applicable to agricultural commodities specified in statutes or official regulations were included in the protected list of products. Any changes in the barriers since January 1, 1963 have not been included.

1. Quantitative restrictions, mainly import quotas and embargoes: These limit volume of imports and may also discriminate as to source. They include seasonal embargoes or other seasonal quantitative controls.
2. Variable levies and gate price system: These are termed nontariff barriers because they are variable and have a quantitative impact on imports. They are operated in a manner that tends to restrict the volume of imports to the difference between protected or supported domestic production and total utilization. Fixed levies are not included among the nontariff barriers.
3. Conditional imports: These include domestic mixing regulations and controls making imports conditional upon production, utilization, price, or other factors.
4. Monopolies: This includes trading by State agencies, quasi-government agencies or private institutions operating under governmental authority to determine whether imports are to be allowed and conditions of entry.
5. Advance deposits on imports: These are considered nontariff barriers when discriminatory.
6. Import discrimination and preferential treatment: These discriminate as to source of supply, frequently against the dollar area, and are closely linked with import licensing. They do not include simple tariff preference in the customs import schedule.
7. Import licensing: If these discriminate as to source of supply or if they are not in fact granted automatically, they are included as nontariff controls.
8. Bilateral agreements: These are included if they preclude free market access to countries not party to such arrangements.

In some instances, incomplete production and trade data necessitated the use of a commodity group instead of individual items. This may have resulted in lesser items sometimes being classified as unprotected when they were in fact subject to nontariff controls, and vice versa.

Health and sanitary regulations were not considered as nontariff barriers even though in some instances they may be used to limit imports or to discriminate as to source. The existence of a sanitary restriction, however, does not preclude the listing of an item as protected if there are other nontariff restrictions.

In arriving at the percentages of nontariff barrier protection, values used for production are those officially reported by the countries or calculated from production and price data reported by the countries. The latest available production and price data were used, generally for calendar year 1961.

If output and adequate price data for all items of production had been available from each country, a more comparable measure of the value of production could have been obtained. However, these data were not available in several of the countries included in this analysis. In such cases, the value of production sold off farms had to be used in the comparison. This aggregate may or may not include all or many of the products consumed on farms. A greater lack of uniformity and clarity was found in the data on livestock production and those on crop production for most countries. The increases in inventories of live animals were not used in calculating the value of livestock products if they could be identified.

Information with respect to utilization and pricing of milk also was inadequate. Milk is a bulky commodity and cost of transportation in fluid form is high relative to its value. Milk has a high degree of perishability¹ and is subject to bacterial contamination. For these reasons milk distributors traditionally have developed relatively local sources of supply. This arrangement or industry practice, developed over the years and continued despite technological advances in milk handling, is reflected in the limited international trade in fluid milk. Information is generally unavailable on the value of milk used in production of the different dairy products in many countries. Under these circumstances, it has been assumed that all milk was protected.

Table 1 summarizes for 17 countries the estimated proportion of the value of domestic agricultural production over which one or more of the 8 forms of nontariff trade protection is extended.

Table 1.--Comparison of the proportion of agricultural production benefiting from nontariff import controls in the United States and selected important agricultural countries

Country	Percentage	Country	Percentage
United States	26	Norway ²	97
France ¹	94	Portugal ²	100
West Germany ¹	93	Sweden ²	(³)
Netherlands ¹	79	Switzerland ²	94
Italy ¹	63	United Kingdom ²	⁴ 37
Belgium ¹	76	Canada	41
Greece ¹	82	Australia	41
Austria ²	91	New Zealand	100
Denmark ²	87	Japan	76

¹ European Economic Community countries.

² European Free trade association countries.

³ Neither total output in terms of value, or representative prices for majority of commodities are available.

⁴ Because this analysis is limited to direct restrictions on imports it does not take into account the operation of the United Kingdom deficiency payment system, extent or manner of payments to farmers, or impact of the system on prices and imports.

UNITED STATES

Source and nature of data-- The total value of farm production in the United States is estimated at \$39,519 million for 1961 (Table 2.). This represents the gross value of all crops and all livestock produced in that year, without any deduction to eliminate the duplication involved in the feeding of various crops to livestock. This concept of gross value has been used for two reasons: (1) Estimates for most foreign countries are apparently on a crop-year basis with no allowance for duplication; (2) measurement of the value of the deduction for feed crops to eliminate the duplication would be extremely difficult, whereas if the same basis is used for all countries, their relative positions are not likely to be affected.

Estimates of the value of production, obtained as available from the Statistical Reporting Service, represent actual output multiplied by season average price. Data for crops and for livestock and livestock products are on a value-of-output basis. The value of meat animals includes production of cattle and calves, hogs, and sheep and lambs. It excludes inventory increases in live animals and resales. Value of consumption on farms is included for all products.

Information from the Statistical Reporting Service was supplemented for some of the less important commodities by estimates of cash receipts plus home consumption obtained from the July 1962 issue of the Farm Income Situation. This publication was the source of estimates for forest, nursery, and greenhouse products, for the value of noncommercial production of various fruits and vegetables, and for data on various minor items not reported by the Statistical Reporting Service.

