the emphasis of the promotion programs shift to activities that further differentiate U.S. agricultural commodities from those of other countries?

- Both of the market development programs promote branded products through EIP's, regional State associations, and nonprofit commodity organizations. Should the Government expand its assistance to private companies for advertising and promotion of private label products? Should the same criteria applied to generic promotions also be used to evaluate branded promotions?

- How can FAS ensure that, in expanding promotions of processed agricultural products, it doesn't inadvertently place the processed product in competition with the underlying unprocessed U.S. commodity (wheat versus flour) or related U.S. input (feed grains versus processed poultry) in the same foreign market? Should FAS require that cooperators evaluate cross-commodity effects in their marketing plans?

- The TEA program is authorized through September 30, 1990. The program has not only increased FAS expenditures, but also those of the participating organizations. Has the large expenditure been effective? Has the TEA, a market development program, provided the best means of countering or offsetting the effects of the unfair trade practices of other nations? Would export subsidies or other incentives better counter unfair trade practices?

Other Export Programs

Several other export programs were established in the 1985 Food Security Act and subsequent legislation. These include the Cottonseed Oil Assistance Program, the Sunflowerseed Oil Assistance Program, mandated CCC purchases of red meat for export, the Dairy Export Incentive program, the Mandated Dairy Sales Program, and the agricultural trade and development missions.

Sunflowerseed and Cottonseed Oil Assistance Programs

Under these two programs, the CCC awards bonuses in physical commodities to exporters to facilitate exports in targeted markets. The Sunflowerseed Oil Assistance program (SOAP), authorized under the Rural Development, Agriculture and Related Agencies Appropriations Act of 1988, made available up to $10 million from Section 32 of PL 74-320 (1935) for bonuses of crude sunflowerseed oil. As of December 1989, Egypt purchased 54,300 metric tons of sunflowerseed oil under the SOAP, resulting in bonuses of 5,464 tons of sunflowerseed oil.

The Agricultural Appropriations Act for fiscal 1989 provided an additional $20 million to assist exports of sunflowerseed and cottonseed oils. The USDA announced on April 28, 1989, that Egypt could purchase up to 20,000 tons of sunflowerseed oil and 20,000 tons of cottonseed oil under the SOAP and COAP, and offered 20,000 tons of sunflowerseed oil under the SOAP to Algeria on November 16, 1989.

The Agricultural Appropriations Act for fiscal 1990 provided an additional $30 million for the SOAP and COAP to be used in fiscal 1990 and 1991. In March 1990, USDA offered an additional 20,000 tons of sunflowerseed oil to Algeria under the SOAP. Since December 1989, SOAP sales to Algeria have totaled 21,000 tons.

Red Meat Sales

The Food Security Act of 1985 directed the USDA to purchase 200 million pounds (about 91,000 metric tons) of red meat for export during an 18-month period from 1986 through 1987. The program was designed to alleviate the effect of the Dairy Termination Program on the U.S. market. This requirement was surpassed with the following export sales: 90,000 metric tons of beef to Brazil, 825 metric tons of high-quality beef to European importers under the annual quota available to the United States from the European Community, 1,000 metric tons of pork sides to Argentina, 15,000 metric tons of beef to Venezuela, and 7,000 metric tons of red meats to Mexico, including 5,500 tons of beef and 1,500 tons of pork hams. USDA also provided the Department of Defense with 4,636 metric tons of red meat between July 1, 1986, and October 1, 1987, to supply military commissaries.

The Agricultural Technical Corrections Act of 1989 (PL 101-220) required the CCC to use the EEP to promote the export of U.S. meats including poultry to U.S. commissaries on military bases in the EC from 1990 through 1992. The CCC is authorized to use not less than $14 million in 1990, $9.8 million in 1991, and $4.6 million in 1992 in CCC commodities from the EEP. In the National Defense Authorization Act (PL 101-189) and the Defense Appropriations Bill (PL 101-65), the Department of Defense was authorized to use $10 million to facilitate the transportation of the U.S. meat to the U.S. commissaries in the EC.

Dairy Export Incentive Program

Section 153 of the 1985 Act authorized the establishment of a Dairy Export Incentive Program (DEIP) through September 30, 1989. The DEIP was extended through September 1990 under the Hunger Prevention Act of 1988. Since February 6, 1987, the CCC has awarded bonuses from its own inventories of dairy products to U.S. exporters of dairy products (butter, butter oil, anhydrous milkfat, nonfat dry milk, whole milk powder, cheddar cheese, and bulk American cheese). Under the Omnibus Trade and Competitiveness Act of 1988, the form of the bonuses for DEIP sales was changed to generic commodity certificates from CCC-owned inventories of dairy products.

