

BARLEY FROM FRANCE

Determination of the Commission
in Investigation No. 104-TAA-6
Under Section 104(b) of the
Trade Agreements Act of 1979, Together
With the Information Obtained
in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 104-TAA-6

BARLEY FROM FRANCE

Determination

Based on the record 1/ developed in investigation No. 104-TAA-6, the Commission determines pursuant to section 104(b) of the Trade Agreements Act of 1979, that an industry in the United States would not be materially injured, or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, by reason of imports of barley from France covered by countervailing duty order T.D. 71-177, if the order were to be revoked. 2/

Background

On March 28, 1980, the U.S. International Trade Commission received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b) of the Trade Agreements Act of 1979.

On October 27, 1981, the Department of Commerce published a notice in the Federal Register of its preliminary determination of the net amount of the subsidy applicable to barley from France. On the basis of that determination by Commerce, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, on January 15, 1982, instituted investigation No. 104-TAA-6 on barley from France which, if imported, would currently enter under item 130.08 or item 130.11 of the Tariff Schedules of the United States, to determine whether an industry in the United States would be materially injured or threatened with material injury, or the establishment

1/ The "record" is defined in sec. 207.2(j) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(j)).

2/ Commissioner Frank determines that an industry in the United States would be threatened with material injury by reason of imports of barley from France covered by countervailing duty order T.D. 71-177, if the order were to be revoked.

of an industry in the United States would be materially retarded, by reason of imports of barley covered by the countervailing duty order if the order were to be revoked.

Notice of the institution of the Commission investigation and of a 14-day period in which interested parties could request that a public hearing be held, was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. 20436, and by publishing the notice in the Federal Register of January 20, 1982 (47 F.F. 2960). No requests for a public hearing were received by the Commission and none was held. The Commission did not receive a request for use of questionnaires, and no questionnaires were used in this case. The Commission vote on this case was held in public session on March 9, 1982.

VIEWS OF CHAIRMAN BILL ALBERGER, VICE CHAIRMAN MICHAEL J. CALHOUN
AND COMMISSIONERS PAULA STERN AND ALFRED ECKES

Imports of barley from France have been subject to a countervailing duty order (T.D. 71-117) since May 1971 (36 FR 8365, May 5, 1971). Based on the record developed in this investigation, we conclude that the revocation of this countervailing duty order would not result in material injury, threat of material injury, or the material retardation of the establishment of an industry in the United States. ^{1/} In arriving at this decision, we have considered, among other factors, the historic role of imports of barley from France in the U.S. market, the performance of the domestic industry, and the relatively insignificant effect of the outstanding order on the overall competitiveness of barley imports from France.

The Domestic Industry

Our initial consideration is the definition of the relevant domestic industry against which the impact of the subject imports must be assessed. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as

The domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.

The term "like product" is, in turn, defined in section 771(10) as meaning

A product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.

^{1/} Since there is currently extensive production of barley in the United States, we will not further discuss the issue of material retardation.

The scope of the outstanding countervailing duty order under consideration in this investigation covers generally "barley from France," which includes barley for malt, feed, and seed use, but not milled barley. Historically, most imported barley from France has been of the type used for feed. 2/ In the record of this investigation, there is an indication that barley grown for different end uses may be distinguishable from other types of barley. In the absence of more complete information, however, we have defined the appropriate "like product" as all barley 3/ 4/ Therefore, the relevant domestic industry under § 771(4)(A) consists of the approximately 90,000 farming operations producing barley located principally in North Dakota, California, Montana, Idaho, and Minnesota.

The Current Condition of the U.S. Industry.

The U.S. industry appears healthy. U.S. production of barley has increased irregularly from a low of 304 million bushels in crop year 1974/75 to a high of 478 million bushels in crop year 1981/82. 5/ Even though the second smallest crop in that time period occurred in 1980/81 (due largely to a drought in North Dakota), this did not result in increased levels of imports that year. 6/ Prices received for barley by farmers have been rising steadily

2/ Staff Report, page A-8.

3/ Even if we were to recognize separate types of barley as appropriate like products, most of the information obtained in this investigation is available only as to total barley production. Therefore, pursuant to section 771(4)(D), our assessment of the effect of the subsidized imports would be based on our examination of the production of the narrowest group or range of products, which includes the like products we might have found for which the necessary information can be provided. In this case, the narrowest such group would be all barley.

4/ Vice Chairman Calhoun's views on the like product are set forth in the attached Additional Views of Vice Chairman Calhoun, p. 9.

5/ Staff Report, p. A-10.

6/ Staff Report, p. A-9.

for the last four years, 7/ although they have declined somewhat in the last few months. 8/ 9/

Moreover, no U.S. producers or representatives of producers' groups requested a Commission hearing or the issuance of Commission questionnaires in this investigation. No such group made formal submissions either to the Commission or to the Department of Commerce during the recent review of the outstanding countervailing duty order. Neither did we receive any submission from the Department of Agriculture.

Likely Effects of Removal of the Countervailing Duty Order

The Department of Commerce has determined that the net amount of the subsidy is \$0.04 per bushel. 10/ This amounts to less than one percent of the current price per bushel of the barley exports from France. 11/ Even if the revocation of the countervailing duty order were fully reflected in future prices of imports from France, we do not expect such imports to be significant. This is because France does not export the type of malting barley sought by U.S. importers and French export prices on all barley are well above domestic prices.