Types of nontariff import controls-- Commodities protected by nontariff trade restrictions in the United States represented 26 percent of the total value of farm production in 1961. Such commodities were wheat, sugarbeets and sugarcane, peanuts, cotton lint, and milk. Import quotas for dairy products, imposed and maintained under Section 22 of the Agricultural Adjustment Act, as amended, apply mainly to butter, cheese and nonfat dry milk--products purchased to support prices to farmers for manufacturing milk and butterfat.

FRANCE

Source and nature of data-- Official Government estimates as published to the Etudes et Conjoncture, by the Institut National de la Statistique et des Etudes Economiques. Usually published in the December issue. The value of domestic agricultural production is the total of farm cash receipts plus an estimated value for selected crops as well as an estimated value for farm consumption.

Types of nontariff import controls-- France, as a member of the European Economic Community, uses the variable levy and gate price system of the EEC Common Agricultural Policy (CAP) regulations. In addition, France has import quotas, seasonal and other, and arbitrary embargoes.

Table 2.--Gross value of farm production by commodity group, and gross value of production of commodities protected by nontariff trade restrictions, United States¹

Commodity	Total value	Protected value
	<u>Million dollars</u>	
Grains.....	10,457	2,258
Meat animals ³	9,255	0
Milk.....	5,171	⁴ 5,171
Fruits and vegetables.....	3,612	0
Poultry and eggs.....	3,253	0
Cotton (lint and seed).....	2,662	⁵ 2,356
Oil-bearing crops.....	1,819	⁶ 191
Tobacco.....	1,315	0
Forest, nursery, and greenhouse products.....	988	0
Other agricultural commodities ⁷	987	⁸ 278
Total above groups.....	39,519	10,254
Protected, percent.....		26

¹ Value of production shown is for year 1961. Items shown as protected are those restricted as of January 1, 1963. Duplication concerning feed crops and livestock has not been eliminated. Excludes Alaska and Hawaii.

² Wheat, protected under the authority of Section 22 of the Agricultural Adjustment Act, as amended.

³ Cattle and calves, hogs, sheep and lambs. Excludes inventory increases of live animals and resales; includes allowance for consumption on farms.

⁴ Included because of general assumption that all countries protected milk (see page 3). Non-tariff barriers, imposed under Section 22, apply to specified items such as butter, certain cheeses, and nonfat dry milk. Production value of milk and farm separated cream used for manufacturing these and other products totaled \$2,044 million in 1961.

⁵ Cotton lint under Section 22.

⁶ Peanuts under Section 22.

⁷ Wool, mohair, honey, sugar crops (except maple), beans, peas, seeds, etc.

⁸ Sugar beets and sugar cane.

SOURCE: Livestock and Crop Reports (Annual Summaries) and Agricultural Prices, April 1963, Crop Reporting Board, SRS; Farm Income Situation, July 1962, Farm Income Branch, ERS.

NOTE: Information on nontariff import controls supplied by Policy and Program Appraisal Division, ASCS, Trade Policy Division and Commodity Divisions, FAS, and Regional Analysis Division, ERS.

WEST GERMANY

Source and nature of data--Official statistics as published in the annual agricultural statistics, Statistischer Jahrbuch über Ernährung Landwirtschaft und Forsten. The value of domestic agricultural production is computed by multiplying production quantities times average producer prices.

Types of nontariff import controls--West Germany utilizes the variable levy-gate price system of the CAP regulations. In addition, West Germany has import quotas, seasonal and other.

NETHERLANDS

Source and nature of data--Official statistics published annually in the Landbouwcijfers by the Landbouw-Economisch Instituut show the gross value of agricultural production excluding subsidies.

Types of nontariff import controls--The Netherlands utilizes the variable levy-gate price system of the CAP regulations. In addition, it uses quantitative import controls and minimum import prices as Government policy tools to protect domestic agricultural prices. Semi official "Product Boards" have substantial influence on imports, prices, and domestic marketings.

ITALY

Source and nature of data--Official statistics published annually in the Annuario dell Agricoltura Italiana by the Istituto Nazionale di Economia Agraria. The value used in this table is the value of saleable production excluding farm consumed products, waste, and other farm utilization.

Types of Nontariff import controls--Italy utilizes the variable levy-gate price systems of the CAP regulations. Wheat was being State-traded under a special EEC grant until July 1, 1963. Presently wheat imports are controlled by the EEC variable levie system. In addition, the EEC granted Italy permission to implement a safeguard clause for the period July 1, 1963, to June 30, 1964. This allows Italy to apply an additional levy of about \$20.00 per ton on quality imported wheat. However, duty free imports of wheat to replace wheat flour exports are continued. The Italian Government has used quotas and licenses as a means to control agricultural imports but its nontariff regulations are now undergoing some liberalization. To meet domestic market demands and to ease domestic prices, the Government temporarily authorizes imports of certain food items, livestock, meats, butter, and oils. State trading is also active in tobacco. Citrus juices other than grapefruit and fresh grapes are embargoed.

BELGIUM

Source and nature of data--The value of individual commodities was calculated by multiplying the average producer price times production. The value of vegetable production is the reported commercial value. Meat was converted to liveweight and the producer price of the liveweight animal used.