As of December 1988, 37 sales totaling 10,947 tons of milk powder were made to 15 countries under the DEIP. The USDA targeted countries that were EC markets (that is, 50 percent or more of the imports of the targeted countries were from the EC). Total value of the milk powder awarded to exporters from CCC inventories was $8,376,821. No sales have been made since December 1988 under the amended program. However, USDA issued a new announcement on January 24, 1990, which provides for sales to 40 countries under the DEIP.

Dairy Product Sales From CCC Inventories

The Mandated Dairy Sales Program, authorized under the 1985 Act, required that the CCC export not less than 150,000 metric tons of CCC-owned dairy products a year from fiscal 1986 through 1988. The program was extended through September 30, 1990, under the Hunger Prevention Act of 1988. The regulations for the program specify that the CCC sales not disrupt domestic U.S. markets or world prices and patterns of trade. From fiscal 1986 through 1989, the CCC exported 414,422 metric tons of nonfat dry milk, 47,420 tons of butter oil, 60,023 tons of butter, and 19,180 tons of cheese from CCC inventories. Major purchasers of CCC dairy inventories were Mexico (butter oil), Iraq (butter),

Algeria (butter and cheese), and Brazil (milk powder). In fiscal 1990 to date, the Soviet Union purchased 50,000 tons of butter from CCC inventories. Some of the sales of CCC dairy product inventories to Mexico and Iraq also were financed by CCC loans under CCC Charter authority.

Agricultural Trade and Development Missions

In December 1987, Congress created the Agricultural Trade and Development Missions Program to further the relationships between U.S. and foreign country private sector and government representatives, and encourage greater participation from the private sector in U.S. agricultural trade and aid activities. Since January 1988, trade missions have been conducted for Algeria, Ivory Coast, Ecuador, Egypt, Hong Kong, India, Indonesia, Jamaica, Kenya, Mexico, North Yemen, the Philippines, Singapore, and Tunisia.

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Glossary

Agency for International Development (AID) -- U.S. Government agency responsible for assistance programs in less developed countries friendly to the United States. Also responsible for administration of Title II programs under PL 480 and for overseas execution of all PL 480 programs.

Agricultural Act of 1949 (PL 89-439) -- Signed into law October 31, 1949. The law, along with the Agricultural Adjustment Act of 1938, makes up the major part of permanent agricultural legislation which is still effective in amended form.

Agricultural Adjustment Act of 1933 (Triple A) (PL 73-10) -- Signed into law May 12, 1933. The law introduced the price support programs, including production adjustments, and incorporated the Commodity Credit Corporation (CCC) under the laws of the State of Delaware on October 17, 1933. The price support payments were financed mostly by processing taxes on the specific commodity. The act also made price support loans by the CCC mandatory for the designated "basic" (storable) commodities (corn, wheat, and cotton). Support for other commodities was authorized upon recommendation by the Secretary of Agriculture with the President's approval.

Agricultural Stabilization and Conservation Service (ASCS) -- A USDA agency responsible for administering farm price- and income-support programs as well as some conservation and forestry cost-sharing programs, environmental protection, and emergency programs. ASCS offices are maintained in nearly all farming counties.

Agricultural Trade Act of 1978 (PL 95-501) -- Signed into law on October 21, 1978. The law introduced intermediate-term credit to promote sales of livestock and poultry (GSM-301), made available credit for the People's Republic of China, authorized agricultural attache and counselor positions in U.S. embassies overseas, and established agricultural trade offices outside U.S. embassies for not less than 6 and not more than 25 foreign countries.

Agricultural Trade Development and Assistance Act of 1954 (Food for Peace) (PL 83-480) -- Signed into law July 10, 1954. The law became the basis for selling and bartering surplus commodities overseas and for overseas relief. The program makes U.S. agricultural commodities available through long-term credit sales at low interest rates, provides food relief, and authorizes "food for development" projects.

Balance of trade -- The difference between the value of goods that a nation exports and the value of the goods it imports. An export surplus occurs when a country's exports exceed its imports, resulting in a favorable trade balance. Similarly, an export deficit implies that imports total more than exports for a country, producing an unfavorable trade balance.

Bilateral trade agreement -- A trade agreement between any two nations. The agreement may be either preferential, applying only to the two countries involved, or most-favored-nation, negotiated between the two countries but extending to all or most other countries.

Blended credit -- A form of export subsidy which combines direct Government export credit and credit guarantees to reduce the effective interest rate.

Cairns Group -- An informal group formed in 1986 at Cairns, Australia. The group seeks the removal of access barriers and substantial reductions in subsidies affecting agricultural trade in response to depressed commodity prices and reduced export earnings stemming from subsidy wars between the United States and the European Community. The members account for a significant portion of the world's agricultural exports. The group includes major food exporters from both developed and developing nations: Argentina, Australia, Brazil, Canada, Chile, Colombia, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand, and Uruguay. The Cairns Group is a strong coalition in the Uruguay Round of multilateral trade negotiations held under the auspices of the General Agreement on Tariffs and Trade.