The U.S. has not been a market for French barley exports during the past twelve years. While in part this may have been attributable to the existence

7/ Staff Report, p. A-22.

8/ Staff Report, p. A-19.

9/ Exports of barley from the United States have been significantly higher than total U.S. imports. For instance, in 1980, U.S. exports, 67 million bushels, were more than ten times greater than the volume of U.S. imports.

10/ Staff Report, pp. A-36-37.

11/ Staff Report, p. A-22.

of the countervailing duty order, 12/ it more fundamentally results from the fact that most French exports have consisted of barley used for feed, rather than barley used for malt. U.S. barley imports, principally from Canada, have consisted almost entirely of barley used for malting purposes. Moreover, barley grown in the United States and Canada for malting purposes differs significantly from the European malting barley. 13/ U.S. and Canadian types are preferred by most U.S. brewers. 14/

Prices of grain in France have traditionally exceeded world prices by a significant margin due largely to higher costs of production. 15/ Since the United States has not imported French barley in recent years, we compared the average unit value of barley exported from France to other countries with the average price received by U.S. farmers. This comparison includes all barley regardless of kind. During the period 1972-80, unit values of the barley exported from France were from 16.4 percent to 107.3 percent higher than the average prices received by U.S. farmers in every year except 1973. For 1980, the latest year for which data are available, the per bushel value of French barley exceeded that of United States barley by 46.7 percent. 16/

12/ We understand that a 32.6¢ per bushel deposit was required on imports from France during this period.

13/ The European malt has a higher sugar yield than the North American product. The North American barley has a higher diastatic power which allows more malt adjuncts (usually corn grits or brewer's rice) in the manufacture of beer and distilled alcoholic beverages.

14/ There is no information on the record to suggest that the French would or could shift their production to the types sought by U.S. importers.

15/ Staff Report, p. A-2; U.S.D.A., Foreign Agriculture Circular, FG-42-81, Dec. 11, 1981.

16/ In the 1960's, when the French did export barley to the U.S. market, although in limited quantities, the price of the imported French barley exceeded the price received by U.S. producers.

The historic performance of British and West German barley exports to the U.S. lend support to our view that it is unlikely that a significant volume of substantially higher priced, less marketable barley would be imported from France even if the countervailing duty order were revoked. ^{17/} U.K. and West German exports to the United States have not been covered by a countervailing duty order over the last 12 years. Like French barley, U.K. and West German barley is used primarily for feed and that used for malt is not of the type preferred in the U.S. Imports from West Germany have been minuscule, and we have no record of any imports from the U.K. ^{18/}

In the course of an investigation involving the possible revocation of an outstanding countervailing duty order, the Commission considers whether revocation will result in any increased burden on government income or price support programs. ^{19/ 20/} In the present investigation, since it does not appear to us that revocation will result in any change in U.S. consumption or import patterns, we can foresee no adverse effects on the price support programs for barley.

The lack of participation in this investigation by the domestic producers of barley suggests that they do not anticipate material injury or the threat of material injury as a result of revocation of the order under review. The

^{17/} Even when French exports to the U.S. were not subject to a countervailing duty order, such exports played only a minor role in the U.S. market. Between 1965 and 1970, the share of U.S. consumption supplied by French barley ranged from a high of 0.4 percent to a low of less than 0.05 percent in 1966 and 1970.

^{18/} The U.K. is Europe's second leading barley producer, and West Germany is the third.

^{19/} Sections 771(7)(D) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(D)) and 104(e) of the Trade Agreements Act of 1979.

^{20/} Staff Report, p. A-16.

record reinforces this inference. Since the record gives no reason to anticipate significant changes in import prices or volume as a result of revocation, it follows that such revocation will not adversely affect the performance of the domestic industry in the foreseeable future. Thus, we have concluded that the domestic industry would not be materially injured or threatened with material injury if the countervailing duty order were to be revoked.

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ADDITIONAL VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

I agree with my colleagues that the like product in this investigation is barley without regard to how it is used. I reach this conclusion, however, in a way that is slightly different from that used by the majority.

Under section 104(a), the Commission is to determine the impact of imports on domestic production if the existing countervailing or antidumping duty order were revoked. The initial task in our impact assessment under the Trade Agreements Act of 1979, therefore, is the proper identification, in terms of characteristics and uses, of what is being imported. Thus, the threshold issue is to identify those imports which are likely to enter the United States upon the revocation of the outstanding duty order. This particular case presents a peculiar twist to this issue, as there have been no imports of French barley into the United States in the past twelve years, and when there were, the imports were largely feed barley not currently imported into the United States in any significant quantity.