The value of wool was estimated. All figures are from official sources, published in the Annuaire Statistique de la Belgique by the Institut National de Statistique and in Agrarstatistik, 1962, published by the Office Statistique des Communautés Europeennes.

Types of nontariff import controls--Belgium utilizes the variable levy and gate price system of the CAP regulations. It also uses import quotas, minimum import prices, and seasonal restrictions. Imports of apples, pears, and grapes are subject to severe seasonal controls. Belgium, in the past, has had less Government controls and protection on agriculture than most West European countries. However, in recent years, farm groups have succeeded in instituting through governmental intervention both higher domestic prices and increased protection from imports.

GREECE

Source and nature of data--Official statistics from the Greek Ministry of Agriculture, as reported by the Agricultural attache, American Embassy, Athens, AGR. 21, Athens, October 11, 1962, Agricultural Situation. The gross value of agricultural production is reported.

Types of nontariff import controls--Greek law has a provision requiring Government approval on all imports for the purpose of controlling foreign exchange. Greece became associated with the EEC, effective November 1962. This gave Greece special trading privileges in the EEC but did not place that country under EEC's time schedule for tariff rate reductions or the CAP regulations. In addition, advance deposits, import quotas, import licenses, and barter agreements are other forms of nontariff controls.

Table 3.--Proportion of the value of domestic agricultural production protected by nontariff trade barriers, France, West Germany, the Netherlands, Italy, Belgium, and Greece (European Economic Community)¹

Commodity	France		West Germany		Netherlands	
	Total value	Protected value	Total value	Protected value	Total value	Protected value
	Million N-Franc (1 NF = \$.204)		Million D-Mark (1 DM = \$.249)		Million Guilder (1 Gl. = \$.276)	
Grains.....	2 3,845	3,845	1,966	1,966	3 583	583
Edible pulses.....	130		6		37	
Potatoes.....	730	730	950	950	282	
Sugar beets.....	1,100	1,100	910	910	171	171
Oilseeds.....	90	90	31	31	5 52	
Fruits and vegetables ⁷	7,100	8 5,863	2,258	9 1,358	1,192	10 708
Hops.....	(4)		94		(4)	
Tobacco.....	230	230	33		(4)	
Flax Hemp.....	85		(4)		(4)	
Hay.....	(4)		(4)		383	
Other crops.....	(4)		(4)		143	
Livestock and meat.....	12,150	14 11,543	9,434	14 8,962	1,722	14 1,636
Poultry and eggs.....	17 3,800	3,800	1,740	1,740	732	732
Milk.....	7,350	7,350	5,576	5,576	1,553	1,553
Wool.....	20 200		13		(19)	
Other livestock products.....	(19)		(19)			
Total of above items.....	36,810	34,551	23,011	21,493	6,850	5,383
Protected, percent.....		94		93		79

(continued)

¹ ∞
⁷ ∞

Table 3 (Cont.) Proportion of the value of domestic agricultural production protected by nontariff trade barriers, France, West Germany, the Netherlands, Italy, Belgium, and Greece (European Economic Community)¹

Commodity	Italy		Belgium		Greece	
	Total value	Protected value	Total value	Protected value	Total value	Protected value
	Billion Lire (1 L. \$.0016)		Million Belgian Franc (1 BF \$.020)		Million Drachma (1 Drachma \$.033)	
Grains.....	672	672	6,827	6,827	6,243	6,243
Edible pulses.....	25		105		(4)	
Potatoes.....	408		2,057	2,057	1,641	1,641
Sugar beets.....	61	61	613	613	21	
Oilseeds.....	6 52		117		(4)	
Fruits and vegetables ⁷	1,080	11 283	5,133	10 4,516	2,946	12 2,946
Hops.....	(4)		(4)		(4)	
Tobacco.....	11	11	70		2,988	2,988
Flax hemp.....	(4)		(4)		(4)	
Hay.....	(4)		659		(4)	
Other crops.....	74		732		13 4,086	
Livestock and meat.....	710	710	17,025	5 7,817	16 3,621	3,621
Poultry and eggs.....	18 179	179	1,937	1,937	18 999	999
Milk.....	15 403	403	12,934	21 12,934	1,332	1,332
Wool.....	6		43		294	
Other livestock products.....	10	10	230	218	(19)	
Total of above items.....	3,691	2,329	48,482	36,924	24,171	19,770
Protected, percent.....		63		76		82

(continued)

Footnotes:

- ¹ Value of agricultural production for France and West Germany in 1960/61; the Netherlands in 1961; Belgium and Greece in 1961; value of saleable production for Italy in 1961. Nontariff trade barriers in effect as of January 1, 1963. For Italy, nontariff trade barriers are for dollar area imports only.
- ² Includes rice, and coarse grains for human consumption and industrial uses only. ³ Includes straw.
- ⁴ None reported, reported in other crops, or insignificant. ⁵ Includes fiber crops. ⁶ Includes olive oil. ⁷ Also includes wine, apples and pears for cider, and flowers. ⁸ Includes most fruits and vegetables, fresh, chilled, frozen, and canned; fruit juices; wine; bulbs, tubers, plants, and other similar items.
- ⁹ Includes selected fresh or chilled vegetables; fresh and processed apples and pears; wine. ¹⁰ Excludes canned and processed fruits and vegetables. ¹¹ Includes canned and frozen citrus juices; dates and figs; bulk dried grapes; wine grapes; wine. ¹² Subject to advance deposits and import quotas. ¹³ Cotton and olive oil. Olive oil is fully protected by quantitative controls on imports of edible oils. ¹⁴ Excludes hides and skins. ¹⁵ Includes butter, cheese and whey. ¹⁶ Meat, hides and skins. ¹⁷ Includes rabbit. ¹⁸ Eggs only. ¹⁹ None reported, reported in other livestock products, or insignificant. ²⁰ Includes honey and wax. ²¹ Import licensing apparently a part of price support system.