Cargo preference -- A law that requires a certain portion of goods or commodities financed by the U.S. Government to be shipped on U.S. flag ships. The law has traditionally applied to PL 480 and other concessional financing or donation programs.

Commodity Credit Corporation (CCC) -- A federally owned and operated corporation within USDA. The CCC was created to stabilize, support, and protect farm income and prices through loans, purchases, payments, and other operations. The CCC functions as the financial institution through which all money transactions are handled for agricultural price and income support and related programs. The CCC also helps maintain balanced, adequate supplies of agricultural commodities and helps in their orderly distribution. The CCC does not have any operating personnel or facilities.

Commodity Credit Corporation Charter Act -- The Commodity Credit Corporation was chartered as a Federal corporation in 1948. The CCC has authority under its charter to carry out agricultural price stabilization and related programs. The CCC has used its charter authority to establish export programs, particularly those related to disposal of surplus agricultural commodities.

Common Agricultural Policy (CAP) -- A set of regulations by which member states of the European Community (EC) seek to merge their individual agricultural programs into a unified effort to promote regional agricultural development, fair and rising standards of living for the farm population, stable agricultural markets, increased agricultural productivity, and methods of dealing with food supply security. The variable levy and export subsidies are the two principal elements of the CAP.

Concessional sales -- Credit sales of a commodity in which the buyer is allowed more favorable payment terms than those on the open market. For example, Title I of the Food For Peace Program (PL 480) provides for financing sales of U.S. commodities with low-interest, long-term credit.

Cooperator Program -- A longstanding market development program administered by USDA's Foreign Agricultural Service which coordinates the export promotion efforts of more than 50 nonprofit commodity trade associations, including the U.S. Wheat Associates, Cotton Council International, and the National Potato Promotion Board.

Countervailing duty -- A tariff that offsets an export subsidy of another country.

Dairy Export Incentive Program -- A program authorized by the Food Security Act of 1985 which offered subsidies to exporters of U.S. dairy products to help them compete with other subsidizing nations. Payments were made by the Commodity Credit Corporation on a bid basis either in cash, in-kind, or through certificates redeemable for commodities. The payment rates reflected the type of dairy products exported, the domestic and world prices of dairy products, and other factors. Eligible sales had to be in addition to, and not in place of, those that would normally be made, and payments could not displace commercial export sales.

Developing countries -- Countries whose economies are mostly dependent on agriculture and primary resources and do not have a strong industrial base. These countries generally have a gross national product below $1,890 per capita (as defined by the World Bank in 1986). The term is often used synonymously with less developed countries and underdeveloped countries.

Economic Research Service (ERS) -- A USDA agency responsible for economic data and analyses and social science information needed to develop, administer, and evaluate agricultural and rural policies and programs.

Embargo -- A government-ordered prohibition of trade with another country restricting all trade or only that of selected goods and services.

European Community (EC) -- An organization established by the Treaty of Rome in 1957 and also known as the European Economic Community and the Common Market. Originally composed of 6 European nations, it has expanded to 12. The EC attempts to unify and integrate member economies by establishing a customs union and common economic policies, including the Common Agricultural Policy (CAP). Member nations include the original six countries of Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands, as well as Denmark, Greece, Ireland, Portugal, Spain, and the United Kingdom.

Exchange rate -- The number of units of one currency that can be exchanged for one unit of another currency at a given time. A decline in the value of the U.S. dollar, for example, drops the "price" of U.S. farm products in terms of the currency of many importers. Conversely, an appreciation in the value of the dollar means that foreign importers must spend more of their currency to buy American farm products.

Export Credit Guarantee Program (GSM-102) -- The largest U.S. agricultural export promotion program, functioning since 1982. It guarantees repayment of private, short-term credit for up to 3 years.

Export Enhancement Program (EEP) -- A program initiated in May 1985 under a Commodity Credit Corporation charter to help U.S. exporters meet competitors' prices in subsidized markets. The program was formally authorized by the Food Security Act of 1985. Under the EEP, exporters are awarded generic certificates which are redeemable for CCC-owned commodities, enabling them to sell certain commodities to specified countries at prices below those of the U.S. market.

Export Enhancement Program bonuses -- Generic commodity certificates awarded to exporters to help them meet world market commodity prices.

Export Enhancement Program initiatives -- USDA announcements of the availability of specified quantities of agricultural products to specified countries under the EEP. As of August 1989, EEP initiatives are good for only 1 year from the date of announcement.

Export-Import Bank -- A U.S. Government institution which administers programs to assist the U.S. exporting community, including direct lending and the issuance of guarantees or insurance to minimize risk for private banks and exporters.