That there have been no French imports in over a decade obviously makes our task of predicting what would happen upon revocation very difficult. But, in addition, the difference in the type of barley that France exports and the other types of barley normally imported into the United States further complicates the matter. The information before us demonstrates, with some certainty, that barley used for malting and that used for feed are distinguished in the marketplace because they are distinguishable in relevant characteristics. ^{1/} Therefore, while a conclusion about which type is likely to enter the United States after 12 years is somewhat speculative,

^{1/} In this connection, I differ from the majority which believes that "there is an indication that barley grown for different end uses may be distinguishable...." My reading of the facts is that the marketplace routinely distinguishes barley on a basis of use and characteristics. Indeed, the⁹ clear pattern of barley imports into the United States belies the majority position as imports have been uniformly of the type used for malting.

the historical pattern of imports of barley from France strongly suggests that feed barley would most likely enter the United States to the extent any French barley would be imported at all. From this alone, we should conclude that the like product is barley used for feed. In contrast to this historical pattern regarding imports of barley from France, however, the current and well established pattern of barley imports into the United States is that malting barley rather than barley for other uses predominates. Imports of feed barley do not enter the U.S. market in significant quantities because sufficient quantities are readily available from domestic sources at significantly lower prices.

Considering that it has been over a decade since French barley has been imported into the United States and considering that in recent times French barley exports have been of the type not substantially imported into the United States, it does not seem practicable to me, nor possible for that matter, to define the likely imports with precision. Thus, although my rationale is different from theirs, I find with the majority regarding the scope of the likely imports and regarding the like product.

Views of Commissioner Eugene Frank

On the basis of the record in investigation No. 104-TAA-6, I determine that an industry in the United States would be threatened with material injury if the countervailing duty order on barley 1/ imported from France were to be revoked.

Status of Domestic Production

Barley is grown commercially in 36 states with North Dakota, California, Montana, Idaho, and Minnesota the principal producing states. Barley is grown on about 90,000 farms but is usually only one of the sources of income for the producing farm. A large part of the production stays on the farm where it was produced for use as livestock feed or seed.

U.S. production of barley fluctuated during crop years 1974/75 through 1981/82 without evidencing any firm trend, from a low of 304 million bushels in 1974/75 to a high of 478 million bushels estimated in 1981/82, with the second smallest crop occurring in 1980/81 as a drought in North Dakota contributed materially to production declines. 2/ The production of barley for malting use has been increasing because of a growing demand for malt while production of feed barley (though all barley can be used as feed) has been declining especially in areas where it competes with wheat for land use. Barley production is heavily influenced by government farm program restrictions on wheat production and wheat is generally a more profitable crop. 3/

1/ These products are provided for in items 130.08 and 130.11 of the Tariff Schedules of the United States.

2/ Report at A-10. The U.S. crop year for barley extends from June 1 to May 31 of the following year.

3/ Id.

U.S. exports of barley fluctuated considerably during 1976-80, equivalent to 6 to 21 percent of domestic production, with principal markets being Mexico, Italy, and Iraq. Variations in quality of foreign barley crops leading to an increased demand for high-quality U.S. malting barley, and relative price differentials of U.S. feed barley compared with prices of foreign barley and U.S. corn are cited as major factors influencing export trends. 4/

Year-end domestic barley stocks increased from crop year 1976/77 levels to 228 million bushels at the end of crop year 1978/79, declining irregularly to 137 million bushels at the end of crop year 1980/81. But estimates for the 1981/1982 crop year are that barley stocks will increase again to 150 million bushels. Variable production costs rose 41 percent during 1978-80, and were projected to increase 7 percent in 1981, while total per bushel production costs rose 49 percent during the same period, and were projected to increase an additional 6 percent in 1981. Largest increases occurred in major cost items of energy and machine charges which more than doubled and of fertilizer which rose by one-third. 5/

U.S. consumption of barley increased irregularly from crop years 1976/77 to 1979/80 levels of 376 million bushels, but declined substantially in 1980/81 to 349 million bushels with USDA estimates for 1981/82 about 7 percent higher than 1980/81 with feed use expected to account for most of the increase. Imports as a percentage of production fluctuated during the 1976/77 to 1981/82 period, from a low of 2.1 percent to a high of 3.1 percent in

4/ Report at A-10 and A-11.

5/ Report at A-12 and A-13.

1979/80, with estimates of 2.1 percent in 1981/82, while, as a percentage of consumption, trends were less volatile remaining in the 2.7 to 3.4 percent range with 1981/82 estimates at 2.7 percent. U.S. consumption of both malting and feed barley showed steady and substantial increases during the period. 6/

With regard to U.S. price support operations, deficiency payments were made in crop years 1977/78 through 1979/80 as the average farm price fell below the target price in those years, but for 1980/81 the farm price rose above the target price and no deficiency payments were made. 7/ Quantities of crop placed under Commodity Credit Corporation loan declined from 1977/78 through 1979/80 as well as with respect to share of production. Yet prices received by farmers, which increased in 1980/81 over previous farm year levels, showed substantial declines on an average monthly basis during July–November 1981 compared with a year earlier and average cash prices of certain feed and barley products also evidenced similar declines. 8/ USDA estimates of substantial increases in barley production with respect to consumption and consequent growth in stocks are cited in estimates that barley prices will be expected to average at least 12 percent below 1980/81 levels. Further, prices during the first 5 months of the 1981/82 crop year averaged below target prices, making barley producers eligible for deficiency payments.

9/

It is important to note that 1981/82 data on domestic production are estimates at this point. Indicators for the domestic barley production sector

6/ Report at A-13 and A-14.

