

Item 5 of the
Provisional Agenda

TWENTY-FIFTH SESSION

(3 September 1956)

REPORT OF THE TWENTY-SEVENTH SESSION

of the

COMMITTEE ON COMMODITY PROBLEMS

The attached Report of the Twenty-Seventh Session
of the Committee on Commodity Problems is circulated
for consideration at the Twenty-Fifth Session of the
Council.

REPORT OF THE TWENTY-SEVENTH SESSION

OF THE

COMMITTEE ON COMMODITY PROBLEMS

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REPORT OF THE TWENTY-SEVENTH SESSION

OF THE

COMMITTEE ON COMMODITY PROBLEMS

INTRODUCTORY NOTE

1. It is desirable to underline the fact that the Committee has now begun more intensively to apply the policy of setting up commodity study groups. The Committee felt that the experience derived from the work of the few commodity study groups which have been in existence for some time warranted following the same line of action for other commodities which lent themselves to similar treatment. The Committee is convinced that these commodity study groups will provide useful opportunity for inter-governmental consultation, will bring about a better exchange of knowledge and experience, both technical and economic, and will also afford governments opportunity to review their policies in regard to those commodities in the light of these studies.
2. Much of the Committee's work during the current session was concerned with such arrangements for more specialized inter-governmental consultations for a series of agricultural commodities or commodity groups. In regard to three of these - namely (a) wheat and coarse grains, (b) coconut and coconut products, and (c) hard fibers - the requests for consideration of the desirability of specialized groups resulted from resolutions passed by the FAO Conference. One request, relating to cocoa, had been referred to the Committee by the United Nations, and one other, for dairy products, came from the International Federation of Agricultural Producers (IFAP). Finally, as to coffee, the Director-General had taken the initiative in suggesting that, notwithstanding the continuing usefulness and importance of regional consultations, the time might be ripe for the consideration of coffee prospects and problems in a world-wide inter-governmental forum. In addition, the Committee also had on its agenda a review of preparations for the first full meeting of the one major commodity group which it had established earlier, namely the consultative group on rice.
3. In considering these matters, the Committee was mindful of the mandate given to it by the FAO Conference to establish special groups, if found desirable, within its terms of reference. In taking its decisions, commodity by commodity, the Committee took into account the usefulness of specialized commodity consultations, the need for adequate preparation for such consultations, considerations of the workload involved and organizational and financial questions.
4. The Committee, having given full consideration to the usefulness of commodity study groups, noted that its views on this subject coincided with the following comments presented by the Interim Coordinating Committee for International Commodity Arrangements (ICCICA) in its Annual Report for 1954. "It seems to us" the ICCICA Report had stated, "that these study groups have performed a very useful function and that they have fully proved their value. They have been particularly useful, for example, in bringing together from all producing and consuming countries representatives with knowledge and experience of both the technical and economic aspects of trade in the commodity concerned. In this connection, it should be noted that the meetings in study groups of experts from different countries and experience in working together, have done much to promote greater sympathy and mutual understanding. Moreover study groups have made an important contribution towards improvement in the collection and distribution of statistical information regarding the commodities concerned. Countries have been enabled, by following the work of the study groups, to review their policies, and adjustments which otherwise could not have been made without formal inter-governmental agreement, have thus been made possible." The ICCICA Report had gone on to note that "the usefulness of study groups is not necessarily exhausted when international agreements have been negotiated on the basis of their recommendations. It is desirable that governments should consider, in each case, when a commodity agreement has been reached, whether there may not be continuing benefit in maintaining the study group".

5. In considering the various requests for the establishment of such groups under FAO auspices, the Committee kept in mind the close inter-relationships between different groups of agricultural commodities, and therefore the need for cooperation in discussions concerning related products, for instance, rice, wheat and coarse grains, and livestock products. Note was also taken of the practical advantages that could be obtained through making full use of the professional and organizational experience and technical facilities available in the FAO for the servicing of such groups, with special reference also to the close links between economic and technical aspects of agricultural commodity problems.

6. The Committee also noted that the establishment of a series of specialized commodity groups constituted a new development, and that it would be wise to proceed with caution. For these and other reasons, the Committee's final decisions for the establishment of study groups of a more permanent character remained confined at this stage to two commodities, namely rice and cocoa. As to wheat and coarse grains, copra, and dairy products, it was decided for the time being to establish ad hoc groups which could advise the Committee, at its next session, on the desirability of establishing more permanent machinery. On coffee, the Committee requested the Director-General to ascertain the views of governments concerning the desirability of holding an exploratory meeting. Consideration of possible inter-governmental consultative machinery for hard fibers (abaca, sisal, and henequen) was deferred until the next Session of the Committee, which has been tentatively scheduled for the second half of March 1957. Meetings on wheat and coarse grains, rice, cocoa, copra, dairy products and, if desired, coffee are to take place as far as practicable in advance of the next CCP Session, which will consider the reports of these groups and apprise the Council and Conference of the findings and recommendations.

7. In establishing commodity study groups of a more permanent character for rice and cocoa and defining their membership and constitution, the Committee had kept in mind the principles and procedures which have been accepted by FAO Member Nations as a general guide on these matters.

I. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

8. The Twenty-Seventh Session of the Committee on Commodity Problems was held at FAO Headquarters in Rome from 18 to 28 June 1956.

9. Dr. S. R. Sen (India) and Mr. V. Andersen (Denmark) were elected Chairman and Vice-Chairman respectively.

II. AGENDA

10. The Provisional Agenda for the Twenty-Seventh Session (CCP 56/1) was adopted.

III. SUMMARY RECORD

11. The Summary Record of the Twenty-Sixth Session (CCP 55/31 and CCP 56/11) was approved.

IV. WORLD AGRICULTURAL COMMODITY SITUATION

12. The Committee made its customary survey of the world food and agriculture situation on the basis of the information supplied by the Secretariat in document CCP 56/3 (Major Developments in the World Agricultural Commodity Situation). World agricultural production had increased further in 1955/56. Nearly all regions shared in this increase but the largest production gains were in the two best supplied regions, North America and Oceania. Production rose in North America for the first time since 1952/53, despite acreage reductions. While the increase had partly gone into consumption, the principal gains in production had been made in regions already troubled with surpluses and some of the increase had found its way into stocks. The major agricultural problems facing governments had therefore not changed since the Committee's previous review.

13. There was a further moderate increase in world agricultural trade in 1955 reflecting the general high level of economic activity and strong import demand, particularly in Western Europe. The major export gains were in Oceania, Western Europe, the Far East and Africa. However, although the volume of world trade in agricultural products was at record post-war levels, it was still only about 5 percent higher than it was in the previous year and, owing to the decline in international market prices, the value of such trade was only one percent higher than in the previous year.

14. Heavy and increasing stocks of wheat, coarse grains and cotton continued to weigh heavily on the commodity situation. In contrast with the position of these commodities, stocks of most others were lighter or, at least, did not give rise to the same degree of anxiety but there were indications suggesting that a surplus problem might emerge in coffee. The policies of governments holding large stocks continued to be characterized by restraint and consideration for the interests of other countries, but surplus disposal operations were gaining momentum.

15. Whilst prices of some fibers, rubber, cocoa and, in some markets, livestock products declined in recent months, most other prices had been firmer. However, in view of the continued existence of heavy stocks of some of the main commodities, particularly grains and cotton, market prospects in some sectors remained uncertain.

16. No fundamental change was expected in the year 1956/57. On the demand side, no serious setback in current high levels of economic activity was anticipated, despite the restrictive measures which had been introduced by many governments to counter inflationary trends. On the whole, the high level of demand for agricultural products was expected to continue in 1956/57, although it is unlikely to expand significantly. On the supply side, the crop damage in Western Europe, due to the hard winter, seemed less than was at first feared and overall world agricultural production was likely again to be high.

17. A development affecting the outlook, though its full effects would not be felt in the new agricultural year, was the passing of the new United States legislation aiming at the withdrawal of substantial acreages at present producing surplus commodities. This had already contributed to the firmer tone on some markets. In general, however, the urgent need for adjustment in production, on the one hand, and increased consumption and more rapid economic development, on the other hand, remained the most pressing problems in the world agricultural situation.

V. ACTION ON INDIVIDUAL COMMODITIES AND COMMODITY GROUPS

V (a) Wheat and Coarse Grains

18. The Committee, in accordance with Resolution 9/55^{1/} adopted by the Conference at its Eighth Session, resumed its consideration of the subject of the international effects of national grain policies and, in response to the specific request of the Conference, considered the desirability of establishing a special group to review the international grain situation, including coarse grains.

19. Reviewing the present and prospective situation of coarse grains, the Committee took note of the recent accumulation of unsold stocks and of the likelihood that further additions would occur in the current year. Among the basic factors contributing to this situation were, on the one hand, developments tending to increase the output of coarse grains, particularly higher yields per acre and, on the other hand, tendencies towards greater use of other feeds and increased productivity in the livestock industry. Such indications as were available on the outlook appeared to suggest that, given a continuation of current trends in yield and use of grains, the present imbalance between supply and demand of coarse grains might continue or become accentuated, despite the prospect of increasing demand for livestock produce arising out of population growth and other factors. While fully mindful of the hazards of attempts to project current economic and other trends, particularly in so complex a field as coarse grains where so many different influences were at work, the Committee was impressed by the need for continuing study of this subject which should take account of the inter-relationships between wheat, rice and coarse grains.

1/ The Resolution is as follows:

"The Conference

Having taken note of the study presented by the Director-General on the international effects of national grain policies and of the intention of the CCP to pursue its work in this field;

Believing that a useful purpose would be served by inter-governmental consultations, under FAO auspices, in the understanding of national policies, in facilitating the adjustment of these policies to each other, and in considering action in the marketing of exportable grain surpluses which would avoid disturbing effects on the international grain markets;

Requests the CCP to continue its consideration of this matter, and also to consider the desirability of establishing a special group to review the international grain situation, including coarse grains."

20. In considering the action that it should take in response to the Conference Resolution, the Committee noted that the new International Wheat Agreement, which, on due ratification, would shortly come into force, would enable the International Wheat Council to study any aspect of the world wheat situation and to sponsor exchanges of information and inter-governmental consultations relating thereto. The Council is also authorized to cooperate with FAO in any of those activities. The Committee urged the importance of avoiding duplication between the work of FAO and other bodies interested in wheat problems.