Export Incentive Program (EIP) -- A program administered by USDA's Foreign Agricultural Service which assists private firms to promote their branded products overseas.

Export programs -- Government programs which support the promotion of U.S. agricultural commodities or products. Government export programs include overseas food aid and concessional loans, credit and credit guarantees, export price subsidies, and generic and branded nonprice promotion programs.

Export restitutions -- Direct export subsidy payment used to promote exports of agricultural goods by the EC. The "restitution" refunds the difference between the domestic market price and the lower price needed to export.

Exports -- Domestically produced goods and services that are sold abroad.

Export subsidies -- Special incentives, such as cash payments, tax exemptions, preferential exchange rates, and special contracts, extended by governments to encourage increased foreign sales. These subsidies are often used when a nation's domestic price for a good is artificially raised above world market prices.

Food and Agriculture Organization (FAO) -- An agency of the United Nations system concerned with the distribution and production of food and agricultural products around the world. FAO is responsible for collecting, analyzing, and disseminating country data on food, agriculture, and rural affairs. The agency also offers technical assistance and operates training projects in many developing countries.

Food for Peace Program -- See PL 480.

Food grains -- Cereal seeds used for human food, chiefly wheat and rice.

Food Security Act of 1985 (PL 99-198) -- The omnibus food and agriculture legislation signed into law on December 23, 1985, that provides a 5-year framework for the Secretary of Agriculture to administer various agriculture and food programs. The act amends permanent legislation--the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949--for the 1986 through 1990 crop years.

Food Security Improvements Act of 1986 (PL 99-260) -- Signed into law March 20, 1986. The law made further modifications to the 1985 Act, including limiting the funding for the Export Enhancement Program to $1.5 billion from 1986 through 1988 from $2.5 billion for the same period.

Food Security Wheat Reserve -- Authorized under the Food Security Wheat Reserve Act of 1980. The USDA was to hold aside up to 4 million tons of wheat for use in meeting emergency humanitarian food needs in developing countries

Foreign Agricultural Service -- A USDA agency responsible for promoting U.S. agricultural exports and administering export assistance programs. The agency also collects foreign crop and market data.

Foreign Market Development Program -- FAS' title for the combined Cooperator Market Development Program and the Export Incentive Program.

Free trade -- Exchange of goods between countries with no trade barriers or restrictions such as tariffs or import quotas.

General Agreement on Tariffs and Trade (GATT) -- An agreement, originally negotiated in Geneva, Switzerland, in 1947 among 23 countries including the United States, to increase international trade by reducing tariffs and other trade barriers. This multilateral agreement provides a code of conduct for international commerce. GATT also provides a framework for periodic multilateral negotiations on trade liberalization and expansion. The eighth and most recent round of negotiations began in Punta del Este, Uruguay, in 1986. Currently, 105 nations are participating in the talks, including most of the industrialized market economies, most of the less developed countries, and several centrally planned economies in Eastern Europe.

Generic advertising -- Promotion of a commodity without reference to the specific farmer, brand name, or manufacturer. Generic advertising has been used to overcome competition from other products, to increase awareness of lesser known products, and to alter negative opinions about a product. Dairy and beef promotion campaigns are examples. Overseas market development is also an application of generic advertising.

Generic commodity certificates -- Negotiable certificates, which do not specify a certain commodity, issued by USDA in lieu of cash payments to commodity program participants and sellers of agricultural products. The certificates, frequently referred to as payment-in-kind (PIK) certificates, can be used to acquire stocks held as collateral on Government loans or owned by the Commodity Credit Corporation. Farmers have received generic certificates as payment for participation in numerous Government programs including acreage reduction, paid land diversion, the Conservation Reserve Program, rice marketing loans, disaster, and emergency feed programs. Grain merchants and commodity groups also have been issued certificates through the Export Enhancement Program and the Targeted Export Assistance Program.

High-valued products -- Products which range from highly processed, value-added goods to unprocessed but relatively expensive foods on a per-unit or per-volume basis, such as eggs, fresh fruit, and vegetables.

Import barriers -- Quotas, tariffs, and embargoes used by a country to restrict the quantity or value of a good that may enter that country.

Intermediate Export Credit Guarantee Program (GSM-103) -- A program established by the Food Security Act of 1985 which complements the Export Credit Guarantee Program (GSM-102) but guarantees repayment of private credit for 3-10 years.

International Commodity Agreement -- Agreements by a group of countries that contain substantive economic provisions aimed at stabilizing world trade, supplies, and prices. The agreements may include quota agreement among exporters, a buffer stock system, and a multilateral contract between exporters and importers. The International Coffee Agreement, for example, was signed by 67 countries, including the United States, representing all of the world's major exporters and importers of coffee. Agreements have also been negotiated for dairy, olive oil, sugar, and wheat.

