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DOCUMENTATION ON INTERNATIONAL TRADE IN GRAINS

Addendum

UNITED STATES

The following additional information on international trade in grains has been submitted by the United States delegation. This information supplements information already included in Chapter C of MTN/GR/W/8/Rev.1.

Under Country Notes (pages 110 to 134) add the following:

UNITED STATES GRAIN POLICIES

Production policies

Wheat and feedgrain programmes under the Agriculture and Consumer Protection Act of 1973 are designed to attract the farm production that is needed to meet domestic and foreign demand for United States agricultural products. These programmes are market oriented, providing farmers greater opportunity for decision making in response to market signals and to encourage them to adjust their individual farming operations to current economic conditions.

Participation in wheat and feedgrain programmes is voluntary. Full participation - eligibility for loans and deficiency and disaster payments - is open to all farmers who have wheat and feedgrain allotments.

Wheat and feedgrain allotments are used only to determine payments to a producer in the event that payments are made. The allotment on a national level is determined as the number of harvested acres, based on estimated average yield, needed to result in production equal to estimated domestic and export demand in a given marketing year. As in the past five years, the allotment does not restrict the acreage of wheat or feedgrains that may be produced on the farm. The 1975 allotments for wheat and feedgrains are 53.5 and 89 million acres (21.6 and 36.0 million hectares), respectively.

The provisions of the Agriculture and Consumer Protection Act of 1973 provide a new concept of target, or guaranteed prices and deficiency payments. Deficiency payments are available to programme participants if the national weighted average market price (the price received by farmers) for the first five months of the marketing year is below the target price. In this case the per bushel payment rate will be the target price minus the larger of: (1) the national loan rate or (2) the national weighted average market price. The total programme payment is determined by multiplying the per bushel rate times the farm allotment times the established farm yield.

The 1975 target prices for wheat and corn are set by law. Target prices for sorghum and barley are set at a level which the Secretary of Agriculture determines fair and reasonable in relation to the rate at which target levels are set for corn. The current per bushel target prices are:

Wheat	$2.05	($75.32/m.t.)
Corn	$1.38	($54.33/m.t.)
Barley	$1.13	($51.90/m.t.)
Sorghum	$1.31	($51.57/m.t.)

Price support for grain is generally accomplished through non-recourse loans at specific prices which remain unchanged throughout the season. The support operations are carried out through the Commodity Credit Corporation (CCC). Current per bushel loan rates are:

Wheat	$1.37	($50.33/m.t.)
Corn	$1.10	($43.30/m.t.)
Barley	$0.90	($41.34/m.t.)
Sorghum	$1.88/cwt.	($41.44/m.t.)

There are currently no controls or limits on grain production in the United States. However, under the Agriculture and Consumer Protection Act of 1973 the Secretary of Agriculture has the authority to withhold or "set aside" land from production whenever he considers such action necessary.

Import policy

The United States does not currently maintain any non-tariff trade barriers on the importation of grains. Wheat import quotas, provided for under Section 22 of the Agricultural Adjustment Act of 1935, as amended, have been suspended since January 1974.

Imports of grain are subject to low import duties which are described in detail in Table 57 of MTN/GR/W/8/Rev.1 (page 140).

Export policy

United States commercial grain exports are conducted by private firms without benefit of any form of Government export subsidy. There are no restrictions on these exports; however, there is a mandatory export reporting/monitoring system to ensure timely information on grain sales.

Under the CCC Export Credit Sales Program export sales may be financed through the Commodity Credit Corporation on a deferred payment basis for periods from six months to a maximum thirty-six months. In practice, however, financing has generally been limited to twelve months. Commercial interest rates (currently 8-9 per cent) are charged. The size of this programme is determined by budgetary availability and the need to meet credit terms offered by competitors from other countries.

In addition to commercial grain sales the United States under Public Law 480, Titles I and II, makes agricultural commodities, including grain, available on concessional terms to developing countries. Under Title I credit terms may provide for a repayment period of up to forty years including up to a ten-year grace period. Under Title II donations are made to the people of developing countries through United States voluntary agencies, international agencies such as the World Food Programme, and bilateral government-to-government programmes. Recent legislation requires that at least 75 per cent of the food aid commodities allocated under Title I be to those countries with an annual per capita gross national product of $300 or less. In addition at least 1.3 million metric tons of food commodities are required to be distributed annually under Title II (including at least 1 million through voluntary agencies and the World Food Programme).

U.S. AGRICULTURAL EXPORTS

Commodity	Exports under Government-Financed Programs 1/		Commercial Sales for Dollars		Total Agricultural Exports	
	1973	1974	1973	1974	1973	1974
	-- million dollars --					
Total.	867.2	797.5	16,813.3	21,196.2	17,680.5	21,993.7
Wheat and wheat products . . .	297.9	217.8	3,902.5	4,415.7	4,200.4	4,633.5
Feedgrains and products. . . .	100.5	76.6	3,479.1	4,624.7	3,579.6	4,701.3
	-- Thousand Metric Tons --					
Wheat and wheat products . . .	2,588	1,174	36,187	25,067	38,775	26,241
Feedgrains and products. . . .	1,192	665	40,710	36,807	41,902	37,472

1/ Public Law 480.