SOURCE: France -- Etudes et Conjoncture. Institute National de la Statistique et des Etudes Economiques, No. 12, Dec. 1961.

West Germany -- Statistischer Jahrbuch uber Ernahrung Landwirtschaft and Forsten, 1961, Table 199 - Total Value of Production, p. 129.

Netherlands -- Landbouwcijfers, 1961, Landbouw - Economisch Instituut.

Italy -- Annuario dell'Agricoltura Italiana, 1961, Istituto Nazionale di Economia Agraria, Vol. XV, pp. 323-325.

Belgium -- Agrarstatistik, 1962, Nos. 2 & 3, Office Statistique des Communautés Europeennes.

Annuaire Statistique de la Belgique, Institut National de Statistique Louvain, Bruxelles, Belgium, 1961.

Greece -- Official Statistics of the Greek Ministry of Agriculture reported in AGR. 21, Oct. 11, 1962, Agricultural Situation, Greece, Agricultural Attache, American Embassy, Athens.

Note: Information on nontariff trade barriers supplied by Trade Policy Division and Commodity Divisions, FAS, and Regional Analysis Division ERS

AUSTRIA

Source and nature of data--Official statistics on quantity produced are published annually in Statistische Nachrichten. Prices used herein were taken from Prices of Agricultural Products and Fertilizers in Europe, 1961/62, FAO, Geneva, 1963. Value of agricultural production was computed by multiplying average prices received by farmers for the fiscal years 1959/60-1961/62 times the quantity produced in the reported year. Where information on prices was not available, no estimate of production value was made.

Types of nontariff import controls--Imports from countries with freely convertible currencies and from Greece and Turkey do not require exchange licenses. Where required, exchange licenses are issued by the Austrian National Bank. Import licenses are required and "equalization levies" are applied on grains, livestock and products, milk, and other dairy products. Fresh grape imports are embargoed. Apples and pears are subject to arbitrary and irregular controls.

DENMARK

Source and nature of data--Official statistics as published annually in Landbrugsstatistik, showing the value of cash receipts from crops and livestock including farm consumption.

Types of nontariff import controls--Annual "licensing budgets" are set up each fiscal year denoting global import quotas with quantity, value, and items specified. Minimum import prices are in effect on sorghums, barley, and corn. There is an embargo on all bread grains as long as Danish production can fulfill Danish needs, mixing regulations applicable to wheat, and import levies on feed grains. All dairy products except special cheeses not produced in significant quantities in Denmark are under import license. Apples and pears are subject to seasonal controls.

NORWAY

Source and nature of data--Official statistics published annually in Statistisk Arbok, for Norge, 1962. Additional information from Agricultural Attache dispatches and the U.S. Dept. of Commerce, WTIS, Part 2, No. 62-41. The value of agricultural production is the cash receipts from crops and livestock, excluding seed and feed.

Types of nontariff import controls--The Norwegian Grain Corporation is a governmental monopoly controlling all imports and exports as well as the domestic distribution of the Norwegian production of grains and feeds. An embargo is in effect on imports of virtually all agricultural products produced in Norway. Seasonal dispensations from embargo are given by Ministry of Agriculture.

PORTUGAL

Source and nature of data--Official statistics on the gross value of agricultural production are published annually in Estatistica Agricola by the Instituto Nacional de Estatistica. Additional information from Portugal, WTIS, Part 2, No. 62-53, U.S. Dept. of Commerce, Sept., 1962.

Types of nontariff import controls--Most imports of Portugal, in shipments valued at more than 2,500 escudos (\$87.50), are subject to license control. Controls over foreign exchange transactions are exercised by the Ministry of Finance through the Bank of Portugal. The same document serves as an import license and foreign exchange permit. In granting import licenses, Portuguese overseas territories, European members of OECD and countries with which Portugal has bilateral agreements are given preference over the United States and Canada.

SWEDEN

Source and nature of data--No table was prepared on the value of Swedish agricultural output as the necessary data were not available.

Types of nontariff import controls--Protection is virtually 100 percent. All products of importance to Swedish agriculture are subject to variable import taxes for the purpose of market regulation. A seasonal embargo is placed on imports of apples and pears. There is an import monopoly for sugar and mixing regulations for wheat. For other products, quantitative controls through licensing are applied under certain conditions.

SWITZERLAND

Source and nature of data--Value of production from Swiss Agriculture, Swiss Farmers' Secretariat, Bugg, 1962. It denotes gross returns to farmers from sales off farm, including value of farm consumption.