International trade barriers -- Regulations imposed by governments to restrict imports from, and exports to, other countries. Tariffs, embargoes, import quotas, and unnecessary sanitary restrictions are examples of such barriers.

International Wheat Agreement (IWA) -- An agreement to stabilize trade in wheat and other grains. This agreement contains two conventions: the Wheat Trade Convention and the Food Aid Convention. The Wheat Trade Convention, signed by 60 countries including the United States provides a forum for the periodic exchange of information among member countries on the world grain situation. The Food Aid Convention, signed by 11 countries, commits signatories to minimum annual food aid contributions of edible grains.

Inventory (CCC) --- The quantity of a commodity owned by the Commodity Credit Corporation (CCC) at any specified time. For example, about 123,000 bales of upland cotton were in CCC inventory on July 31, 1985.

Less developed countries (LDC's) -- See developing countries.

Marketing board -- A major form of government involvement by other countries to control the marketing of a commodity. These boards generally handle all export sales for the commodity. They may administer provisions to guarantee farmers a minimum price each year based on the cost of production or provide an initial minimum price with supplemental payments later based on export sales. Boards may oversee a two-price plan in which domestic prices differ from the export price. Canada and Australia use marketing boards for selected grains, and Australia operates a wool marketing board.

Marketing year -- Generally, the period from the beginning of a new harvest through marketing.

Most-favored nation (MFN) -- Agreements between countries to extend the same trading privileges to one another that they extend to any other country.

Multilateral trade negotiations -- Discussions of trade issues involving three or more countries. An example is the General Agreement on Tariffs and Trade which serves as a forum for intergovernmental tariff negotiations.

National Advisory Council on International Monetary and Financial Policies (NAC) -- A U.S. Government intergovernmental committee that coordinates the policies of all Government agencies to the extent that they make foreign loans or engage in foreign monetary transactions, including PL 480 agreements.

Non-Commercial Risk Assurance program -- A credit program (also called GSM-101) authorized under the Agricultural Trade Act of 1978 to guarantee credit for sales of agricultural commodities against non commercial risks such as foreign import embargoes, wars, or the freezing of foreign exchange.

Nontariff trade barriers -- Regulations used by governments to restrict imports from, and exports to, other countries. Embargoes, import quota, and unnecessary sanitary restrictions are examples of such barriers.

Omnibus Trade and Competitiveness Act of 1988 (PL 100-418) -- Signed into law August 23, 1988. The law revises statutory procedures for dealing with unfair trade practices and import damage to U.S. industries. It gives the Secretary of Agriculture discretionary authority to trigger marketing loans for wheat, feed grains, and soybeans, if it is determined that unfair trade practices exist. The Secretary can extend export programs, such as the Export Enhancement Program and the Targeted Export Assistance Program in response to unfair competition.

Organization for Economic Cooperation and Development (OECD) -- An organization founded in 1961 to promote economic growth, employment, a rising standard of living, and financial stability; to assist the economic expansion of member and nonmember developing nations; and to further expand world trade. The member countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

Payment-in-kind (PIK) -- A payment made to eligible producers in the form of an equivalent amount of commodities owned by the Commodity Credit Corporation. Payments-in-kind were first used in the 1930's to reduce Government-held surpluses of cotton. A PIK program in 1983 offered surplus agricultural commodities owned by the Government in exchange for agreements to reduce production by cutting crop acreage.

Protectionism -- A tariff or import quota, for example, imposed by a country in response to foreign competition, in order to protect domestic producers.

Public Law 480 (PL 480) -- Common name for the Agricultural Trade Development and Assistance Act of 1954, which seeks to expand foreign markets for U.S. agricultural products, combat hunger, and encourage economic development in developing countries. Title I, also called the Food for Peace Program, makes U.S. agricultural commodities available through long-term dollar credit sales at low interest rates for up to 40 years. Donations for emergency food relief are provided under Title II. Title III authorizes "food for development" projects.

Retaliation -- Action taken by one country against another for imposing a tariff or other trade barrier. Forms of retaliation include imposing a higher tariff, import restrictions, or withdrawal of previously agreed upon trade concessions. Restrictive trade action by one country entitles the harmed nation to take counter action, according to the General Agreement on Tariffs and Trade.

Section 32 -- A section of the Agricultural Act Amendment of 1935 (PL 74-320) which authorizes use of customs receipts funds to encourage increased consumption of agricultural commodities by means of purchase, export, and diversion programs. Section 32 is funded by a continuing appropriation of 30 percent of the import duties imposed on all commodities, both agricultural and nonagricultural. Domestic acquisition and donations constitute the major use of Section 32.