21. The Committee therefore resolved as follows:-

CCP Resolution No. 1/27

THE COMMITTEE ON COMMODITY PROBLEMS

NOTING that it is most appropriate for FAO to undertake inter-governmental consideration of grain problems as a whole by reason of its constitutional responsibilities and its activities in the fields of surplus disposal and the international effects of national policies;

BELIEVING that the current and prospective grain situation presents serious problems that may warrant special inter-governmental consideration;

REQUESTS the Director-General to convene an ad hoc meeting of interested governments at an early date to consider the problems now affecting grains, to examine whether it is desirable to establish a special CCP study group on grains, as envisaged in Resolution 9/55 passed by the FAO Conference at its Eighth Session, to make provision for appropriate cooperation between such a group, if it is to be set up, and the CCP Consultative Sub-Committee on Rice, and to consider the arrangements which could be made for cooperation between FAO and the International Wheat Council.

V (b) Rice

22. The Committee took note of the preparations made for the first meeting of the CCP Consultative Sub-Committee on the Economic Aspects of Rice established by a decision taken at its Twenty-Sixth Session. In accordance with the Committee's request, the Director-General had convened an expert working party to prepare for the studies to be undertaken by the Sub-Committee and to consider the plans for its first Session^{1/}. The Committee noted that the Director-General was making arrangements for the holding of the Sub-Committee's first meeting later in 1956.

V (c) Dairy Products

23. The Committee expressed appreciation to IFAP for the resolution it submitted proposing that "an International Committee on Dairy Products Marketing be established under the general auspices of FAO" (CCP 56/13). The matter was considered by the CCP at several meetings of a Working Group established during the present Session. The Committee noted that:

- (i) the IFAP resolution was not in the hands of some delegations in time to permit full discussions within their governments; and
- (ii) the functions suggested for the International Committee proposed by the IFAP were to a certain extent now being dealt with, and could be performed effectively by the CCP or a Sub-Committee of CCP.

24. Attention was drawn to the fact that a number of general reports on methods to increase consumption of milk and milk products have been submitted to the Committee and a number of country and project milk

^{1/} The Report of the Preparatory Working Party, CCP/CRI/56/2, was made available to the Committee.

surveys have been undertaken under the auspices of FAO. Arising from this work by the FAO Secretariat, specific suggestions have been made for practical action. It was considered that more positive action should be taken to implement these suggestions.

25. The Committee, therefore, requests the Director-General:

- (a) to convene an ad hoc Working Party to which will be invited expert representatives from the following Member Governments:

Australia	Denmark	Netherlands
Brazil	Egypt	New Zealand
Canada	India	Pakistan
Costa Rica	Japan	United Kingdom
		United States

to consider the work already done to increase the consumption of, and international trade in, dairy products and the proposals made for implementation of recommendations; the object of the Working Party being to recommend to the CCP an effective program of action, particularly for the areas where the consumption of dairy products is low. As the XIVth International Dairy Congress will be held in Rome, 24-28 September 1956, it is suggested that the meeting of the Working Party be convened in Rome to begin on 1 October 1956. This will make it easier for many of the above countries to be adequately represented on the Working Party;

- (b) to invite the UNICEF, the International Federation of Agricultural Producers, the International Dairy Federation and the Dairy Industries Society International to participate as advisers in the deliberations of the Working Party in such a manner as the Working Party determines; and
- (c) to prepare a short background statement for the meeting of the Working Party, including an indication of how the proposals made in the various papers to CCP can be implemented.

26. It was agreed that the Working Party should conclude its work in sufficient time so that its Report could be circulated at least sixty days before the next succeeding Session of the Committee. At that Session consideration should be given to the additional steps to be taken.

V (d) Cocoa

27. The Committee considered the cocoa situation and resolved as follows:-

CCP Resolution No. 2/27

THE COMMITTEE ON COMMODITY PROBLEMS

HAVING CONSIDERED the world cocoa situation at this and previous sessions,

MINDFUL of the mandate given by the FAO Conference which at various times invited the Committee to establish groups within its terms of reference, if found desirable,

HAVING CONSIDERED the Resolution of 4 May 1956 adopted by the United Nations Exploratory Meeting on International Trade in Cocoa called on the recommendation of IOCICA; which Resolution recommended that FAO should consider the early establishment of an inter-governmental cocoa study group,

DECIDES, in accordance with its terms of reference, to set up a group to be known as the FAO Cocoa Study Group, with the following terms of reference:-

- (1) Membership of the FAO Cocoa Study Group shall be open at all times, on due notice being given, to governments substantially interested in the production or consumption of, and trade in, cocoa, and so far as membership for dependent territories is concerned, the provisions of Article 69 of the Havana Charter shall apply.
 - (2) The field of competence of the group shall cover the study of the production and consumption of, or trade in, cocoa, having regard especially to the desirability of providing continuous, accurate information regarding the supply and demand position and its probable development.
 - (3) The Group shall consider, as appropriate, measures designed to promote a steady expansion of production and consumption of cocoa, including any technical questions bearing on these issues.
 - (4) The Group shall, within its field of competence, consider how best to deal with any special difficulties which may exist, or may be expected to arise and may submit reports and/or recommendations on the subject.
 - (5) The Group shall report to the CCP, it being understood that copies of its reports and summary records of its proceedings, including any conclusions, will be circulated, as soon as they become available, to interested governments.
 - (6) Interested governments not members of the group, and inter-governmental organizations which express an interest, may send observers to meetings of the Group and shall be kept informed of the studies made and of the results of the discussions. The Group may decide whether to invite other organizations, which are eligible for appropriate consultative status with FAO, to participate in its activities. The FAO, in accordance with its normal practice, shall keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, and the ECOSOC Commission on International Commodity Trade informed of the activities of the Group.
 - (7) The Group, in consultations with the Director-General, shall determine the dates and places of its sessions. The meetings of each session shall be closed, unless otherwise decided by the Group.
 - (8) The Group shall draw up its rules of procedure.
28. The Committee agreed that it would be desirable for the meetings of the group to be held as far as practicable alternately in producing and consuming countries. It was hoped that the host country could help the FAO in meeting the costs of technical services for such meetings, such as accommodation for meetings, interpretation, translation and clerical services.
29. The Committee agreed that the first meeting should be held in Europe in November 1956. It was understood that the first meeting would be largely of a preparatory character, to draw up rules of procedure and to consider a program of work, the information to be supplied by members, and related matters, but would also consider the world cocoa situation and the supply/demand situation for the coming year.
30. The OEEC Representative stated that the OEEC welcomed the establishment of this cocoa group, the work of which would fit in with the activities of his organization.

V (e) Coffee

31. The Committee reviewed the current coffee problem and took note of the inter-governmental discussions that were held on the commodity in other bodies, particularly the Inter-American Economic and Social Council. After considerable discussion, the Committee agreed that the Director-General should provide an opportunity for a full inter-governmental meeting for the discussion of the problems of the commodity and for the consideration of appropriate action. The Committee therefore resolved as follows:-

CCP Resolution No. 3/27

THE COMMITTEE ON COMMODITY PROBLEMS

HAVING CONSIDERED the world coffee situation,

MINDFUL of the mandate given by the FAO Conference which at various times invited the Committee to establish groups within its terms of reference, if found desirable,

BEARING in mind the recommendations of ICCICA in the 1956 Review of International Commodity Problems that a fully representative inter-governmental meeting on coffee should be called,

REQUESTS the Director-General of FAO to consult all member governments on the desirability of calling, under FAO auspices, at approximately the time of the next CCP Session, an ad hoc inter-governmental meeting on coffee of all interested governments, and if, in his view, the response indicates that a useful meeting could be held, to take action accordingly; it being understood that the purposes of the meeting would be to examine the work on coffee which is at present being undertaken in other fora, to consider what further work FAO might usefully undertake, and the need for the CCP to establish an FAO coffee study group,

NOTES that the FAO, in accordance with its normal practice, will keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, the ECOSOC Commission on International Commodity Trade, the Economic Commission for Latin America and the Inter-American Economic and Social Council informed of these and further activities.

V (f) Coconut and Coconut Products

32. The Committee, in accordance with Resolution 11/55 adopted by the Conference at its Eighth Session, discussed the desirability of establishing a special study group on coconut and coconut products.

33. It was noted that governments in the main producing regions of the Far East and the South Pacific were already collaborating in studying their coconut problems on a regional basis. The Committee, while expressing the desire to avoid duplication with the work of these bodies and acknowledging the need for close liaison with their activities, recognized that discussions between producing and non-producing consuming countries could be beneficial.

34. The Committee noted the intention of the Ceylon Government to convene early in 1957 a second meeting of the representatives of producing countries in the Far East on technical, scientific and commercial questions, but recommended that consideration should be given by FAO to the need for work on a broader basis. The Committee therefore resolved as follows:-

CCP Resolution No. 4/27

THE COMMITTEE ON COMMODITY PROBLEMS:

BEARING IN MIND the Resolution 11/55 of the Eighth Session of the FAO Conference, and

RECOGNISING that concern with the difficulties met by producers and consumers of coconut and coconut products has already led to the initiation of inter-governmental discussions on a regional basis in the producing areas of the world,

REQUESTS the Director-General to invite the following governments:

Australia/New Zealand	Japan
Ceylon	Netherlands
France	Pakistan
Germany	Philippines
India	United Kingdom
Indonesia	United States
Italy	

to send representatives to a Working Party, and to invite the participation as observers of the Economic Commission for Asia and the Far East, the South Pacific Commission, and such other international organizations as he may consider appropriate; to make a preliminary examination of:

- 1) the main difficulties of the world coconut economy,
- 2) the need for improvement in statistics and other basic economic data on coconut production, trade and consumption;
- 3) whether it is desirable to establish a special CCP study group on coconut products;

and to report its findings and recommendations to the next Session of this Committee.

V (g) Hard Fibers (Abaca, Sisal, Henequen)

35. As requested by the FAO Conference at its Eighth Session in Resolution 10/55, the Committee considered the desirability of setting up a special group on hard fibers. The Committee agreed that the item "hard fibers" should be placed on the agenda of its next session.

VI. REPORT OF CONSULTATIVE SUB-COMMITTEE ON SURPLUS DISPOSAL

36. The Committee reviewed in detail the Fourth Report of the Consultative Sub-Committee on Surplus Disposal (CCP 56/4 and Addenda). It welcomed the useful work being carried out on constructive methods of surplus disposal, in particular on the dried skim milk project and on the use of surpluses for national reserves. The Committee also believed that the Sub-Committee could continue to play an important rôle in discussing surplus disposal transactions and programs.