7/ Report at A-16.

8/ Report at A-17 through A-19.

9/ Report at A-19.

are mixed but evidence recent less robust trends making this sector vulnerable to injury from imported barley. Nonetheless, the domestic market for this crop remains substantial and an attractive market prospect for imports from a consumption standpoint.

Consideration of Likely Effects of Revocation of the Order

U.S. imports of barley have been small in recent years, declining irregularly from 8 million bushels valued at \$26 million in calendar year 1977 to 6 million bushels valued at \$24 million in calendar year 1981. 10/ Canada has been the principal supplier of imported barley in recent years; and in 1981, 97 percent of the imported barley was for malting purposes. Imports of barley as a share of U.S. consumption declined irregularly from 3.4 percent in crop year 1976/77 to an estimated 2.7 percent in crop year 1981/82. 11/

There has been no barley exported from France to the United States since 1970, the year just prior to the imposition of the countervailing duty order. However, in calendar year 1969, U.S. imports of barley from France peaked at 1.5 million bushels valued at \$1.5 million 12/ and had attained a 15 percent share with respect to total imports of barley and a 0.4 percent share of U.S. consumption in crop year 1969/70. 13/

Moreover, in viewing levels of U.S. imports of barley from France during the five years prior to the imposition of the countervailing duty order, most of which consisted of feed barley, one can readily discern sizable fluctuations during the period in quantities and value imported from a low of 67,000 bushels valued at \$102,000 in calendar year 1966 to the aforementioned

10/ Report at A-9.

11/ Report at A-7 and A-14.

12/ Report at A-8.

13/ Report at A-15.

high of 1.5 million bushels valued at \$1.5 million in calendar year 1969. Also, unit values on a per bushel basis actually declined significantly from \$1.52 per bushel in calendar year 1966 to \$1.01 per bushel in calendar year 1969, a 34 percent drop, increasing to \$1.26 in calendar year 1970, still 17 percent below 1966 unit value levels. 14/

However, in assessing factors which may point to threat in the case, I believe it is appropriate to scrutinize recent production and export trends in France and the European Community, particularly vis-a-vis the American market rather than simply focusing on past imports to the U.S. which ceased after 1970 and related data.

Production of barley in France has been on an upward trend and has exceeded U.S. barley production in 11 of the past 17 years (e.g. in crop year 1979/80 production in France exceeded U.S. production by 34 percent), although in crop year 1981/82, U.S. production exceeded estimated production in France for the first time since 1971, but by only 2 percent. 15/ Further, as a share of its domestic production, exports from France are significant, amounting to 35 percent in crop year 1978/79, 34 percent in 1979/80, 38 percent in 1980/81, having dropped in 1981/82 to an estimated 31 percent. 16/ During the period 1970/71 to 1980/81, exports of barley from the EC to third countries increased from 3.3 million tons to about 5.5 million tons or by more than 65 percent. 17/

According to the U.S. Department of Agriculture (USDA) barley yields in the EC have improved in recent years although in 1981 they were about 9

14/ Report at A-8.

15/ Staff Report at A-40.

16/ Staff report, page A-6 and A-10. It is important to note such data was compiled from official French government statistics as more specifically detailed in the Report.

17/ Staff report, page A-23.

percent below the 1980 harvest. In 1980 barley yields in the EC were about 70 percent higher than those in North America. The USDA further reports that the EC is experiencing increased surpluses. Although demand for barley within the EC has expanded somewhat for feed use, annual growth in demand has slowed in recent years. This slowing is attributable by the USDA to the fairly stagnant requirements from the low-growth livestock sector, the increased availability of feed wheat, and the gradual displacement of barley by other products (principally imported tapioca) in mixed feed compounds. The USDA expects a continued accrual of surplus barley in the EC which is likely to be exported by means of subsidies in order to balance its internal situation. ^{18/} Exports from the EC aided by subsidies could easily be moved into the U.S. market, especially since some of their traditional customers, including among others, Austria, Switzerland, and the Iberian countries, have a fairly predictable and limited demand for barley.

Inasmuch as production and surpluses of barley within the EC are increasing and because markets both domestic and foreign presently supplied by that barley are fairly stagnant and predictable, new markets will have to be located. It is very likely that barley production in France will eventually be exported to the United States and in not insignificant quantities.

It is noted that the net amount of the subsidy currently in effect as determined by the Department of Commerce is \$0.04 per bushel which would, based on unit values of total barley imports from France as set forth in Table 10 of the Report, be less than 1 percent of the value of barley exported

^{18/} Report at A-3.

from France 19/ At first glance, it would appear such a duty in effect is not significant. However, France's total world exports of barley are just that, total world exports, and are not segregated on a country basis. They are compiled from official government of France data with unit values calculated by Commission staff from such data. Therefore, there is no breakdown or differentiation of prices from one country to another. Rather, the Commission is using overall prices and calculating unit values for such statistics which could conceivably vary materially from one country to another (e.g., possible barter deal for petroleum, etc.). If price variations are of a great magnitude, the 4 cents could be "washed out" if this country's market is desirable. Performing a correlation analysis or other time series analyses based on such data currently available compared with average prices received by farmers, I believe, is of little, if any, value, notwithstanding the fact that production costs in the EC are substantially higher than in the United States.