Section 201 -- Part of the U.S. Trade Act of 1974 that allows the President to provide relief to industries hurt by competing imports. Growers or trade associations must petition the International Trade Commission to investigate complaints of trade practices.

Section 301 -- A provision of the U.S. Trade Act of 1974 that allows the President to take appropriate action to persuade a foreign government to remove any act, policy, or practice that violates an international agreement. The provision also applies to practices of a foreign government which are unjustified, unreasonable, or discriminatory, and which burden or restrict U.S. commerce.

Section 416 -- A section of the Agricultural Act of 1949 intended to dispose of agricultural commodities to prevent waste. It permits donations of agricultural products to public and private nonprofit humanitarian organizations, foreign governments, and international organizations.

Tariffs -- Taxes imposed on commodity imports by a government. A tariff may be either a fixed charge per unit of product imported (specific tariff) or a fixed percentage of value (ad valorem tariff).

Trade barriers -- Regulations used by governments to restrict imports from, and exports to, other countries. Examples include tariffs, nontariff barriers, embargoes, and import quotas.

Trade liberalization -- A term which describes the complete or partial elimination of government policies or subsidies that adversely affect trade. The removal of trade-distorting policies may be done by one country (unilaterally) or by many (multilaterally). Proposals for agricultural trade liberalization submitted to the General Agreement on Tariffs and Trade in 1987 and 1988 vary in the policies included and the length of time for implementation. The U.S. proposal, for example, calls for complete liberalization of agricultural trade by eliminating all policies affecting production, consumption, and trade in all countries over a 10-year period. The Cairns Group, in contrast, includes only trade-distorting policies and provides for short-term trade reform measures, as well as intermediate and long-term actions.

Trade Policy Committee (TPC) -- The senior U.S. Government interagency trade committee established to provide broad guidance on trade issues. It is chaired by the U.S. Trade Representative (USTR) and is comprised of Secretary-level individuals. The trade policy review group which reports to the TPC is chaired by a Deputy USTR and is comprised of Assistant Secretary-level individuals. The trade policy staff committee, the level at which position papers are initiated, is chaired by a Deputy Assistant USTR and is comprised of office/director level individuals.

Underdeveloped nations -- See Less developed countries.

U.S. Trade Representative -- Cabinet-level head of the Office of the U.S. Trade Representative, the principal trade policy agency of the U.S. Government. The U.S. Trade Representative is also the chief U.S. delegate and negotiator at all major trade talks and negotiations.

Variable levies -- The difference between the price of a foreign product at the port and the official price at which competitive imports can be sold. Such levies are effectively a variable tax on imports or a variable subsidy to exports. Variable levies are used by the European Community, Austria, Sweden, and Switzerland.

Wheat and Feed Grain Export Certificate Programs -- Two discretionary programs for the 1986-90 crops designed to encourage exports of wheat and feed grains from private stocks. Under the Cash Export Certificate Program and the Export Marketing Certificate Program, the Secretary would issue wheat and feed grain export certificates to all eligible producers. The programs have not been implemented.

World Bank/International Bank for Reconstruction and Development (IBRD) -- An international organization which makes long-term loans at conventional interest rates for economic development projects and programs in the developing countries. The International Development Association, which is part of the World Bank, provides financing to very low-income countries to meet their development requirements. The terms of this assistance are more flexible and bear less heavily on the countries' budgets than conventional loans.

World Food Program (WFP) -- An undertaking of the United Nations Food and Agriculture Organization (FAO). The objective of the program is to supply food resources for economic development projects in developing countries. Examples include child feeding and school lunch programs and food-for-work infrastructure projects.

World price -- The cost, insurance, and freight (c.i.f.) price of an imported agricultural commodity at the principal port of a major importing country or area.

Appendix table 1--Sales destinations for EEP commodities, 1985-December 15, 1989

Country/ region	North Africa	Middle East	West. Europe	East. Europe	Soviet Union	China	Other Asia[1]	India	Sub-Sahara Africa	Latin America	Total sales
	- - -

Appendix table 2--U.S. agricultural exports assisted by export payments, by value, fiscal 1962-74 (July/June)

Commodity	1961/62			1962/63			1963/64		
	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments
	---Mil. dol.---		Percent	---Mil. dol.---		Percent	---Mil. dol.---		Percent
Wheat and flour	1,088	1,285	84.7	993	1,158	85.8	1,339	1,518	88.2
Cotton	661	663	99.7	490	491	99.8	670	670	100.0
Oilseeds and products	0	677	0	0	799	0	11	846	1.3
Feed grains and rye	137	704	19.5	0	764	0	0	832	0
Animals and animal products except dairy	0	498	0	0	451	0	0	570	0
Tobacco	3	408	0.7	16	378	4.2	15	421	3.6
Fruits and vegetables and preparations	0	418	0	0	442	0	0	438	0
Rice, milled	128	132	97.0	162	162	100.0	214	214	100.0
Dairy products	23	128	18.0	30	167	18.0	103	260	39.6
Peanuts	0	0	0	3	3	100.0	6	6	100.0
Other	3	228	1.3	0	269	0	0	293	0
Total	2,043	5,141	39.7	1,694	5,084	33.3	2,358	6,068	38.9