VI (a) Dried Skim Milk

37. The Sub-Committee on Surplus Disposal reported that considerable progress had been made towards implementing a project to expand the consumption of dried skim milk. At the request of the Government of India, a team of experts had visited Calcutta and Madras last November and had made specific recommendations for international assistance under FAO auspices. The team had also made a preliminary survey in Karachi at the request of the Pakistan Government. The main recommendations of the team are contained in document CCP 56/4. The Washington group of interested countries, through the Sub-Committee on Surplus Disposal, transmitted to the CCP a progress report summarizing the decisions taken by governments on the proposals (CCP 56/4 Add. 1). The present plan is that five countries (Australia, Canada, the Netherlands, New Zealand and the United States) would provide a total of \$504,000 - \$490,000 for Calcutta and \$14,000 for Madras. The apportionment of the contributions of cash would be on a basis of 70 percent to be provided by the United States Government, with the balance shared equally among the other participating countries. In addition it is planned that four of the participating countries would make available supplies of dried skim milk on concessional terms for a three-year period. Since the ICA and Colombo Plan machinery must be used for contributions from the United States, Australia and Canada, each of the participating countries will enter into a bilateral arrangement with the Government of India. The New Zealand and Netherlands Governments, however, will pay their contributions through FAO. The technical assistants will be employed through FAO, and the Government of India will make progress reports on the development of the scheme to the exporting countries through FAO. Mr Marshall, Chairman of the New Zealand Dairy Produce Marketing Commission and leader of the Calcutta team, visited India last month and discussed the implementation of the scheme under the new arrangements with the Government of India, and minutes of these discussions are contained in Addendum 3 to the Report of the Sub-Committee.

38. The Committee commended the action described above as a positive illustration of ways in which surplus agricultural commodities can be used to assist economic development and to build up consumption in under-developed countries. It hoped that similar practical schemes could be worked out for other countries.

39. The Committee noted that an FAO milk survey had recently been carried out in Pakistan. The survey contains specific recommendations for action to increase milk consumption, and the Committee was informed that it was now under active consideration by the Government of Pakistan. The survey had been transmitted to the Sub-Committee on Surplus Disposal for consideration by the Washington group of exporting countries to see what scope there was for international cooperative action. The Committee requested the Sub-Committee to invite the Washington representatives of exporting countries to give early attention to the Pakistan report and to examine how far its recommendations could be implemented by international cooperative action under the auspices of FAO. As methods for implementing cooperative action have now been worked out for Calcutta, it is hoped that speedy action can be taken both for Pakistan and any other area.

VI (b) Proposals of the Government of Argentina

40. The Committee noted that the Argentine Delegate had informed the Sub-Committee on Surplus Disposal that, while his Government remained ready to cooperate with other governments in international discussions to help solve surplus disposal problems, it no longer wished to press its Proposals for International Action in Defence of World Markets (CCP 54/18). In these circumstances the Sub-Committee decided it was not required to continue its discussions. The Delegate of Argentina reaffirmed to the CCP that the withdrawal of these proposals did not mean in any way that Argentina was losing interest in the complicated problems of international trade.

VI (c) Surpluses for Economic Development

41. The use of surpluses for financing economic development along the lines set out in the Pilot Study in India, which had been strongly endorsed by the CCP, the Council and the Conference, was discussed further by the Committee. The Committee's discussion indicated that this use of surpluses might be potentially one of the most desirable and promising, since if carefully planned and carried out with proper safeguards, it could simultaneously raise levels of consumption and improve the levels of income and buying power by speeding economic development in the recipient countries, without disturbing markets for their own farmers or those in normal exporting countries, and thus be fully acceptable under the FAO Principles of Surplus Disposal. The Committee noted that in accordance with requests during informal discussions at the 1955 FAO Conference, a Secretariat paper on practical steps to develop such programs had been prepared and circulated to interested individuals and governments ^{1/}. This topic is related to the use of dairy surpluses in assisting the development of milk-marketing arrangements, and to the possible use of national reserves to aid in meeting increased demands and inflationary pressures resulting from more speedy economic development, as discussed elsewhere in this report.

42. Representatives of several countries stated that bilateral negotiations were now under way with a view to obtaining supplies of surpluses to aid in financing additional economic development. Any action taken would be reported to the Sub-Committee on Surplus Disposal as soon as there was anything tangible to report, in line with the terms of Resolution 10/55 of the last FAO Conference. As noted at previous meetings, there are some difficulties in making such arrangements under the existing legislation of countries with surpluses available for distribution.

43. The Committee requested the Sub-Committee on Surplus Disposal to continue to follow developments in the use of surpluses for financing additional economic developments. In line with previous Resolutions of the FAO Council and Conference, potential recipient countries should give full attention to the possible use of surpluses in this desirable way, and countries having surpluses available for export on special terms should consider the possibility of offering them on conditions which would fit more effectively this use by recipient countries.

VI (d) National Food Reserves

44. It was noted with interest that the Indian and Pakistan Governments had indicated their possible requirements of food grains for national reserves to the Sub-Committee on Surplus Disposal, and that a working party had prepared a study document on the practical aspects of using surpluses of agricultural commodities to build up national reserves in under-developed countries and how far this could be carried out in conformity with the FAO Principles on Surplus Disposal.

45. It was understood that the matter was still under consideration by the Sub-Committee, but the Committee believed some general comments might be helpful at this stage. The desirability of maintaining adequate national reserves for use in famine or other emergency situations was not open to question, and it was generally recognised that there was great scope for using surplus agricultural commodities to build up national reserves in under-developed countries. The merits of individual schemes for setting up national reserves with surplus agricultural commodities would depend on the particular arrangements made by both the supplying and receiving countries to safeguard normal trade. Care would need to be taken in working out general rules to apply to all such arrangements since to some extent each commodity raises different technical problems. The Committee looked forward with interest to receiving the views of the Sub-Committee on Surplus Disposal on this subject.

^{1/} Practical Steps in Preparing National Programs for Using Agricultural Surpluses to Finance Economic Development, FAO, Rome, 11 January 1956.

VI (e) FAO Principles and the Effects of Surplus Disposal

46. In Resolution No 9/55 the FAO Conference at its Eighth Session requested

"the CCP to instruct the Consultative Sub-Committee on Surplus Disposal to consider ways in which a report to Member Governments could be prepared, in cooperation with the Director-General, on (a) the extent to which the approved principles have been observed and (b) the effects, if any, on the markets of other member countries, of disposals of surplus products on special terms either by price arrangements or other means; and to report its findings and conclusions to the CCP".

The Sub-Committee on Surplus Disposal, taking note of this Resolution and after consideration of the matter, decided that such a study could be prepared only by the Director-General with the assistance of his research staff. The Sub-Committee would cooperate to the extent permitted by the small staff at its disposal in Washington. It suggested the starting point of such a report should be factual information on surplus disposals, and that it might be desirable to send a questionnaire to Governments to obtain further details. However, the Sub-Committee considered that it would be difficult for any group to assess the extent to which the FAO Principles had been observed, since this would involve interpreting these Principles, which are very general in character.

47. The Committee agreed that it would be undesirable to ask the Director-General to judge the extent to which countries were observing the FAO Principles. Moreover, it believed that without special investigating teams, for which no budgetary provision had been made, it would be extremely difficult to identify the precise causes of any particular change in the pattern of prices and international trade, and thus to appraise the effects of surplus disposals on special terms.

48. On the other hand, it was recognized that detailed information on the ways in which imported surplus agricultural commodities were distributed in the recipient countries was lacking. There was also inadequate knowledge of the administrative arrangements made to ensure that the normal commercial trade of these countries was not being disturbed.

49. The Committee therefore decided to ask the Director-General to circulate a questionnaire on surplus disposal to all FAO Member Nations with a request for a reply by 1 October 1956. The replies would be transmitted to the Sub-Committee on Surplus Disposal, which would thus be in a more effective position to carry out its mandate and to appraise how far the FAO Principles were being observed. The questions would relate to the two-year period of the Sub-Committee's existence (June 1954 - June 1956, or a comparable period for which suitable data are available) and, in order to keep the inquiry within practicable limits, a beginning would be made with dairy products (butter, cheese, and dried milk) and wheat. Questions will be asked along the following lines:

To recipient countries

1. Which and what quantities of surplus dairy products and wheat, if any, have been imported on concessional terms since June 1954, and from which countries ?
2. On what terms and conditions were these commodities purchased ?
 - a. priced on a competitive bid basis, payable in convertible currency;
 - b. for payment in local currency;
 - c. other concessional terms.

3. To what extent were the surplus commodities
 - a. distributed direct to special groups of consumers through
 - (i) school lunch programs,
 - (ii) institutional feeding,
 - (iii) other special programs.
 - b. used for the production of blended or special products sold at reduced prices.
 - c. distributed through other special government or charitable arrangements.
 - d. sold into or through regular trade channels, or otherwise distributed.
4. What special prices to consumers, if any, were established for each of these types of distribution ?
5. What special administrative procedures, if any, were established to control or regulate these various types of distribution ?
6. What were the annual imports of these commodities by value, quantity, and country of origin during each of the five years 1951-55 ?
7. What was the volume of domestic production of these commodities in each of the five years 1951-55 ?

To exporting countries

8. What special steps, if any, have been taken to restrict the production of these commodities ?
9. If any, what action was taken to avoid such restriction by measures to increase consumption of the commodities ?

50. The Sub-Committee on Surplus Disposal should in due course report back to the CCP its appraisal of the replies received to these questionnaires.

VI (f) Triangular Trade Schemes

51. The Committee noted with approval that the Sub-Committee on Surplus Disposal was presently reviewing the operation of triangular trade schemes such as were suggested by the Conference at its Eighth Session (Resolution 8/55) and those arranged by the United States International Cooperation Administration under Section 402 of Public Law 665. These involve the sale of surplus agricultural products with payment through shipment of manufactured industrial goods to a third country. It was understood that the Sub-Committee would continue to consider this matter and would report to the next session of the CCP.

VI (g) Cotton Disposals

52. Questions regarding the new United States Export Program for Upland Cotton had been raised in the Sub-Committee on Surplus Disposal, and the decision of the International Cotton Advisory Committee to keep the program under review had been noted. The Sub-Committee subsequently agreed that it was prepared to discuss matters relating to surplus cotton disposals if any delegate wished, particularly if the FAO Principles of Surplus Disposal were involved. In this connection, the Committee noted that the Fifteenth Plenary Meeting of the International Cotton Advisory Committee, which met in Washington from 7-17 May 1956, had issued an important statement calling attention to the factors which had led to the growth of cotton surpluses.