Furthermore, it is noted that the original notice by Treasury of final countervailing duty determination, predicated on the net amount of any bounty or grant determined or estimated to have been granted or bestowed, recognized the fact that fluctuations in the amounts of such subsidies have taken place, allowing for declarations of the net amount of such consideration to be published in subsequent issues. The original range was between \$0.079 and \$0.326 per bushel of barley during the period from April 1970 to May 5, 1971. 20/ And, as stated earlier, imports from France into the United States

19/ Report at A-22.

20/ Report at A-2.

actually declined in dollar value per unit during the 1966-1970 period, showing significant fluctuations in prices of such imports. Such "proxy" prices for U.S. import prices used for comparative purposes therefore can be misleading and offer little indication of future price behavior of such commodities, and are based on data not independently corroborated as is also the case with respect to most recent French production capability figures which at this point are estimates; with world market shifts and inherent pricing flexibility of which there have been indications in the past, an even greater potential production overhang may ensue.

Also, it is important to note that such imports would most likely cause even greater participation by domestic producers in government price support/Commodity Credit Corporation programs which some might believe to be to the detriment of the taxpayers of this country. Finally, one must wonder, if indeed the countervailing duty in effect is currently or would potentially be insignificant with respect to comparative domestic and imported prices (taking note also this duty has been in effect over 10 years without any evidence on the record of previous requests for review), why the request that it be lifted now if no threat in fact exists?

In view of the above, I have concluded that the domestic industry would be threatened with material injury if the present countervailing duty order on barley imported from France were to be revoked.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

The U.S. International Trade Commission, on March 28, 1980, received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 (note)), as to whether an industry in the United States would be materially injured, or threatened with material injury, or the establishment of an industry would be materially retarded if the countervailing duty order applicable to imports of barley from France were to be revoked. 1/ Accordingly, on April 2, 1980, in accordance with section 104(b)(3) of the act, the Commission notified the Department of Commerce of its receipt of the request for this investigation. 2/

On May 13, 1980, Commerce published a notice in the Federal Register of intent to conduct an annual administrative review of all outstanding countervailing duty orders. As required by section 751(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1675), Commerce has now conducted its first annual administrative review of the countervailing duty order on barley imported from France, and, as a result, published its preliminary determination of the net amount of subsidy applicable to barley from France in the Federal Register of October 27, 1981 (46 F.R. 52406).

On the basis of that determination by Commerce, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, on January 15, 1982, instituted an investigation (No. 104-TAA-6) on barley from France. Notice of the institution of the Commission's investigation and a 14-day period in which to request the use of questionnaires and/or the holding of a public hearing was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of January 20, 1982 (47 F.R. 2960). 3/ No requests for the use of questionnaires or for a public hearing were received by the Commission. Accordingly, the Commission did not send questionnaires, and no public hearing was held.

On January 13, 1982, Commerce published in the Federal Register (47 F.R. 1401), notice of the final results of its administrative review of the countervailing duty order on barley from France. As a result of the review, Commerce determined that the net subsidy conferred during the period January 1, 1980-June 30, 1981, was \$0.04 per bushel. 4/

1/ The letter requesting this investigation is presented in app. A.

2/ The Commission's letter to the Department of Commerce is presented in app. B.

3/ A copy of the Commission's Federal Register notice is presented in app. C.

4/ A copy of Commerce's Federal Register notice is presented in app. D.

Development of the Instant Case

This investigation by the U.S. International Trade Commission evolved from a countervailing duty petition in the form of a letter filed with the Department of Treasury in April 1970. The letter, from Congressman Odin Langer (Minnesota, 7th Congressional District), alleged that barley imported from France benefited from the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

Treasury instituted an investigation and published notice thereof in the Federal Register of July 24, 1970 (35 F.R. 11928). The notice stated that information had been received which appeared to indicate that certain payments or bestowals granted by France on the exportation of barley constitute bounties or grants within the meaning of the countervailing duty law.

On May 5, 1971, Treasury published in the Federal Register (36 F.R. 8365) a notice of final countervailing duty determination and liquidation of duties. The notice stated that barley imported from France will be subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been granted or bestowed. The amount of such bounty or grant under the available information was ascertained and determined or estimated to range between \$0.079 and \$0.326 per bushel of barley during the period from April 1970 to May 5, 1971. The notice further stated that in view of fluctuations in the amount of the bounty or grant, declarations of the net amount of the bounties or grants would be published in subsequent issues of the Customs Bulletin.

On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective, and on January 2, 1980, the authority for administering the countervailing duty law was transferred from the Treasury Department to the Department of Commerce.

Nature of the Subsidy Being Provided

Information was obtained from the U.S. Department of Agriculture relating to the export subsidies provided by the European Community (EC) on grains (including the barley exported from France). The U.S. Department of Commerce was informed by the Government of France that it provides no subsidies on barley that are not provided by the EC to its other members.