	1964/65			1965/66			1966/67		
	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments
	---Mil. dol.---		Percent	---Mil. dol.---		Percent	---Mil. dol.---		Percent
Wheat and flour	1,150	1,239	92.8	1,253	1,403	89.3	1,148	1,312	87.5
Cotton	584	584	100.0	386	386	100.0	21	542	3.9
Oilseeds and products	12	1,124	1.1	23	1,224	1.9	33	1,244	2.7
Feed grains and rye	134	943	14.2	290	1,351	21.5	82	1,153	7.1
Animals and animal products except dairy	0	592	0	1	603	.2	0	594	0
Tobacco	4	395	1.0	4	395	1.0	513	550	93.3
Fruits and vegetables and preparations	0	443	0	0	496	0	0	492	0
Rice, milled	203	203	100.0	220	220	100.0	305	308	99.0
Dairy products	114	226	50.4	55	174	31.6	3	138	2.2
Peanuts	12	14	85.7	19	20	95.0	15	16	93.8
Other	0	333	0	0	409	0	371	412	90.0
Total	2,213	6,096	36.3	2,251	6,681	33.7	2,491	6,761	36.8

Continued--

Appendix table 2--U.S. agricultural exports assisted by export payments, by value, fiscal 1962-74 (July/June)--Continued

	1967/68			1968/69			1969/70		
	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments
	---Mil. dol.---		Percent	---Mil. dol.---		Percent	---Mil. dol.---		Percent
Wheat and flour	882	1,306	67.5	77	924	8.3	634	965	65.7
Cotton	8	475	1.7	3	329	.9	0	347	0
Oilseeds and products	5	1,202	.4	0	1,239	0	37	1,676	2.2
Feed grains and rye	0	1,001	0	0	774	0	6	988	0.6
Animals and animal products except dairy	0	509	0	9	586	1.5	27	664	4.1
Tobacco	457	494	92.5	472	507	93.1	529	562	94.1
Fruits and vegetables and preparations	0	456	0	0	461	0	0	548	0
Rice, milled	32	337	9.5	99	316	31.3	321	322	99.7
Dairy products	2	136	1.5	9	175	5.1	12	109	11.0
Peanuts	13	14	92.9	10	10	100.0	0	0	
Other	0	383	0	0	419	0	0	540	0
Total	1,399	6,313	22.2	679	5,740	11.8	1,566	6,721	23.3

	1970/71			1971/72			1972/73		
	Export with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments
	---Mil. dol.---		Percent	---Mil. dol.---		Percent	---Mil. dol.---		Percent
Wheat and flour	1,054	1,225	86.0	935	1,071	87.3	1,766	2,378	74.3
Cotton	0	492	0	0	530	0	0	748	0
Oilseeds and products	25	2,060	1.2	48	2,235	2.1	38	3,508	1.1
Feed grains and rye	49	1,095	4.5	37	1,118	3.3	0	2,312	0
Animals and animal products except dairy	35	784	4.5	19	809	2.3	8	1,267	.6
Tobacco, unmanufactured	570	570	100.0	570	570	100.0	640	640	100.0
Fruits and vegetables and preparations	0	550	0	0	616	0	0	753	0
Rice, milled	288	288	100.0	230	306	75.2	289	435	66.4
Dairy products	7	131	5.3	88	218	40.4	9	86	10.5
Peanuts	0	0		0	0		0	0	0
Other	0	564	0	0	574	0	0	767	0
Total	2,028	7,759	26.1	1,927	8,047	23.9	2,750	12,894	21.3

Continued--

Appendix table 2--U.S. agricultural exports assisted by export payments, by value, fiscal 1962-74 (July/June)--Continued

Commodity	1973/74			1962-1974		
	Exports with payments	Total exports	Share of exports assisted by payments	Exports with payments	Total exports	Share of exports assisted by payments
	---Mil. dol.---		Percent	---Mil. dol.---		Percent
Wheat and flour	411	4,739	8.7	12,730	20,523	62.0
Cotton	0	1,294	0	2,823	7,551	37.4
Oilseeds and products	0	5,243	0	232	23,077	1.0
Feed grains and rye	0	4,653	0	735	17,688	4.2
Animals and animal products except dairy	0	1,694	0	99	9,621	1.0
Tobacco, unmanufactured	340	814	41.8	4,133	6,704	61.6
Fruits and vegetables and preparations	0	996	0	0	7,109	0
Rice, milled	0	752	0	2,491	3,995	62.4
Dairy products	0	65	0	455	2,013	22.6
Peanuts	0	0		78	83	94.0
Other	0	1,073	0	374	6,264	6.0
Total	751	21,323	3.5	24,150	1 04,628	23.1

Source: U.S. Dept. Agr., Econ. Res. Serv., FATUS, various issues.