VI (h) Membership of the Consultative Sub-Committee on Surplus Disposal

53. Following the CCP's action at its Twenty-Sixth Session to re-open the membership of the Consultative Sub-Committee on Surplus Disposal for a limited period ending 31 January 1956, the Governments of Costa Rica, the Philippine Republic, Indonesia, Spain and Uruguay became members. Tunisia became an Observer and Cambodia, which formerly had Observer status, withdrew from the Sub-Committee. The Sub-Committee now included 26 Member Countries, and 33 countries and seven international organizations were represented by Observers. In addition, the Austrian Government, which was presently represented by an Observer, had since stated that it wished to become a full Member of the Sub-Committee.

54. The Committee noted that the Sub-Committee had reported that, while interest in its work had been maintained and attendance of Members and Observers had generally been good, some of the member countries had been represented at very few meetings of the Sub-Committee.

55. The Committee decided that membership of the Sub-Committee should be kept open. The Committee, therefore, requests the Washington Sub-Committee to admit at any time any FAO Member Government desiring to become a member of the Sub-Committee, provided that the application for membership is received by the Director-General, with a copy to the Secretary of the Sub-Committee, two weeks in advance of the meeting in which the government wishes to assume its seat. Admission to membership on the Sub-Committee shall take place at the first meeting attended by the representative of the government.

56. The Committee again urges FAO Member Governments not to request, nor retain, member status on the Sub-Committee unless they intend to attend meetings regularly and to participate actively in the Sub-Committee's work. Any Member which is not represented at three or more consecutive meetings of the Sub-Committee held over a period of no less than 90 days should inform the Secretary of the circumstances of such absences. In the absence of such an explanation, or if the government concerned is still not represented at the following meeting, the government concerned should be considered as having reverted to Observer status, and should be so informed. In this connection, the Committee again draws the attention of governments to the fact that observers are free to participate fully in the discussions of the Washington Sub-Committee.

57. In taking this action, the Committee suggested that in its next report the Sub-Committee should inform the CCP of any comments or suggestions for change it may wish to make on this new procedure.

VI (i) Press Releases

58. The Sub-Committee sent for the information of the Committee a copy of a recent press release covering the items reviewed in the Sub-Committee's Report (CCP 56/4 Add. 2). The Sub-Committee stated its intention of issuing similar press releases as and when it considered appropriate unless the CCP directed otherwise. The Committee noted and endorsed this action.

VII. REPORT ON A WORLD FOOD RESERVE

59. In a preliminary review the Committee expressed its special interest in document CCP 56/15: "Functions of a World Food Reserve - Scope and Limitations", prepared by FAO at the request of the General Assembly of the United Nations for the consideration of the Economic and Social Council at its forthcoming Session in July of this year.

60. The Committee noted that the Director-General, in his letter of transmittal to the Secretary-General of the United Nations, had made the following statement: "Seeing that the General Assembly specifically asked for this report to be considered by the Economic and Social Council, I am submitting it to you direct, for this purpose, without having requested its prior consideration by the FAO Conference, Council, or Committee on Commodity Problems. I shall, however, inform the FAO organs in due course of the findings and conclusions presented in the report, and I shall communicate to you, for the consideration of the Economic and Social Council, any observations which these bodies may wish to make on the matter."

61. Because of the importance of the main topics considered in the report and taking account of the fact that under UN/FAO arrangements for synchronized release in the three working languages it had not been possible for the Director-General to circulate the report in sufficient time in advance of the current CCP Session, the Committee decided to undertake a review at its next session. Meanwhile, the Committee wished to note the following preliminary comments for the attention of ECOSOC and the Council of FAO.

62. In the Committee's view the report serves a most useful purpose by clarifying many aspects in this complex field. The analysis of earlier proposals is critical as well as constructive. It is realistic in its warning against the dangers of expecting the same machinery to serve too many divergent purposes. In particular, interest was expressed in the distinction made in the report between two types of funds, namely commodity stabilization reserves operating on a self-financing basis on the one hand and a World Food Capital Fund on the other, which was of help in placing these problems in perspective. It was agreed that these ideas and resulting conclusions deserved careful further study.

63. Particular interest was expressed in the possibilities of the scope and functions of national reserves and their uses, particularly in under-developed countries. Attention was drawn to the close link of these questions with the studies undertaken by the Washington Sub-Committee's Working Party on National Reserves. The Committee noted that that Working Party had already been informed of the relevant portions of the report.

64. In commenting on the analysis of the partly structural character of present-day agricultural surpluses, the Committee, in line with the report, stressed the need for fundamental solutions of these disequilibria. Attention also was drawn to the problems of surpluses which may face under-developed exporting countries. The Committee noted with much interest the close relationship established in the report between the functions of a World Food Capital Fund, as there envisaged, and the types of financing of economic development through surplus disposal as envisaged in the Indian Pilot Study. Mention was made of the possibility of developing crop insurance as a feature of a food reserve program. The Committee also was impressed with the emphasis placed in the report on the need for practical steps for the technical improvement of commodity markets. Such technical improvement constitutes an important consideration in determining policy.

VIII. INTERNATIONAL EFFECTS OF NATIONAL POLICIES

(a) Scope of Livestock Study.

65. The FAO Conference in 1953 recommended that FAO should study the international repercussions of national agricultural policies with the aim of creating better understanding among governments of each others' policies, and of facilitating the adjustment of national policies to each other and the conclusion of international commodity agreements. In November 1955, the Conference requested that this work should be continued and kept up to date. The Committee received at its Twenty-Fifth Session a document prepared by the Secretariat on the international effects of national policies on grains (CCP 55/6) and asked the Secretariat to prepare a study on the international effects of national policies for livestock products. An introductory paper (CCP 56/8) was before the Committee at this Session.

66. Appreciating the complexities of the subject, the Committee set up a small group to advise the Secretariat on the ways in which the tasks entrusted by the Conference could best be carried out. It was agreed that the study should be in two stages. The first stage should be restricted to the preparation of a factual statement of national policies affecting milk and dairy products (butter, cheese and processed, condensed and powdered milk) with the object of enabling the Committee, at the second stage, to appraise their international effects. Because of the practical difficulties involved, the countries under consideration should be limited in number but include the United Kingdom, France, Germany, Denmark, Netherlands, Canada, United States, Australia and New Zealand. The Secretariat should compile material available to it and then circulate this to countries concerned for comment. The factual statements would result in a long report, and take about a year to complete.

67. It was agreed that each of the countries named would be asked to inform the Secretariat of the name of the official who would be responsible to assist the Secretariat in this task.

VIII (b) Expert Working Party on Price Supports

68. The Committee was informed of the procedure proposed for implementing the Resolution No 5/55 of the Eighth Session of the FAO Conference for an expert working party on systems of price support. A number of countries, chosen to secure a reasonable balance between geographical areas and importers and exporters, and to cover each main type of price support, would be invited to nominate experts, and to authorize FAO to communicate with them direct. In this way it was hoped to assemble the essential data in advance of the meeting of the expert working party, scheduled for December 1956. The Secretariat would in addition prepare a working paper for examination at the meeting in the light of the information received from member countries through the designated experts. In accordance with the Conference Resolution, the report would be submitted to the CCP at its next session.

69. The Committee approved these proposals and stressed the urgency of the work and the need for adequate advance preparation. It considered that the group should not be too large in order to facilitate discussion, and suggested that countries not participating directly should also be invited to submit information.

IX. OTHER INTERGOVERNMENTAL COMMODITY CONSULTATIONS.

70. The Committee had before it, in document CCP 56/16, a brief summary of other intergovernmental commodity consultations, including those held at the Second and Third Sessions of the ECOSOC Commission on International Commodity Trade.

71. Note was taken of intergovernmental consultations held since the Commission's last session on wheat, sugar, olive oil, and cotton.

72. The Report of ICCICA to the XXIInd Session of ECOSOC was not available in full in time for the Committee's consideration.

X. UN/FAO COOPERATION ON PRICE INDEX NUMBERS

73. The Committee noted that work was continuing in the calculation of a price index of food and agricultural commodities entering world trade. The Committee noted the progress already made in this field and expressed the hope that an index satisfactory to both organizations would be devised.

XI. RULES OF PROCEDURE

74. It was decided to defer consideration of the Committee's Rules of Procedure until the next Session.

XII. DATE, PLACE AND AGENDA OF THE TWENTY-EIGHTH SESSION AND OF MEETINGS OF CCP COMMODITY GROUPS.

75. The Committee agreed on the following provisional schedule of dates for the forthcoming meetings of the study groups and ad hoc groups which it had set up:

	<u>Approximate Date</u>	<u>Place</u>
Working Party on Coconut and Coconut Products	Autumn 1956	Ceylon
Working Party on Dairy Products	1-5 October 1956 (to follow the International Dairy Congress)	Rome
Consultative Sub-Committee on the Economic Aspects of Rice	24 October - 10 November 1956	Rome
FAO Cocoa Study Group	12-17 November 1956	Europe
<u>Ad hoc</u> Intergovernmental Meeting on Wheat and Coarse Grains	7-15 January 1957	Rome
<u>Ad hoc</u> Intergovernmental Meeting on Coffee (if held)	One week prior to 28th Session of the CCP, unless required earlier.	To be determined

It was understood that these dates would have to be finalised by the Director-General in consultation with interested governments.

76. Since it was desirable that the Committee should be in a position to discuss, at its Twenty-Eighth Session, the results of these various meetings, the Committee decided that it should not, this year, hold its usual autumn Session, but that the Twenty-Eighth Session should open on 18 March 1957. Its duration might be two weeks.

77. The Committee also agreed on the following Provisional Agenda for its Twenty-Eighth Session:-

- I. Election of Chairman and Vice-Chairman
- II. Adoption of Provisional Agenda
- III. Adoption of Summary Record of Twenty-Seventh Session
- IV. Major Developments in the World Agricultural Commodity Situation since June 1956
- V. Disposal of Agricultural Surpluses
 - (a) Report of the Consultative Sub-Committee on Surplus Disposal
 - (b) Director-General's Report on the Observance of FAO Principles in regard to Disposals of Dairy Products and Wheat
- VI. Reports of CCP Commodity Groups and Related Matters
 - (a) Report of Consultative Sub-Committee on Rice
 - (b) Report of ad hoc Intergovernmental Meeting on Wheat and Coarse Grains
 - (c) Report of Cocoa Study Group
 - (d) Report of Action Taken Pursuant to CCP Resolution No 3/27 on Coffee
 - (e) Report of Working Party on Dairy Products
 - (f) Report of Working Party on Coconut and Coconut Products
 - (g) Establishment of a Group on Hard Fibers
- VII. Report on a World Food Reserve
- VIII. International Effects of National Policies
 - (a) Report of Expert Working Party on Systems of Price Support
 - (b) Dairy Products Study - Progress Report
 - (c) Possible Future Studies of the International Effects of National Policies
- IX. Major Developments in Intergovernmental Commodity Consultations and Arrangements
- X. Activities of the CCP since the Eighth Session of the Conference
- XI. Organizational Matters
 - (a) Rules of Procedure
 - (b) Procedures for placing items on the Agenda and consequent action taken by the Director-General
- XII. Date, Place, and Agenda of Twenty-Ninth Session of the CCP and of Meetings of CCP Commodity Groups
- XIII. Other Business

The Committee also decided to consider at its next Session whether to place the item of Eggs and Poultry on its Agenda and whether to ask the Director-General to prepare a background paper.