Background

Grain prices within the EC have traditionally exceeded world prices by a significant margin due largely to higher costs of production. In order to become more competitive on the world market, the EC authorizes export subsidies which often enable the effective price of its grain to equal, and occasionally fall below world price levels. Various factors are considered in computing the subsidy, including internal prices relative to those in third-country markets, export availability, the proximity of the next harvest, available storage capacity, political factors, transport charges, and existing commitments.^{1/} Major programs for the disposal of exportable grain surpluses include the weekly tender system and the standing tender program. A brief discussion of these programs follows:

^{1/} Foreign Agriculture Circular, FG-42-81, Dec. 11, 1981.

Weekly tender system

This is the system under which the bulk of the EC grain exports are authorized. It is used for exports to zones which include the Mediterranean, Australasia, the Indian subcontinent, Africa, the Middle East, Eastern Europe, the Soviet Union, and Latin America. Those wishing to participate submit their offer to the appropriate intervention authority indicating the tender in which participation is desired, the tonnage of barley to be exported (minimum 1,000 tons), and the subsidy required. The tenderer must also make a security deposit (presently equivalent to \$12.24 per ton). Once each week, the Cereals Management Committee reviews the offers and sets the maximum subsidy available. All bids up to and including this subsidy are automatically accepted. At the beginning of each marketing year, quantities are specified for each tender. These amounts can be increased if the internal supply situation, export flows, or other conditions warrant.

Standing tender program

Smaller quantities of grain are approved for export under the standing, or fixed, tender program. Such exports are to countries that are traditional EC customers with fairly predictable demand, which include, among others, Austria, Switzerland, and the Iberian countries. A 13-member Commission, which is responsible for agriculture within the EC, periodically determines subsidies for exports to these areas. Such subsidies (or refunds) do not depend upon a tendering procedure. Theoretically, unlimited quantities of grain could be exported under this system, but the predictability of demand from countries included in the program effectively limits the tonnage exported.

Description and Uses 1/

Barley is the seed of an annual grass and, in terms of value, is the fifth leading grain crop produced in the United States, ranking behind corn, wheat, oats, and grain sorghum. Its principal use is as feed for livestock and, as such, is interchangeable to some degree with other grains, including corn, grain sorghum, and wheat. About half the barley used as feed is consumed on the farms on which it was produced. The remainder is purchased by feed manufacturers and livestock feeders from sources other than farms.

The second leading use for barley is in making malt. Malt is made from good quality grain germinated under controlled conditions and then dried. It is then separated from the sprouts (which are used as animal feed). The malt looks identical to barley but has a distinctive odor and flavor. It contains an enzyme (diastase) capable of converting starch to sugar. Malt is used principally in the production of beer and distilled alcoholic beverages. 2/ Other uses for malt include nonalcoholic beverages and beverage preparations, breakfast foods, candy, and other food preparations.

1/ The information and data presented in this report were taken in large part from the Summary of Trade and Tariff Information on barley and milled barley products (USITC Publication 841, August 1981).

2/ There is no substitute for barley malt in the production of beer, although some brewers use corn grits or brewers' rice as an adjunct to malt to supply part of the fermentable material used in making beer.

In addition to use in livestock feed and as malt, barley is milled into edible and inedible products, and some of the best barley is set aside for seed. Milled barley is not covered by Commerce's countervailing duty order.

There have been no U.S. imports of barley from France since 1970--the year just prior to imposition of the countervailing duty order. Canada has supplied the bulk of the barley imported by the United States in recent years, and such imports have consisted largely (97 percent in 1981) of barley for malting purposes. Barley malt is usually produced in the United States and Canada from six-row barley, while in Europe it is usually produced from two-row barley. The barley head, or spike, consists of a zigzag stem (rachis) with groups of three kernels (spikelets) arranged alternately on opposite sides of the rachis. In six-row varieties, all three spikelets at each rachis joint are fertile, whereas in the two-row varieties, only the central spike develops. Malt made from six-row barley is preferred by most U.S. brewers because European malt has a higher extraction rate (i.e., more sugar yield) than the malt produced in the United States or Canada. ^{1/} Barley grown in the United States and Canada has a higher diastatic power, which allows the use of more malt adjuncts (usually corn grits or brewers' rice) in the manufacture of beer and distilled alcoholic beverages.

U.S. Tariff Treatment

Barley imported for malting purposes is currently dutiable under item 130.08 of the Tariff Schedules of the United States (TSUS) at the most-favored-nation rate of 6.6 cents per bushel of 48 pounds. Other unmilled barley, if imported, enters the United States under TSUS item 130.11 at the most-favored-nation rate of 7.5 cents per bushel of 48 pounds. The column 1 rate applicable to item 130.08 is subject to staged reductions as authorized by Presidential Proclamation No. 4707, which, effective January 1, 1980, implemented agreements reached pursuant to the Multilateral Trade Negotiations. No concession was granted on item 130.11. The negotiated rates for item 130.08, which became effective beginning January 1, 1980, are shown in the following tabulation:

| <u>Effective on Jan. 1--</u> | <u>Cents per bushel</u> |
|------------------------------|-------------------------|
| 1980----- | 7.2 |
| 1981----- | 6.9 |
| 1982----- | 6.6 |
| 1983----- | 6.2 |
| 1984----- | 5.9 |
| 1985----- | 5.6 |
| 1986----- | 5.3 |
| 1987----- | <u>1/</u> 5.0 |

^{1/} This rate is currently applicable to imports which enter the United States under item 130.08 from countries designated as "least developed developing countries" (LDDC's). Imports from LDDC's under item 130.11 are not subject to reduced rates of duty.