Types of nontariff import controls--Agricultural imports are strictly regulated to protect the high domestic prices, which are maintained in an attempt to provide a high degree of food self-sufficiency. Quotas and/or import licenses are issued, depending on the domestic market situation for most competitive agricultural imports. Grains, butter, and fats are State-traded. Tie-in purchases of domestic grains by importers are required if imports would jeopardize sale of domestic grain at equitable prices.

UNITED KINGDOM

Source and nature of data--Official statistics published annually in the Annual Abstract of Statistics, by the Central Statistical Office, London, England, showing the value of gross output at current prices.

Types of nontariff import controls - - There are restrictions on imports of fluid milk and other dairy products, except cheese, apples, pears, several citrus products, and pork. The United Kingdom has currently an annual quota of 25,000 long tons on fresh or frozen pork from the dollar area. These quotas are regulated by the issuance of import licenses. However, the United States has never been able to take any significant advantage of these quotas due to a rigid sanitary restriction applied by the United Kingdom on pork coming from areas not free from hog cholera. As a result of negotiations between the United Kingdom and Argentina during the first half of 1963, limitations were placed on beef shipments from Argentina to the United Kingdom.

Under the producer deficiency payment system employed by the United Kingdom price guarantees cover about three-fourths of the total value of domestic farm production. In addition, direct financial grants are made to farmers either as subsidies on selected factors of production or specific development aids designed to increase farm production efficiency. Therefore, imports which enter freely or under nominal duties compete with domestic production at relatively free market price levels. Since the deficiency payments make up the difference between free market prices and guaranteed prices, domestic production is both encouraged and sheltered.

Table 4.--Proportion of the value of domestic agricultural production protected by nontariff trade barriers, Austria, Denmark, Norway, Portugal, Switzerland, and the United Kingdom (European Free Trade Association)¹

Commodity	Austria		Denmark		Norway	
	Total value	Protected value	Total value	Protected value	Total value	Protected value
	<u>Million Schillings</u> (1 AS = \$.038)		<u>Million Krone</u> (1 K. = \$.145)		<u>Million Krone</u> (1 K. = \$.140)	
Grains.....	2 2,541	2,541	337	337	268	268
Edible pulses.....	1	1	(3)	(3)	(3)	(3)
Potatoes.....	664	664	103	103	124	124
Sugar beets.....	490		119	119	(3)	(3)
Oilseeds.....	14		6 127	7 35	(3)	(3)
Fruits and vegetables ¹⁰	982	11 874	495	12 294	326	326
Tobacco.....	(3)		(3)	(3)	(3)	(3)
Hay.....	(3)		(3)	(3)	3	(3)
Other crops.....	(3)		(3)	(3)	(3)	(3)
Livestock and meat.....	8,153	8,153	16 3,859	3,859	799	17 758
Poultry and eggs.....	18 1,065	(19)	642		161	161
Milk.....	4,680	4,680	1,931	1,931	1,142	1,142
Wool.....	(22)		21 85		44	
Other livestock products.....	(22)		23 159	159	24 29	29
Total above items.....	18,616	16,913	7,857	6,837	2,896	2,808
Protected, percent.....		91		87		97

Table 4.--Proportion of the value of domestic agricultural production protected by nontariff trade barriers, Austria, Denmark, Norway, Portugal, Switzerland, and the United Kingdom (European Free Trade Association)¹

Commodity	Portugal		Switzerland		United Kingdom	
	Total value	Protected value	Total value	Protected value	Total value	Protected value
	Million Escudos (1 E. = \$.035)		Million S. Franc (1 SF. = \$.232)		Mil. Pounds Sterling (1 £ = \$2.80)	
Grains.....	2 2,470	2,470	241	241	148	
Edible pulses.....	4 1,046	1,046	(3)		(3)	
Potatoes.....	(5)		83	83	83	
Sugar beets.....	(3)		18	18	33	33
Oilseeds.....	8 1,342	1,342	9 11		(3)	
Fruits and vegetables ¹⁰	3 734	3,734	423	13 335	138	14 39
Tobacco.....	(3)		6		(3)	
Hay.....	(3)		15 1	1	(3)	
Other crops.....	75	75	(3)		(3)	
Livestock and meat.....	2,912	2,912	1,044	1,001	484	25 163
Poultry and eggs.....	(3)		136	116	248	3
Milk.....	20 1,068	1,068	993	993	365	26 365
Wool.....	273	273	(22)		17	
Other livestock products.....	32	32	(22)		18	
Total above items.....	12,952	12,952	2,956	2,788	27 1,611	603
Protected, percent.....		100		94		37

Footnotes:

- 1 Value of agricultural production for Austria, Denmark, Norway, and Portugal in 1961; for Switzerland, in 1960; and for the United Kingdom, in 1961/62. Nontariff trade barriers in effect as of January 1, 1963.
- 2 Includes rice and coarse grains for human consumption and industrial uses only. 3 None reported, included in other commodities, or insignificant. 4 Includes potatoes. 5 Included in edible pulses. 6 Includes seeds and crops for industrial use. 7 Domestic rapeseed. 8 Only olive oil and olives. 9 Oil and medicinal plants. 10 Also includes wine, apples and pears for cider, and flowers. 11 Primarily apples and pears, fresh or processed for cider. 12 Seasonal restrictions on most fresh fruits and vegetables; canned fruits restricted. 13 Seasonal restriction on fruits; vegetables, table grapes, and grapes for wine restricted. 14 Mostly apples and pears. 15 That may sold to nonfarmers only. 16 Live and slaughtered cattle, hogs, and horses. 17 Sausage casings, pig skins, and cattle, sheep and lamb hides not under quantitative import control. 18 Eggs only. 19 Poultry is liberalized for EEC and OECD members but not for the United States and Canada. 20 Includes eggs. 21 Fur only. 22 None reported, included in other livestock products, or insignificant. 23 Includes increase in livestock numbers. 24 Hides and skins. 25 Pigs and hogs. 26 Cheese is admitted freely. 27 Total value of production includes other products not itemized in table.

SOURCE:

- Austria -- Statistische Nachrichten, Osterreichischen, Statistischen Zentralamt, Janner, 1963.
Prices of Agricultural Products and Fertilizers in Europe, 1961/62, Food and Agriculture Organization, Geneva, 1963.
Denmark -- Landbrugsstatistik, 1962, Det Statistiske Department, Kobenhavn.
Norway -- Statistik Arbok for Norge, 1962, Statistisk Sentralbyra, Oslo, 1962.
Portugal -- Estatistica Agricola, Instituto Nacional de Estatistica, Portugal, 1961.
Switzerland -- Statistische Erhebungen und Schatzungen uber Landwirtschaft und Ernahrung, 1962,
by the Swiss Farmers' Secretariat, Brugg, Switzerland.
United Kingdom -- Annual Abstract of Statistics, 1962, Central Statistics Office, London; Her Majesty's Stationery Office.

Note:

Information on nontariff import controls supplied by Trade Policy Division and Commodity Divisions, FAS, and Regional Analysis Division, ERS.

CANADA

Sources and nature of data--Total value of Canadian agricultural production for 1961 as shown in the table is the estimated gross value of production of farm products as reported by Dominion Bureau of Statistics, Agriculture Division, and Department of Agriculture. The values as shown do not reflect subsidies paid through the Wheat Board or deficiency payments. All amounts shown are in Canadian dollars.

Types of nontariff import controls--Grain imports are rigidly controlled. Licenses required for imports of wheat, oats, barley, and specified grain products are granted at the discretion of the Wheat Board. This restricts trade in these grains and the specified grain products.

Import permits issued by the Department of Trade and Commerce are required for commercial imports of turkey meat and turkeys, with annual imports limited to 4 million pounds, and quarterly imports to not more than 2 million pounds.

Import permits, also issued by the Department of Trade and Commerce, are required for commercial imports of butter, cheddar cheese, dry skim milk, and butterfat. These import permits are not easily obtained.

Added value for duty purposes is applied occasionally for fruit and vegetable commodities.

Table 5.- Proportion of the gross value of domestic agricultural production protected by nontariff trade barriers, Canada¹

Commodity group	Total value	Protected value
<u>Million dollars</u> (\$1 Canadian - 92.82 cents U.S.)		
Grain ²	885.8	³ 779.4
Fodder crops ⁴	355.4	
Edible pulses ⁵	7.6	
Potatoes.....	63.4	
Sugar beets.....	9.0	
Oilseeds ⁶	92.9	
Vegetables ⁷	60.4	
Fruits ⁸	53.8	
Tobacco ⁹	105.3	
Maple products ¹⁰	11.3	
Livestock and meat.....	¹¹ 919.7	
Poultry meat ¹²	153.1	¹³ 46.3
Milk.....	616.8	616.8
Eggs.....	158.4	
Wool ¹⁴	2.1	
Total above groups.....	3,495.0	1,442.5
Protected, percent		41

¹ Value of production shown is for 1961. Items shown as protected are those restricted as of January 1, 1963.

² Wheat, oats, barley, rye, mixed grains, corn for grain, and buckwheat.

³ Imports are rigidly controlled by Wheat Board and licenses are required for wheat, oats, and barley and specified products derived from these crops.

⁴ Tame hay, fodder corn, and field roots. ⁵ Peas and beans.

⁶ Flaxseed, soybeans, sunflower seed, rapeseed, and mustard seed.

⁷ Asparagus, beans (processing and fresh), beets, cabbage, carrots, cauliflower, celery, corn (processing and fresh), cucumbers, lettuce, onions, parsnips, peas, spinach, tomatoes (processing and fresh), and turnips.

⁸ Estimated value (from Dominion Bureau of Statistics) of apples, pears, plums and prunes, peaches, apricots, cherries (sweet and sour), strawberries, raspberries, grapes, loganberries, blueberries, and cranberries.

⁹ All types of the commercial crop of leaf tobacco. ¹⁰ Maple sugar and maple syrup. ¹¹ Cattle and calves, hogs, and sheep and lambs. Excludes inventory increases of live animals and resales; includes allowance for consumption on farms. ¹² Fowl and chicken, turkey, goose, and duck. ¹³ Value of turkey meat. ¹⁴ Shorn.