APPENDIX I

REVIEW OF INDIVIDUAL COMMODITIES
(prepared by the Director-General)

WHEAT

78. Wheat supplies increased further in 1955/56. The last harvests were larger in Canada and Australia; there were moderate declines in the United States and France but these were more than offset by increased carryovers. There was a sharp decline in the Argentine crop and, among the major exporters, Argentina alone showed a substantial drop in available supplies. Turkey obtained a large increase. Importing countries, in the aggregate, harvested larger crops, notably Italy, Yugoslavia and Western Germany. A few countries, including Portugal, Spain, Pakistan and Egypt, harvested less but world output in total was about three percent larger than in the previous year.

79. Trade in the first three quarters of the current marketing year was less than in the corresponding period of 1954/55, but during the fourth quarter of the season exports from the United States and Canada moved at a swifter pace and more than compensated for the earlier sluggishness. Total shipments from the major exporters in 1955/56 will thus exceed the 1954/55 figure, probably by more than one million tons. Nevertheless, total world trade is expected to remain approximately at last year's level of 26 million tons. Argentina, with its reduced supply, was unable to repeat last year's high exports. The poor outlook for its 1956 crop led France to suspend further grain export sales early in 1956 but its total for 1955/56 shows little change from last year. Turkey, despite its bigger crop, exported less than in the previous year. Western Europe imported less wheat than in 1954/55 but substantial purchases were made by the USSR and Eastern Europe. Sales for export recorded under the International Wheat Agreement in the first 44 weeks of the current year were over one million tons smaller than in 1954/55 and amounted to 70 percent of the total guaranteed quantities.

80. The end of the season will show some additions to wheat stocks in the United States, Canada and Australia, and these will more than offset a decline in Argentina.

81. Preliminary crop indications for 1956 suggest that production in the United States will be only slightly smaller than the previous harvest. For Canada, a slightly reduced acreage and less favourable soil moisture conditions point also to a reduction. In Western Europe, the severe winter will result in a substantially lighter crop in France and some reduction also in the Low Countries, Western Germany and Switzerland. The region's import requirements may consequently rise in 1956/57.

82. Export prices of wheat, except for top grades showed some decline during 1955/56 but c.i.f. prices since March have increased again to the level of last July following some rise in freight rates.

COARSE GRAINS

83. With large crops from the 1955 harvests and an increased carryover, supplies of coarse grains in the United States are again large and it is expected that despite anticipated larger domestic disappearance and exports, there will be a further significant addition to stocks, for the fourth successive year, by the end of 1955/56. Prospective acreages for harvest in 1956, based on farmers' planting intentions, are about 4 percent smaller. In Canada also some rise in stocks will occur by mid-1956 but it is unlikely that they will return to the level of 1954; farmers' planting intentions for 1956 point to a slight increase in coarse grain acreages. In Argentina, the current year's output of both maize and small coarse grains is substantially larger than in the preceding year but stocks held or in prospect are not of excessive proportions.

84. Exports of coarse grains during 1955/56 from the four major exporters are estimated at over 11 million tons, or 20 percent above those in the previous season. A substantially larger proportion was shipped by the United States, this source exporting 7.4 million tons against 3.9 million tons in the preceding year. Canada's shipments were slightly less and Australia's about the same, but Argentina exported only one half as much as in 1954/55 as a result of the reduced maize crop harvested early in 1955.

85. Up to the last months of 1955, prices of feed grains moved lower but subsequently barley recovered its July level and U.S. maize, which had fallen more steeply, made up for its decline. In c.i.f. terms, the net result was rather higher prices in May than at the beginning of the season. The increase was most marked in Argentine maize, owing to the reduced supply in this source and the steep rise in La Plata freights.

RICE

86. Total production of rice in 1955/56 was probably somewhat higher than in 1954/55. Noteworthy increases occurred in Japan, India and Cambodia, but a smaller crop was harvested in the United States where the acreage had been severely cut.

87. Contrary to expectations, world trade in rice made a further recovery in 1955 from the post-Korean low of 1953. Imports into India and Japan were indeed lower than in 1954, but Hong Kong, Malaya, and Singapore expanded their imports markedly. Europe's purchases also increased considerably, the main reasons being the purchases by Eastern Europe, made largely on barter terms, and increased imports of rice for animal feeding and industry in Western Europe. Special features of 1956 have been the great expansion in Indonesia's imports and the appearance of Pakistan as a buyer.

88. The pressure of stocks on markets is considerably less than it was towards the end of 1954, largely as the result of a shift in the location of stocks which are now mainly held by the United States Government. The only substantial exportable stocks in Asia are in Burma.

89. The United States is disposing on special terms during 1956 and 1957 of a total of over 400,000 tons of milled rice to Indonesia and Pakistan, and other negotiations are in progress for further large quantities.

90. The decline in rice prices in international trade has continued into 1956. The basic Burmese price has been fixed at about £36 per ton f.o.b., against the price prevailing a year ago of £43. These lower world prices are easing the rice situation by discouraging production and stimulating consumption. Further drastic acreage restrictions have been announced in the United States, and there will probably be a lower acreage under rice in Italy owing to changes in the price support system. In other countries the expansion of acreage is being slowed down or even halted, though efforts continue to raise the yield per hectare, partly with the hope that this will reduce the unit cost of rice.

SUGAR

91. A further advance is taking place in the steady post-war expansion of world sugar production. Production will reach a record of 39.0 million tons, or 4.5 million tons higher than in 1952/53, and almost 14 million tons above the pre-war average. The advance this year and during the last few years is to be attributed largely, not to favourable weather, but to long-term factors, including expansion of planted areas and increases in yields as a result of improvements in agricultural and factory techniques, higher yielding varieties, better transportation and handling, etc.

However, in the USSR, Eastern European countries and most Asian territories, the long-term forces of rising productivity, which have been so important in Western Europe, the Americas, and Oceania, have been much weaker, and the relative production expansion has not been as great.

92. Consumption has kept pace with the production increase. Indeed, stocks declined somewhat during 1955 and it is highly probable that there will be a further decline in world stocks at the end of the current year. In recent years consumption has increased in particular in Near Eastern, African and Asian countries. In 1955, total consumption in the Near East was almost 200 percent higher than during 1934-38, and consumption in Africa was 170 percent higher. The percentage increase in Asian countries has been among the most rapid in the world in recent years, the estimated consumption in 1955 being 55 percent above 1951; and indications are that this trend will continue, and probably with increasing momentum in the future.

93. The steady rise in consumption has prevented a serious decline in prices. While most consumption increases were provided by domestic production, the volume of international trade has not declined. During the current year the international market was supported by demand notably from the USSR and Eastern European countries.

94. It is likely that, barring extremely unfavourable weather conditions, production will be still larger during the coming year, and the outlook for the next few years points to continuous growth. Consumption, too, will continue to expand. As in the past, the rise of incomes in low and medium-income countries will have a marked effect on sugar consumption. However, price and market developments during the balance of this year may be profoundly influenced by the outcome of the International Sugar Conference.

LIVESTOCK PRODUCTS

Meat

95. World meat production and trade in 1955 were larger than in the preceding year, and the expansion has continued into 1956. United Kingdom imports of all meats exceeded the previous year's volume by 12 percent and the increase continued in the first quarter of 1956. While other major importers, such as Western Germany, also imported more, purchases of the USSR and Eastern Europe in world markets during the last year were substantially less than in 1954. World exports in 1955 rose about seven percent. All major exporting countries, except Ireland, Canada and Uruguay, recorded increases. Argentina's shipments of carcass meats were about 50 percent above 1954, and they expanded further in the first months of this year.

96. Meat prices in North America are considerably lower than last year. In the United Kingdom also, mainly reflecting larger imports, prices for beef have declined significantly since last year. However, in other European countries, such as Denmark, France and Western Germany, meat prices during the first months of 1956 were higher than the year before.

97. In the United Kingdom, price guarantees for fat cattle and fat sheep for 1956/57 were increased, whereas those for pigs were reduced. With the expiration of the long-term contracts in September 1956, bacon imports into the United Kingdom will revert to private trade; at the same time, a general duty of 10 percent ad valorem will be introduced for imported bacon and pork, except for imports from Commonwealth countries and Ireland. Under the program started by the United States Department of Agriculture last November to check the decline in pig prices, about 90,000 tons of pork and lard were purchased up to the end of March, the pork to be used in domestic, school-lunch and welfare programs. At the beginning of April this program was suspended until further notice. Substantial meat

exports from the United States may develop under Title I of U.S. Public Law 480. The first sale under this law, 18,000 tons of frozen beef, was made to Israel in February. Meat is also included in programs signed with Spain, Chile and Korea.

Dairy Products

98. The expansion of world milk production was checked in 1955 when unfavourable weather caused a general decline in European output. A substantial increase in Oceania's butter output was not sufficient to offset the shortfall in the Northern Hemisphere, and world butter production declined about four percent from the 1954 level. There was also a small decline in cheese output but production of preserved milk increased. The volume of world butter exports in 1955 was about nine percent larger than the year before, reflecting heavily increased shipments from Oceania and North America. Imports into the USSR and Eastern Europe declined by nearly two-thirds, but imports into the United Kingdom and Western Germany rose. In Europe, prices of dairy products, on the whole, compared favourably with 1954 owing to marked increases in the second half of the year, while in the United States they were at support levels.

99. World butter stocks at the beginning of 1956 were about 30 percent less than the year before, while there was only a slight decline in cheese stocks. By March 1956, the U.S. Commodity Credit Corporation had practically entirely disposed of the 400,000 tons of butter purchased since 1952, but non-committed cheese holdings were still about 100,000 tons. In spring of 1956, United Kingdom butter prices fell sharply from the high level of last winter; thus, the price for Danish butter at the end of April was 30 percent less than in January. Towards the end of May a recovery of prices took place, particularly for butter from Oceania.