Appendix table 3--Value of agricultural exports under credit programs, 1948-88

Year	Export-Import Bank credit	Other loans	CCC credit sales (GSM-5)	Intermediate-term credit (GSM-201)	Intermediate-term credit (GSM-301)	Short-term credit guarantees (GSM-101)	Credit guarantees (GSM-102)	Blended credit	Intermediate-term credit guarantees (GSM-103)	Total
					Million dollars					
1948	17.0	306.0								323.0
1949	35.0	7.0								42.0
1950	24.0	46.0								70.0
1951	14.0	1.0								15.0
1952	89.0	184.0								273.0
1953	62.0	34.0								96.0
1954	113.0									113.0
1955	69.0									69.0
1956	60.5		1.4							61.9
1957	68.5		4.6							73.1
1958	191.4		11.9							203.3
1959	54.0		38.8							92.8
1960	34.2		.8							35.0
1961	42.6		18.4							61.0
1962	71.5		32.8							104.3
1963	85.0		76.6							161.6
1964	78.9		118.4							197.3
1965	72.1		94.5							166.6
1966	62.0		216.8							278.8
1967	103.2		334.8							438.0
1968	70.6		144.9							215.5
1969	51.4		115.9							167.3
1970	67.3		211.3							278.6
1971	97.3		390.8							488.1
1972	86.3		371.6							457.9
1973	66.4		1,028.5							1,094.9
1974			297.9							297.9
1975			248.6							248.6
1976			956.9							956.9
1977			755.3							755.3
1978			1,582.5							1,582.5
1979			1,527.4			63.2				1,590.6
1980			717.9	1.0		698.1				1,417.0
1981					12.8	118.6	1,743.6			1,875.0
1982					8.4		1,386.5			1,394.9
1983							3,420.2	648.9		4,069.1
1984			37.6				3,239.7	560.6		3,837.9
1985			52.0				2,709.6	51.5		2,813.1
1986							2,415.8		0.7	2,416.5
1987							2,630.6		153.8	2,784.4
1988							3,585.5		294.4	3,879.9

Sources: U.S. Dept. Agr., For. Agr. Serv., "Notices to Recipients;" and Cochrane and Ryan, pp 267 and 271.

Appendix table 4--Cereal food aid shipments by donor, 1970-90

Trade year	Australia	Canada	EC	United States	Other	Total
			1,000 metric tons (grain equivalent)			
1970/71	230.2	1,318.0	888.7	9,039.1	881.3	12,357.3
1971/72	215.1	1,093.0	978.4	9,219.6	1,006.7	12,512.8
1972/73	258.8	808.0	986.1	6,948.3	962.9	9,964.1
1973/74	222.2	663.6	1,208.5	3,186.4	538.0	5,818.7
1974/75	329.6	612.0	1,413.1	4,721.5	1,323.2	8,399.4
1975/76	261.2	1,034.0	927.9	4,273.0	350.9	6,847.0
1976/77	230.0	1,175.8	1,131.1	6,066.3	439.0	9,042.2
1977/78	251.8	884.0	1,373.9	5,987.9	713.7	9,211.3
1978/79	328.9	735.0	1,158.9	6,237.6	1,039.3	9,499.7
1979/80	314.9	729.8	1,205.5	5,339.4	1,297.3	8,886.9
1980/81	370.4	600.3	1,291.4	5,212.2	1,467.9	8,942.2
1981/82	485.2	600.0	1,601.8	5,341.3	1,111.9	9,140.2
1982/83	349.3	842.9	1,596.4	5,374.8	1,074.6	9,238.0
1983/84	460.4	816.7	1,916.7	5,655.3	999.6	9,848.7
1984/85	465.8	942.7	2,505.2	7,535.6	1,061.4	12,510.7
1985/86	345.5	1,216.4	1,614.1	6,675.4	1,097.8	10,949.2
1986/87	368.0	1,239.6	1,883.5	7,861.2	1,226.7	12,579.0
1987/88	355.0	1,062.2	2,514.0	7,946.3	1,563.5	13,441.0
1988/89	348.0	1,170.0	1,990.0	5,287.0	1,046.0	9,841.0
1989/90	300.0	850.0	2,800.0	6,200.0	867.0	11,017.0

Source: Food and Agriculture Organization, Food Aid in Figures, various issues.