SOURCE: Quarterly Bulletin of Agricultural Statistics and other publications of Dominion Bureau of Statistics, Agriculture Division, and Canadian Department of Agriculture.

AUSTRALIA

Sources and nature of data--The value of production used in this analysis has been estimated by the Australian Bureau of Agricultural Economics on the basis of criteria used by the Commonwealth Bureau of Census and Statistics. In coverage, more than 90 percent of the total value of production is accounted for in the analysis. It is the gross value of production at wholesale prices realized in the principal markets. It includes estimated values of production consumed on farms, but excludes the value of seed and fodder.

Some double counting exists in this analysis, particularly in the "other grains and other crop" categories, which include sorghum, hay, and minor crops used as feedstuffs for livestock and dairy production. There is also some overlapping in the fruit valuations, particularly those including canned fruit where sugar is an item used in canning.

Types of nontariff import controls--Licensing was liberalized in October 1962, and the Government's Tariff Board was given the authority to impose emergency tariffs or other types of import control whenever it was deemed necessary to protect domestic producers against competition from imports. In addition, commodity boards exercise considerable marketing control over many Australian agricultural commodities such as wheat, barley, corn, rice, sugar, fruits, meats, dairy products, eggs, and cotton. This control is particularly applicable to exports, but in many instances the boards operate as monopolies and tend to restrict, if not prohibit, imports.

The mixing regulation for tobacco leaf has been particularly restrictive on imports of foreign leaf by manufacturers. The percentage of domestic leaf which manufacturers must use before they can qualify for imports has been gradually increased to about 40 percent. This action has resulted in high prices to producers, generally double prices of U.S. leaf.

NEW ZEALAND

Sources and nature of data--Value and price data for wheat, oats, meat, dairy products, apples, pears, and wool were obtained from official New Zealand statistics. Values of other products were estimated on the basis of latest data available. The total value of farm production is a preliminary Government estimate, but there is no indication that this includes production utilized at the farm level or deductions, if any, for seed, fodder, etc. The analysis covers about 90 percent of the products included in the total value of farm production.

Double counting is believed to exist in the value of hay (included in "other crops") and portions of all grain crops ultimately used in livestock, dairy, and egg production.

Types of nontariff import controls--New Zealand's imports are strictly controlled because of balance-of-payments difficulties.

Licensing on a quota basis exists for all agricultural imports except sugar, butter, cheese, and tobacco. Technically, sugar is the only product admitted freely, as butter and cheese imports are regulated, if not prohibited, by the New Zealand Dairy Production and Marketing Board. Tobacco leaf imports are limited by the operation of a mixing regulation and exchange allocations to manufacturers, after domestic leaf has been utilized.

Some commodities such as potatoes are licensed only when shortages occur. Wool, although marketed under a "free" auction system, is imported only through a controlled licensing system even if the type of wool imported is not produced in New Zealand.

Wheat imports, technically embargoed in New Zealand's licensing system, are admitted from Australia under a gentlemen's agreement arrangement.

Table 6. Proportion of the value of domestic agricultural production subject to nontariff trade protection in Australia and New Zealand¹

Commodity	Australia		New Zealand ²	
	Total value	Protected value	Total value	Protected value
	<u>Million £</u> (1£ = \$2.24)		<u>Million £</u> (1£ = \$2.78)	
Grain:				
Wheat.....	186.9	186.9	³ 5.9	5.9
Barley.....	22.0	22.0	⁴ .2	.2
Oats.....	21.1	-	.7	.7
Corns.....	5.5	5.5	⁵ .2	.2
Rice.....	4.9	4.9	-	-
Others.....	⁶ 13.6	-	-	-
Potatoes.....	19.0	-	2.6	2.6
Sugarcane.....	46.6	46.6	-	-
Tobacco.....	12.5	⁷ 12.5	1.9	⁷ 1.9
Cotton.....	.6	.6	-	-
Fruits:				
Apples and pears..	28.6	28.6	3.0	3.0
Citrus.....	12.0	⁸ 12.0	⁹ .1	.1
Pineapples.....	2.9	¹⁰ 2.9	-	-
Grapes.....	17.0	¹¹ 15.0	(¹²)	(¹²)
Peaches.....	4.2	¹³ 3.3	.8	.8
Apricots.....	2.3	¹³ 2.3	¹⁴ .2	.2
Flaxseed.....	.9	.9	.3	.3
Other crops.....	41.5	¹⁵ 2.0	43.9	43.9
Livestock and meat. ¹⁶	237.0	171.1	¹⁷ 112.2	¹⁸ 112.0
Milk.....	171.1	-	83.6	83.6
Eggs.....	41.4	-	¹⁹ .9	.9
Wool.....	365.0	-	95.8	²⁰ 95.8
Total	²¹ 1,256.6	517.1	352.3	352.3
Protected, percent		41		100

¹ Value of production shown is for crop of year 1961-62. Quantitative restrictions or marketing controls effective as of March 1, 1963.

² Most of the value data for New Zealand relates to the crop year 1960-61, which was harvested largely in the 1961 calendar year.

³ 1961-62 crop year. Values based on price guarantees to producers.