100. It is expected that production of milk and dairy products will be generally larger in the current year than in 1955. Reduced requirements in the major importing countries and efforts to increase United States exports of government-owned dairy products may have a depressing effect on prices in world markets. United Kingdom butter imports in the first quarter of 1956 were 16 percent above the corresponding 1955 period; consumption remained unchanged, and stocks increased. United States Government purchases may be about equal to those of 1955 when the milk equivalent of butter and cheese acquired under the price support program was about 2.1 million tons against 4.1 million tons in 1954; support prices for butter and cheese for 1956/57 are about three percent higher than in the preceding support year, whereas the support price for dried skim milk remained unchanged.

Eggs

101. It is estimated that further expansion of world egg production took place in 1955, and the volume of trade also increased slightly. While United Kingdom imports of eggs in the shell continued to decline, Western Germany's reached a new record, 18 percent above 1954. Prices were generally higher than the year before.

102. In the current year, world egg production may reach a new record although the increase over 1955 may be comparatively small. Whereas in the two main exporting countries, Denmark and the Netherlands, production may not change greatly in comparison with 1955, increases are expected in the United Kingdom and the United States. In Western Germany the introduction of a subsidy on home produced eggs is likely to bring about an increase in production.

FATS AND OILS

103. World output of fats and oils in 1955 reached a record of over 24 million metric tons. Despite this increase, and early estimates of even greater production in 1956, the general level of world market prices moved upwards during late 1955 and continued to rise until May 1956. The FAO index of international market prices of fats and oils in May stood at 113 compared with 94 in December and 90 a year previously (1952-54 = 100). In June, however, prices dropped.

104. Output of United States food fats and oils and inedible tallow is at record levels, but U.S. exports during the marketing year ending September 1956 are also expected to reach unparalleled high levels, and end stocks are likely to be the smallest in five years. World import demand during the first half of 1956 was sustained by strong economic activity in Western Europe, the issue of large purchase authorizations under United States foreign aid programs, and higher import demand in a number of producing countries. Large shipments to Argentina to supplement the disastrously low 1955 harvests were necessary, while 1955/56 olive crops in the Western Mediterranean region were unusually low and considerable quantities of other "soft" oils are being imported to meet domestic requirements. The liquid edible oil position has been improved by record groundnut supplies from current West African harvests and the continuance of an unusually high volume of exports of soybeans and groundnuts from China. World copra and coconut oil exports have been maintained during early 1956. Nigerian purchases of palm kernels for export increased during January-May but palm oil purchases were no higher than last year.

105. A number of divergent factors will determine the market situation in the coming months. The probable further increases in the 1956 crops of U.S. linseed and soybeans may be partially offset by a reduction in cottonseed production reflecting reduced support prices and acreage allotments. Moreover, U.S. carry-over stocks in October 1956 will probably be smaller. On the other hand, Argentine sunflower-seed production has substantially recovered, and imported oil is unlikely to be required after supplies from the current crop become available in July. A reversal of the downward trend in Argentine linseed crops is expected in 1956/57 as the result of a 100 percent increase in producers' prices. The 1956 Canadian linseed crop will be greatly increased and world linseed supplies will probably be substantially larger in 1956/57. However, Indian supplies of groundnut and linseed oils, which reentered the world market in 1955 in substantial size, are unlikely to expand further in view of the present trade policy. Stocks in India are low and only small gains were made in the 1955/56 oilseed crops. European import demand for edible oils will be affected by the severe winter which lowered the chances of a good olive harvest in the Mediterranean Basin in 1956/57. On balance, although world export supplies of fats and oils are likely to remain heavy, the underlying strength of world import demand will probably prevent any major decline in the general level of international market prices in the next six months, in relation to the levels prevailing in the previous year.

COCOA

106. The world cocoa economy is still profoundly affected by the great price rise of 1954, and by the consequent fall in the demand for cocoa. Some of the results were of a technical and structural character which reduced demand for cocoa beans by 10-20 percent.

107. As a result, carry-over stocks at the end of the 1955 cocoa year were much greater than had been anticipated. Production was only 50,000 tons higher than the very low crop of 1953/54; but the decisive development was that during 1955 consumption had fallen by 50-60,000 tons. When the current crop began in the autumn of 1955, stocks were high and prices declined. This situation has continued, despite the

fact that the 1955/56 crop is not likely to reach 800,000 metric tons, as compared with 825,000 in the previous year. Stocks continued to increase during the first part of the year and early in April the New York price declined to 23 cents a lb. (170 sh. a cwt. in London, as compared with 250 at the end of 1955). The extent of the market change is indicated by the fact that while production in 1949/50 and 1950/51 was about the same as during the current year, the average price during those two years was 34 cents a lb.

108. An important factor in the present situation is the fear of manufacturers that an improvement in consumption and marketing may lead to a repetition of the very high prices of 1948 and 1953. Knowing that there is no fundamental change in the production situation or in the outlook, many of the larger industrial users are following a policy of caution. In the United States per caput consumption of cocoa beans in 1955 was 25 percent lower than pre-war, notwithstanding the rise in incomes, although consumption of sugar confectionery has more than kept pace with population growth.

COFFEE

109. World production during the current year is likely to reach 44 million bags (2.64 million tons) which is about seven percent higher than during 1954/55, and 13 percent above the 1950/53 average. The total would have been even higher but for a sudden and substantial decline in Colombian and Central American crops, due apparently to unfavourable weather conditions. On the other hand, production has continued to rise in Africa and in other parts of the world. In Brazil, the 1955/56 crop of 23.3 million bags (1.4 million tons) established a post-war record.

110. Low stocks in consuming countries and lower prices stimulated demand throughout 1955 and the first part of this year. United States imports, which had fallen severely during the great price rise in 1954, were 15 percent larger although still seven percent below 1953. Per caput consumption in the United States also began to recover, but even the 1955 figure is 16 percent below the average consumption of the immediate post-war years. Imports into France, Western Germany and other European countries continued to rise. However, despite increases in incomes, per caput consumption remained below 1934-38. Provisional estimates indicate that world imports in 1955 were around 33 million bags (2.0 million tons), or 10 percent above 1954.

111. As a result of the recovery of consumption and, above all, unfavourable production developments, coffee prices have been more firm than had been anticipated. The decline in production of Colombian and other mild coffees led to a sharp price rise which also strengthened prices of Brazilian varieties. Nevertheless, the differential between the "mild" varieties and the standard Santos widened from the normal 3-5 U.S. cents to 15 U.S. cents, the widest spread of the last decade. News of severe frost damage to the 1956/57 Brazilian crop has kept prices relatively stable since September 1955, supported by the strength of the better quality coffees. However, the market for African Robustas declined under the pressure of increased supplies. Recent developments indicate a continuation of remunerative prices at least for the balance of the current year. While forecasts of the 1956 Brazilian crop vary considerably, it is now recognized that world production in 1956/57 will be lower than during the current year. Futures for the most distant months have consequently risen from 41 cents in September 1955 to 48 cents in March 1956. However, there is the danger that high prices will, as in 1954, adversely affect consumption and imports. Although no abrupt changes in consumption are to be anticipated, it is possible that the improvement which began last year may be temporarily halted, which would aggravate the effects of any sharp rise in supplies in the future.

TEA

112. A record tea production was attained in 1955. In India and Ceylon production advanced more than had been anticipated during the last months of the year, and there was continued expansion in African production. But crops in Pakistan and Indonesia were slightly lower than in the previous year. African exports rose, and Ceylon succeeded in maintaining her 1954 volume; but exports from Indonesia and Pakistan suffered a decline.

113. These supply and trade conditions, together with other factors, influenced prices. The decision by the Indian Government to restrict shipments to the London auctions to 140 million lb. (63,500 tons) led to a shortage of warehouse space, over-burdening of auction facilities in Calcutta and a fall in prices from July 1955 to March 1956. Another factor was the decline in quality of India and Ceylon teas due to coarser plucking. Large stocks accumulated in producing countries. At London, on the other hand, a scarcity of supplies resulted in a rise in prices in the autumn of 1955. However, early in March 1956 the Indian Government abolished (temporarily) the export quota. As a result, shipments are likely to rise and a closer balance will be achieved between the various auction markets.

114. For the current year, the Indian tea industry appears to be considering the re-introduction of crop regulation. But the outlook is not unfavourable, despite the abundance of supplies. United Kingdom stocks are low, imports into practically all consuming markets can be expected to improve, and, given acceptable quality, prices are likely to remain firm.

COTTON

115. Present indications are that the world carryover of cotton at the end of this season may be about 24 million bales (about 2 million bales larger than a year earlier), and that this further increase will again be concentrated in the United States. World production this season is estimated at a record of about 39 million bales but it seems unlikely that consumption will much exceed last season's total of 36.6 million bales. Decreased consumption in Western Europe and Japan will probably be offset by increases in North America, India and other Asian and American countries consuming domestically-grown cotton.

116. During the first half of this season a major fall in the export prices of non-U.S. growths took place in anticipation of the release at competitive prices of a million bales of CCC stocks. By December discounts for these growths varied up to 20 percent and more. Prices of longer staple cottons as well as those of 15/16" or less (comparable to the U.S. cotton to be sold on bid by the CCC) were affected but to a rather smaller extent. Meanwhile, cotton prices in the United States showed increased firmness with the heavy movement of cotton into the loan and this tendency is continuing as the supply of free cotton tightens. The actual sale of the million bales of CCC cotton began in January 1956 and was completed by the beginning of March at prices for Mid. 15/16" as much as 23 percent below the official support level. Prices of other growths, especially the longer staples, recovered some part or all of their earlier losses.

117. United States exports up to mid-March were running at less than half last season's rate, and, while some improvement may be expected as shipment of the million bales is completed and as commitments under P.L. 480 are implemented, the season's total exports are likely to be substantially below last season's. On the other hand, exports from other countries, except Brazil and Turkey, have increased and it is expected that most of

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the new crop cotton available for export will be shipped this season. In total, world trade may be one million bales less than last season.

118. However, the trend of prices and trade in the near future will depend mainly on the implementation of an extended program announced in March for the offer of CCC cotton stocks of all staples and grades at competitive prices, for shipment after 31 July 1956. This, together with the initial program of one million bales, is a major development in the U.S. export policy intended to recover former U.S. cotton markets of 5 million bales. A quarter of a million bales had already been sold under this program by 8 May at prices somewhat above the previous apparent minimum of 27.50 cents per lb. for Middling 15/16" staples. The recent legislation has, however, provided for the acceptance of lower prices depending on the competitive situation. Such prices will be effective for exports of manufactured as well as raw cotton.
119. The extent to which the drop in prices will discourage production cannot be readily gauged. The support level for the 1956 upland crop in the United States has been reduced from 90 to 82½ percent of parity - the support price for Middling 15/16" staple falling from 33.50 to 31.10 cents per lb., a relatively small reduction. Acreage restrictions are the most severe which legislation permits. However, farmers may further reduce or plough up plantings in order to secure payments under the Soil Bank legislation, leaving only the highest yielding land in production. In other countries, prices have dropped more steeply and this may provide a greater disincentive, particularly among the cotton producing countries of Central and South America and the man-made fiber producers in Europe.