^{1/} According to the U.S. Department of Agriculture, the bulk of the barley exported from France in recent years has been of the type used for feed.

Barley covered by this investigation is not eligible for duty-free treatment under the Generalized System of Preferences (GSP).

TSUS item 130.08, barley for malting purposes, was established January 1, 1980, and is an "actual use" provision. U.S. Customs regulations (19 CFR 10.131-10.139) relating to the classification of articles dependent on actual use specify three conditions which must be met for the articles to be classified in the actual use provision as follows:

- (1) Such use is intended at the time of importation.
- (2) The article is so used.
- (3) Proof of use is furnished within 3 years after the date the article is entered or withdrawn from warehouse for consumption.

U.S. Producers

Barley is grown commercially in 36 states. North Dakota has been the principal producing State, but in 1980, drought greatly reduced its output. California, Montana, Idaho, and Minnesota have also been leading producing States. Those five States accounted for 70 percent of the U.S. barley output during 1976-80.

Barley is grown in the United States on about 90,000 farms but is usually only one of several sources of income for the producing farm. Other crops (principally spring wheat) and livestock are also important sources of income for such farms.

Channels of Distribution

Much of the barley used for feed and seed stays on the farms on which it was produced. Barley which is sold and barley products reach the consumer through a variety of marketing channels. In recent years, most of the barley sold by producers was marketed through country elevators; the remainder was shipped directly to terminal operators and maltsters. About one-third of the barley used by maltsters is believed to be purchased directly from producers. ^{1/} Country elevators serve primarily as collection and storage facilities where sorting by kind and quality takes place. From the elevators the grain is transported by rail, barge, or truck to grain terminals or storage centers located primarily in the Midwest. Frequently, grain to be sold overseas is shipped directly from a country elevator to a port terminal.

^{1/} Most of the imported barley in recent years has been malting barley from Canada, which competes directly with domestic malting barley.

Production of Barley in France

During crop-years 1978/79 to 1981/82, ^{1/} the production of barley in France fluctuated from a high of 538 million bushels in crop year 1980/81 to an estimated low of 467 million bushels during crop year 1981/82. According to the U.S. Department of Agriculture (USDA), the decline in production during crop year 1981/82 was caused in part by less favorable growing conditions for small grains during the spring and summer months than those in 1980. Alternating periods of hot and cold weather during the spring caused some damage, and above-average rainfall in May and June caused a delay in pesticide and herbicide treatment. In addition, a very hot period in mid-June retarded growth and resulted in a lower yield. Table 1 shows barley stocks, production, imports, exports, and apparent consumption for France during crop years 1978/79 to 1981/82. Table E-1 appendix E shows production of barley in the United States and in France during 1965-81.

Table 1.--Barley: Beginning stocks, production, imports, exports, consumption, and ending stocks, for France, crop years 1978/79 to 1981/82

| Crop year ^{1/} | Quantity (in thousands of bushels) | | | | | |
|-----------------------------|------------------------------------|----------------|-------------|-------------|-----------------|--------------------------|
| | : Beginning : : stocks : | : Production : | : Imports : | : Exports : | : Consumption : | : Ending : : stocks : |
| 1978/79----- | 2,754 | 519,634 | 5,013 | 181,810 | 332,821 | 13,770 |
| 1979/80----- | 13,770 | 513,896 | 1,928 | 172,217 | 335,300 | 22,078 |
| 1980/81----- | 22,078 | 537,764 | 2,157 | 204,806 | 344,801 | 12,393 |
| 1981/82 ^{2/} ----- | 12,393 | 467,262 | 1,377 | 146,880 | 325,890 | 8,268 |

^{1/} Crop year is from Aug. 1 to July 31.

^{2/} Estimated.

Source: Compiled from official statistics of the Ministry of Agriculture, Trade, French Customs and estimates from Agcons.

As a share of production, exports of barley from France accounted for 35 percent in crop year 1978/79, 34 percent in 1979/80, 38 percent in 1980/81, but dropped in 1981/82 to an estimated 31 percent. Principal European Community (EC) markets for barley exported from France in recent years were Belgium, West Germany, Italy, and the United Kingdom; principal markets outside the EC were Saudi Arabia, Switzerland, Poland, and the U.S.S.R.

Barley for feed accounted for slightly more than 75 percent of consumption in France during the period from 1978/79 to 1981/82 (table 2).

^{1/} The crop year for barley in France extends from Aug. 1 to July 31 of the following year.

Table 2.--Barley: French domestic utilization, crop years
1978/79 to 1981/82

| Quantity (in thousands of bushels) | | | |
|------------------------------------|-------------------|--------|---------|
| Crop year <u>1/</u> | Barley used for-- | | Total |
| | Feed | Other | |
| 1978/79----- | 253,827 | 78,994 | 332,821 |
| 1979/80----- | 257,637 | 77,663 | 335,300 |
| 1980/81----- | 265,394 | 79,407 | 344,801 |
| 1981/82----- | 247,860 | 78,030 | 325,890 |

1/ Crop year is from Aug. 1 to July 31.