⁴ Estimated at price of 9s7d (\$1.35) per bushel.

⁵ Estimated at price of 12s7d (\$1.76) per bushel.

⁶ Includes rye, millet and soybeans.

⁷ Imports limited by mixing regulation requiring manufacturers to use specific percentages of domestic leaf before imports are authorized.

⁸ Controlled by government and quasi-government marketing agencies.

Table 6. Proportion of the value of domestic agricultural production subject to nontariff trade protection in Australia and New Zealand--Continued

- ⁹ Value estimated at wholesale price for domestic fruit of 4d (5¢) per pound.
- ¹⁰ Monopoly marketing control by Committee of Direction of Fruit Marketing (COD), Queensland.
- ¹¹ Over 60 percent of value represents grapes utilized in drying and wine-making. Marketing of both end products controlled by boards.
- ¹² Small amounts of grapes produced but no value information available.
- ¹³ Includes canned fruits.
- ¹⁴ Based on price estimate of 16s (\$2.25) per bushel.
- ¹⁵ Chiefly hops.
- ¹⁶ Value of livestock slaughterings.
- ¹⁷ Value of output of meat freezing, preserving, canning and tallow production 1960-61.
- ¹⁸ Excludes nonmeat products.
- ¹⁹ Estimated.
- ²⁰ Subject to wool reserve price scheme administered by Wool Commission.
- ²¹ Gross value of rural output less deductions for seed and fodder.

Sources: Australia: Bureau of Agricultural Economics, Canberra. Trends in Australian Rural Production and Exports, No. 24, December 1962. Commonwealth Bureau of Census and Statistics, Primary Industries, Pt. II--Nonrural Industries and Value of Production, Bull. No. 54.

Zew Zealand: FAS Agricultural Attache Dispatches. Monthly Abstract of Statistics, April to November 1962 issues. New Zealand Apple and Pear Marketing Board Annual Report. No. 13, 1961. ERS, Indices of Agricultural Production for Australia and New Zealand, February 1963.

JAPAN

Source and nature of data--The estimated value of production is based on information found in An Abstract of Statistics on Agriculture, Forestry, and Fisheries, Japan 1961. Japan's fiscal year 1959 (April 1, 1959, through March 31, 1960) is the latest year for which the value of total agricultural output is shown. It is calculated from production and average prices received by farmers, with an allowance made for seed. Agricultural subsidies are not included.

Major grains--rice, wheat, and barley--are clearly protected and accounted for more than 60 percent of the total output in 1959. Such categories as industrial crops, livestock, and livestock products contain some items that are controlled and some that are not.

Types of nontariff import controls--All commercial imports into Japan must be licensed. Import licenses are granted, at least in part, in accordance with foreign exchange budgets prepared semiannually. Therefore, both the quantity and types of imports can be closely controlled. At present there are three licensing systems in effect: Automatic Approval System (AA), Automatic Fund Allocation System (AFA) and the Fund Allocation System (Negative List). The Fund Allocation System operates under a reasonably tight budget.

The Japanese are moving toward liberalization (transferring goods from the restrictive fund Allocation System to the AA or the AFA), but progress has been slow. With improvements in Japan's foreign exchange position, the need for Japan's licensing and exchange control system is becoming less important. The system, however, is now used to an important degree to protect domestic industries, especially agriculture, from foreign sources of competition.

For the purpose of this calculation, all farm products under the Fund Allocation System on January 1, 1963, to the extent that this could be determined, were considered as protected.

Table 7. Proportion of the value of domestic agricultural production protected by nontariff trade barriers in Japan¹

Commodity group	Total Agricultural Output	Protected Value
	Fiscal Year 1959 (Apr. 1, 1959 Mar. 31, 1960)	Fiscal Year 1959 (Apr. 1, 1959 Mar. 31, 1960)
	Million Yen (360 Yen = \$1 U. S.)	
Grains:		
Rice.....	866,496	866,496
Wheat and barleys.....	127,142	127,142
Miscellaneous cereals....	10,536	
Pulses.....	28,951	² 28,951
Soybeans.....	22,578	
Potatoes.....	73,698	
Vegetables.....	118,079	
Fruits and nuts.....	80,936	³ 62,195
Industrial crops:	80,182	⁴ 64,148
Sugar		
Rape and mustard seed		
Tabacco		
Cocoons.....	45,326	
Livestock and livestock products.....	222,654	⁵ 127,655
Lard		
Milk		
Meat		
Rice straw.....	10,030	
Total above groups.....	1,686,608	1,276,587
Protected percent.....		76

¹ Japan is in the process of liberalizing trade so far as nontariff barriers are concerned. Items shown as protected are those remaining on the restricted list as of January 1, 1963. The value of products shown is for fiscal year 1959 (April 1, 1959 through March 31, 1960).

² Includes peanuts and beans other than soybeans.

³ Includes oranges, grapes and apples.

⁴ The total value of sugarbeets, tobacco, rape and mustard seed is calculated by reported production times average price received by farmers in 1959.

⁵ Excludes hides, skins, tallow and eggs.

Source: Abstract of Statistics on Agricultural, Forestry, and Fisheries, Japan 1961, dates March 1962.