WOOL

120. Since the resumption of auctions in the Southern Dominions in 1956, wool markets have remained firm at a little above quotations in the first half of the season. Labour troubles in Australia may have contributed to this firmness.
121. The current world clip is estimated at the record figure of 1.2 million metric tons (clean basis). Available supplies exceed this quantity by over 40,000 tons of old clip wool in South America at the beginning of this season and some 30,000 tons of U.S. wool in the hands of the CCC. Since the introduction of the new exchange regulations in Argentina in December 1955, market activity has increased and it appears that a good part of the old clip wools, in Argentina at any rate, may be cleared. About 20 percent of the CCC stocks of U.S. wool were sold in the six months from November 1955.
122. Although more wool is being offered this season than ever before, consumption is also at a comparatively high level. It is estimated that 1.2 million tons of wool (clean basis) have been consumed in 1955, an increase of 3 percent over the previous year. The proportional increase in the output of wool textiles has been somewhat greater, as there has been a relatively large expansion in the use of materials other than virgin wool. Following the fall in wool prices in September, however, the proportion of virgin wool textiles has risen again.

JUTE

123. Prices have been firm in 1955/56 partly due to the maintenance in Pakistan of last season's minimum export price schedule on a sterling basis, notwithstanding devaluation, and partly to the slowness of arrivals in mofussil markets. Moreover, Indian and overseas mills appear to have bought rather heavily in the first half of the 1955/56 season; purchases may therefore slacken off in the closing months.

124. Production probably exceeded 2 million tons in 1955/56, of which some 1.3 million tons in Pakistan and 900,000 (including mesta) in India. Local mill consumption plus exports totalled 1.83 million tons in 1954/55 but entailed some drawing down of consumer stocks. Requirements in 1955/56 season may be larger and are unlikely to leave an appreciable supply in producing countries unsold at the end of the 1955/56 season. The outlook for 1956/57 coming season is more uncertain. In Pakistan sowings are believed to have increased by 25 percent but floods are reported to have adversely affected the outturn. Trade circles expect a Pakistani crop of 1.45 million tons and an Indian crop of 800,000 tons. On the other hand, jute goods markets, although increasingly competitive, are unlikely to show any very marked expansion. Calcutta has not shipped the whole of its increased output and activity in Dundee has slackened lately. With stocks replenished, this is likely to reflect itself in the demand for raw jute by the mills. It may well be, therefore, that the supply/demand balance in the 1956/57 season will exert some pressure on prices.

HARD FIBERS

125. Hard fiber production reached a record level of 740,000 metric tons in 1955; but was out-stripped by a rise in offtake. Most of the increase in output was in sisal, which totalled about 450,000 tons, with all the major producers cutting more fiber than in the previous year. Slightly more abaca was produced in the Philippines, but some of the Central American estates are being closed down. The output of henequen in Yucatan dropped sharply. The local cordage mills have, however, been kept working to capacity by drawing on stocks. This year they have contracted for the entire output in advance.

126. In view of the buoyant demand which reflects among other things larger grain and hay crops, and increased ship-building and construction activity, stocks of hard fibers in producing countries were virtually cleared. In Brazil and Mexico monetary factors gave a special impetus to supply stock clearance. Internationally, prices of hard fibers have been rather firm in recent months, but any marked tendency of prices to rise is being strongly resisted by buyers. Prospects are for a larger output of hard fibers.

RUBBER

127. World consumption of natural and synthetic rubber reached a record in 1955 and was 15 percent higher than in the previous year. Almost every rubber manufacturing country increased its consumption. The expansion was greatest (24 percent) in the United States, where consumption had been at a relatively low level in the preceding year. The upswing in demand began in the third quarter of 1954, but, in view of its more competitive price, the demand for natural rubber had already been rising for some time, while that for synthetic rubber had been declining.

128. The price of natural rubber increased rapidly during 1955, reaching a maximum in September. The average for the year was 70 percent higher than in 1954. In spite of these very high prices, world production of natural rubber, although reaching a peak volume, expanded by only six percent, the response being greater among the smallholders than on the estates.

129. Natural rubber prices eventually reached double the level of synthetic rubber, production of which expanded by 50 percent in 1955 to near the limit of present capacity. A significant feature of the rise in synthetic rubber consumption was the three-fold increase in United States exports and, consequently, the very sharp expansion in the small quantities consumed in the non-producing countries.

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130. In the early months of 1956, some recession in demand became evident following outbacks in automobile output in the United States and the United Kingdom. Moreover, the increasing supply of lower-priced synthetic rubber and the prospect of capacity under construction in Europe and North America coming into use further ahead were exercising a strong influence on the natural rubber market; prices consequently declined in the first half of 1956 though they remained higher than those of equivalent synthetic rubbers.

TOBACCO

131. Although tobacco surpluses in the United States have reached a record level, the world market remains fairly stable. World production, trade, and consumption expanded further in 1955 and production and consumption are expected to continue their increase in 1956. No general fall in prices is expected in spite of surplus stocks. Acreage and marketing controls and stabilization purchases or loan arrangements financed by governments are widely used and these measures tend to keep up prices, stimulating increases in yields where area restrictions are applied and increases in areas and yields in competing countries.

132. Output of flue-cured leaf in 1955 in the United States, Japan and the Philippines was much larger than in 1954. Decreases occurred in Canadian and Indian output; while production in Southern Rhodesia was about the same.

133. Stocks of all domestic leaf in the United States on 1 January 1955 reached 2.3 million metric tons (farm sales weight) against 2.1 million tons a year earlier. Canadian stocks on 31 December 1955 were 79,000 tons (dry weight) against 76,000 tons. Stocks of Cuban tobacco held by the Tobacco Stabilization Fund at the end of 1955 were lower at about 13,000 tons. Stocks of oriental tobacco from previous harvests are insignificant in spite of the steady increase in output. However, the Turkish Monopoly is reported to have taken over a larger share of the 1955 crop than usual but no stock figures are published. Holdings in importing countries are believed to have increased during 1955. The United Kingdom stocks at the end of 1955 were 229,400 tons (dry weight), the highest end-of-year stocks since the war.

134. Average prices at the United States auctions of flue-cured leaf of the 1955 harvest were practically the same as in the two previous seasons in spite of larger supplies. However, more of the crop was placed under government loan. Prices of Burley reached a record, reflecting high quality and reduced output. Prices of flue-cured at the Southern Rhodesian auctions in 1955 were a little higher than in 1954 but during the first weeks of the 1956 sales they were some 20 percent lower than in the same weeks of 1955. Reduced purchases by the United Kingdom and Australia are causing concern among growers as the 1956 output of flue-cured leaf in Northern and Southern Rhodesia together is nearly 25 percent larger than last year. Both Greek and Turkish export unit values were higher in 1955.

135. World exports were larger in 1955. The United States exported 244,300 metric tons against 205,700 metric tons in 1954. About one-half of the increase was due to shipments under PL 480. Canada's exports also showed a large increase.

136. Consumption continues to increase in practically all countries, including the United States where cigarette consumption, which had weakened in 1953 and 1954, rose by more than 3 percent above the 1954 level. Gross clearances in the United Kingdom in 1955 increased three percent and cigarette output in Western Germany rose 14.6 percent.

137. Except in the United States, where acreage has been further restricted, production is expected to increase substantially in 1956.

FOREST PRODUCTS

138. The favourable economic conditions of 1955 increased the demand for practically all forest products and led to a significantly higher volume of production and international trade.

139. The preliminary results now available for 1955 show that new record levels of production were reached for most forest products during the year. The world production of sawn softwood, 45.2 million standards in 1954, rose to nearly 47.5 million in 1955, the rise in North America alone being about 1.4 million standards. The output of sawn hardwood increased from 57.6 million cu. m. in 1954 to about 58.3 million in 1955. As to wood-pulp and paper, the steady post-war expansion continued in 1955. World production of wood-pulp, 41.8 million tons in 1954, rose to some 45.2 million in 1955, that of all paper and board from 51.4 million tons in 1954 to about 56 million in 1955; the output of newsprint rose by some 700,000 tons in 1955.

140. Considerable increases were registered in exports of all categories in 1955. The volume of international trade in sawn softwood was about half a million standards, or some 10 percent higher than in 1954, due primarily to increased imports by the United Kingdom and the United States. World trade in sawn hardwood showed a rise of some 13 percent, and that in wood pulp an increase of eight percent, while the volume of trade in newsprint rose by six percent.

141. In the first months of 1956 all indications pointed to unchanged world demand, by and large, for the main categories of forest products. The high level of economic and industrial activity expected in most countries in 1956 made probable a further strengthening of demand and a rise in the volume of production and trade of wood pulp and its products. On the other hand, some decline in the volume of international trade in sawn wood was anticipated, chiefly as a result of recent heavy stockpiling in the United Kingdom and some other European countries. The European market for sawn wood therefore remained inactive to an unusually late date in 1956, while that of pulpwood and pitprops had already opened in the autumn of 1956 and has continued fairly active.

142. The significant increase in world production and trade of forest products in 1955 was achieved in generally stable price conditions. Only in some instances, notably with regard to woodpulp and newsprint, did the heavy demand and some shortages raise market prices slightly. With regard to sawn wood some minor downward price adjustments were made at the turn of the year but U.S. prices increased in 1955. The only important price movement at the beginning of 1956 was the marked weakening of international prices of plywood caused by reduced and delayed purchasing by the United Kingdom.

FISHERY PRODUCTS

143. In 1955 most fisheries remained close to the levels of 1952-54. There were a few instances of increased output and rather more of moderate declines. These were due mainly to factors outside the control of the industry such as lesser abundance of fish on the grounds or unfavourable weather, and not to any reduction of fishery inputs.

Fresh and frozen fish

144. In general, international trade in these products has been maintained and some small increases were recorded. Imports into the United States, United Kingdom and West Germany in 1955 were slightly higher than in 1954. The United States imported more frozen tuna, while imports of groundfish fillets were a little lower than in 1954 but still 40 percent higher than in 1953. The United Kingdom and West Germany imported more frozen herring, particularly from Norway.

Norway's exports of frozen herring increased in 1955, especially to Czechoslovakia, which, together with East Germany, Poland, and USSR takes 70 percent of Norway's exports.

Dried, Salted and Smoked Fish

145. The imports of salted herring into West Germany and Belgium in 1955 were on the same levels as in 1954, while Sweden imported 40 percent more. The Netherlands' exports of salted herring show a decline caused mainly by a drop in exports to the USSR. Norway's exports of this commodity in 1955 were about the same as in 1954; Iceland's exports markedly increased especially to the USSR, Sweden, and Finland.

146. Iceland's stockfish exports dropped to about half the record levels of 1954, so returning to the 1953 levels. Norway's exports of salted cod show an increase of more than 10 percent, Brazil being by far the biggest importer, as in the previous years. Norway's exports of stockfish remained at the same level as in 1954. Italy's imports increased while there was a slight decline in the imports to West Africa.

Canned Fish

147. There was a decline in the canned salmon pack on the West coast of North America with the United States pack of canned salmon the lowest since 1906, and declines were also experienced in the tuna and Maine sardine. There was a large increase in U.S. imports of canned salmon from Japan. The Japanese canned salmon pack showed a spectacular increase in 1955, being three times larger than in 1954 and eight times larger than in 1953. In Norway the brisling pack was quite small due to the poor catch. Norway's exports of canned herring and other fish declined in 1955. Portuguese exports of canned fish in 1955 increased about 30 percent as compared with 1954. West Germany was the main market, followed by Italy, the United Kingdom and the United States. Imports of canned herring and sardines into France, West Germany and Italy remained at 1954 levels.

Fish Meal

148. In the United States a record output of menhaden meal was produced. Denmark's catches increased mainly through heavier fishing for reduction purposes with a corresponding increase in fish meal production. In the Union of South Africa, where quotas on catches and on reduction plants are enforced, fish meal might be slightly less than in the past few years. In 1955 fish meal exports from Norway dropped more than 20 percent from the record 1954 level. Prices appear to be firm.

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LIST OF DELEGATES AND OBSERVERS TO THE TWENTY-SEVENTH SESSION

CHAIRMAN: S. R. Sen (India)
VICE-CHAIRMAN: V. Andersen (Denmark)

MEMBERS:

<u>Country</u>	<u>Delegates</u>
ARGENTINA	J. B. Martese, Economic Counsellor, Argentine Embassy
AUSTRALIA	F. W. Bulcock, Agricultural Counsellor, London R. G. Robertson Chief Trade Relations Officer, Department of Trade S. F. Lynch, Commercial Counsellor, Australian Legation J. A. Forsythe, Department of External Affairs
BRAZIL	A. de Viana, Minister for Economic Affairs, Brazilian Embassy
BURMA	U. Hla Maung, Ambassador Extraordinary and Plenipotentiary in Yugoslavia and Italy
CANADA	J. F. Booth, Chief, Economics Division, Department of Agriculture S. J. Chagnon, Assistant Deputy Minister of Agriculture K. F. Osmond, Commercial Secretary, Canadian Embassy

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<u>Country</u>	<u>Delegates</u>
CEYLON	H.A.J. Hulugalle, Minister in Italy
CUBA	I. Estéfano, Consejero Económico Cuban Embassy
DENMARK	V. Andersen, Counsellor, Ministry of Agriculture C. V. Hansen, Agricultural Attaché Danish Embassy H. J. Kristensen, Asst. Head of Section, Ministry of Agriculture
EGYPT	S. E. Riffaat, Second Secretary, Egyptian Embassy
FRANCE	J. C. Richard, Secrétaire, Ministère des Affaires Etrangères A. F. Liotard, Conseiller technique, Ministère des Affaires Etrangères S. Baoquier, Administrateur civil M. Vignes, Inspecteur de la France d'Outre Mer
GERMANY	W. Weber, Counsellor, Ministry of Food, Agriculture and Forestry I. Hoffmann, Ministry of Food, Agriculture and Forestry
INDIA	S. R. Sen, Economic and Statistical Adviser, Ministry of Food and Agriculture

<u>Country</u>	<u>Delegates</u>
JAPAN	S. Kaihara, First Secretary, Japanese Embassy K. Edahiro, First Secretary, Japanese Embassy
NETHERLANDS	B. Heringa, Director for Internal Agricultural Affairs, Ministry of Agriculture, Fisheries and Food H. de Meel, Officer for International Organizations, Ministry of Agriculture, Fisheries and Food C. C. L. Eygenraam, Agricultural Attaché, Netherlands Embassy
NEW ZEALAND	J. B. Prondergast, Commercial Counsellor, Office of High Commissioner, London C. H. Fowler, Commercial Secretary, Office of High Commissioner, London
PAKISTAN	Nazir Ahmed, Agricultural Attaché, Pakistan Embassy
PHILIPPINES	M. A. Alzate, Minister in Italy C. Arranz, Third Secretary, Philippines Legation J. Guevara, Asst. Commercial Attaché, Philippines Legation
SPAIN	R. Cantos-Figuerola, Ing. Agr., Jefe Política Comercial, Ministerio de Agricultura M. de Echegaray, Ing. Agr., Presidente del Instituto Nacional de Investigaciones Agronómicas

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<u>Country</u>	<u>Delegates</u>
SPAIN	E. Morales y Fraile, Ing. Agr., Delegado Permanente de Espana ante O.A.A., Agregado Agrónomo en la Embajada en Roma
THAILAND	P. B. Israsena, Deputy Under-secretary of State, Ministry of Economic Affairs Luang Prakit Sahakorn, Director-General Department of Economic Relations, Ministry of Economic Affairs
UNITED KINGDOM	M. Compton, Assistant Secretary, Ministry of Agriculture, Fisheries and Food E. H. Bott, Principal, Ministry of Agriculture, Fisheries and Food J. W. Vernon, Assistant Secretary, Colonial Office R. E. Moore, Assistant Secretary, Ministry of Agriculture, Fisheries and Food K. C. Christofas, First Secretary British Embassy I. Duff Jackson, Chairman, Cocoa Exporters Committee, Trinidad P. M. Wiso, Deputy Chairman (Executive) Borneo Abaca Ltd. J. Young, Official of Nigerian Produce Marketing Co. Ltd. S. L. Durosaro, Member of Nigerian Central and Western Region Marketing Boards P. F. Adams, Controller Ministry of Commerce and Industry Federation of Malaya

<u>Country</u>	<u>Delegates</u>
UNION OF SOUTH AFRICA	W. A. Horrocks, Senior Trade Commissioner, London
UNITED STATES OF AMERICA	R. H. Roberts, Deputy Asst. Administrator, F.A.S., Dept. of Agriculture T. C. Robinson, Assistant Chief, International Resources Div., Department of State W. R. Ogg, Agricultural Attaché, U.S. Embassy W. W. Sohl, Asst. FAO Liaison Officer, U.S. Embassy
URUGUAY	J. F. Yriart, Minister of Uruguay in Sweden F. Rivera-Devoto, Counsellor, Uruguayan Embassy
YUGOSLAVIA	S. Krasovec, Professor, University of Ljubljana

OBSERVERS - COUNTRIES:

AUSTRIA	A. Tarter, Secretary, Austrian Legation
BELGIUM	P. D'Otreppe, Président, Comité National Belge de la FAO R. Jauno, Secrétaire, Comité National Belge de la FAO J. Etienne, Conseiller de Légation P. Staner, Inspecteur Royal Congobelge, Ministère des Colonies Bruxelles

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<u>Country</u>	
CHILE	M. Astorga, Director Nacional de Agricultura, Presidente del Comité de Enlace de la FAO
COLOMBIA	C. A. Faillace-Vengoechea, Delegado Permanente de Colombia ante la FAO A. Venegas-Tamayo, Jefe Sección Agencias Especializadas de las Naciones Unidas, Ministerio de Relaciones Exteriores
COSTA RICA	B. A. Van der Laat
DOMINICAN REPUBLIC	P. C. Dominici, First Secretary, Embassy of the Dominican Republic
ECUADOR	L. Plaza, Ambassador and Minister Plenipotentiary in Italy
EL SALVADOR	E. T. Alcaine, Encargado de Negocios, Representante Permanente ante FAO
GREECE	E. Xiros, Commercial Counsellor, Greek Embassy
GUATEMALA	R. Rivera Ariza, Minister-Counsellor Embassy of Guatemala
HOLY SEE	E. Bonomelli, Director of Papal Villas
HONDURAS	A. López Rodezno, Minister in Italy M.R. Ortega, Secretary Honduras Legation

<u>Country</u>	
INDONESIA	R. Soetijo, Agricultural Attaché Indonesian Embassy U. Njotowijono, Commercial Secretary Indonesian Embassy
IRAN	A. Ardalan, Secretary Embassy of Iran
IRAQ	K. Daghistani Secretary, Legation of Iraq
IRELAND	D. Waldron, Secretary Irish Legation
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JORDAN	E. Roch, Minister in Italy A. Nassir, First Secretary, Jordan Legation
LIBERIA	C. Shorman, Financial Adviser
LIBYA	I. B. Balkheir, Secretary, Nazir Finance, Cyrenaica Abdussalam Bresh, Funzionario Governo Aref Ben Musa, First Secretary Embassy of Libya

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Country

NORWAY	Oscar Angell, Comm. Counsellor Norwegian Embassy
PANAMA	G. Mendes, Canciller de Embajada
PARAGUAY	R. Recalde de Vargas Minister Plenipotentiary in Italy
PORTUGAL	A. Batalha-Reis Directeur, Centre Portugais d'Information
SWEDEN	C. H. Nordlander, Director General of the Board of Agriculture Claes de König, First Secretary, Swedish Legation
SWITZERLAND	A. Schär, FAO National Committee H. C. Lichti, Vice-Président de Chocosuisse, Administrateur-Délégué et Directeur de Chocolat Suchard S.A.
TURKEY	P. Subasi, First Secretary, Turkish Embassy
VENEZUELA	P. Linares-Pérez, Agregado de Inmigración
VIET-NAM	Tran-Van-Don, Minister in Italy

OBSERVERS - ORGANIZATIONS:

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EUROPEENNE DE
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Vice-President for Italy

INTERNATIONAL
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L. Carreri

G. B. Cerletti

R. Dodi

INTERNATIONAL DAIRY
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S. Visco,
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INTERNATIONAL FEDERATION
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INTERNATIONAL WOOL SECRETARIAT

A. P. Zentlor
Economic Adviser

INTERNATIONAL WOOL TEXTILES
ORGANIZATION

R. Dodi

ORGANIZATION FOR EUROPEAN
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M. Dcheeger

UNION CATHOLIQUE INTERNATIONALE
DE SERVICE SOCIAL

E. Inglessis

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P. Oldano,
Ismun Council Member,
International Student
Movement for the UN.