Source: Compiled from official statistics of the Ministry of Agriculture, Trade, French Customs, and estimates from Agcons.

The bulk of the malting barley produced in France is exported. It is estimated by the USDA that barley used domestically in France for malt amounted to 10 million bushels in 1978/79, 13 million bushels in 1979/80, and 9 million bushels in 1980/81. Exports from France of barley for malting purposes are estimated at 39 million bushels in 1978/79, 45 million bushels in 1979/80, and 50 million bushels in 1980/81 as shown in the following tabulation (in thousands of bushels):

| Aug. 1-July 31-- | Used domestically for malt | Exported | Total |
|------------------|-------------------------------|----------|--------|
| 1978/79----- | 9,914 | 38,740 | 48,654 |
| 1979/80----- | 12,806 | 44,936 | 57,742 |
| 1980/81----- | 9,088 | 49,664 | 58,752 |

U.S. Imports

U.S. imports of barley have been small in recent years. Imports declined irregularly from 8 million bushels, valued at \$26 million in 1977, to 6 million bushels, valued at \$24 million, in 1981. In 1981, 97 percent of the imported barley was for malting purposes. Canada has been by far the principal supplier of imported barley in recent years (table 3).

As stated earlier in this report, there has been no barley imported from France since 1970, the year just prior to imposition of the countervailing duty order. The following tabulation, compiled from official statistics of

the U.S. Department of Commerce, shows U.S. imports of barley from France during the 5 years prior to imposition of the countervailing duty order:

| <u>Year</u> | <u>Quantity</u> <u>(1,000 bushels)</u> | <u>Value</u> <u>(1,000 dollars)</u> | <u>Unit value</u> <u>(per bushel)</u> |
|-------------|---|--|--|
| 1966----- | 67 | 102 | \$1.52 |
| 1967----- | 1,102 | 1,501 | 1.36 |
| 1968----- | 751 | 862 | 1.15 |
| 1969----- | 1,491 | 1,499 | 1.01 |
| 1970----- | 117 | 147 | 1.26 |

Table E-2 in appendix E shows total U.S. imports of barley and imports from France during 1965-81. Such imports fluctuated sharply during this period, from a low of 67,000 bushels, valued at \$102,000, in 1966 to a high of 1.5 million bushels, valued at \$1.5 million, in 1969.

Most of the U.S. imports from France consisted of feed barley during 1966-70.

Table 3.--Barley: U.S. imports for consumption, by principal sources, 1977-81

| Source | 1977 | 1978 | 1979 | 1980 | 1981 |
|----------------------------------|--------|--------|--------|--------|--------|
| Quantity (1,000 bushels) | | | | | |
| Canada----- | 8,256 | 4,942 | 7,179 | 6,409 | 5,835 |
| Italy----- | 0 | 0 | 0 | 0 | 1/ |
| Federal Republic of Germany----- | 0 | 0 | 20 | 2 | 1/ |
| People's Republic of China----- | 0 | 0 | 0 | 1/ | 1/ |
| All others----- | 1/ | 1/ | 1 | 1 | 1 |
| Total----- | 8,256 | 4,942 | 7,200 | 6,412 | 5,836 |
| Value (1,000 dollars) | | | | | |
| Canada----- | 26,120 | 11,535 | 19,580 | 23,806 | 24,372 |
| Italy----- | - | - | - | - | 9 |
| Federal Republic of Germany----- | - | - | 64 | 2 | 1 |
| People's Republic of China----- | - | - | - | 1 | 2/ |
| All others----- | 1 | 4 | 5 | 2 | 2 |
| Total----- | 26,121 | 11,539 | 19,649 | 23,811 | 24,384 |
| Unit value (per bushel) | | | | | |
| Canada----- | \$3.16 | \$2.33 | \$2.73 | \$3.71 | \$4.18 |
| Italy----- | - | - | - | - | 19.06 |
| Federal Republic of Germany----- | - | - | 3.16 | 1.18 | 11.28 |
| People's Republic of China----- | - | - | - | 10.29 | 20.71 |
| All others----- | 14.48 | 10.75 | 8.13 | 18.65 | 12.06 |
| Average----- | 3.16 | 2.33 | 2.73 | 3.71 | 4.18 |

1/ Less than 500.

2/ Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--The data are on a calendar-year basis and are not comparable with the quantity data in table 6, which are on a crop-year basis.

Consideration of Material Injury or the Threat Thereof if the
Countervailing Duty Order Were to Be Revoked

U.S. production

U.S. production of barley during crop years 1975/76 through 1981/82 ^{1/} increased irregularly from a low of 304 million bushels in 1975/76 to a high of 478 million bushels in 1981/82. The second smallest crop during the period occurred in 1980, when a drought in North Dakota contributed significantly to the decline in production that year. In 1980, production of barley in North Dakota, normally the principal producing State, was down 36 percent from the level of production in 1979 and 54 percent from production in 1981. The following tabulation, compiled from official statistics of the U.S. Department of Agriculture, shows U.S. production of barley by crop year 1974/75 to 1981/82; table E-1 in appendix E shows U.S. production for crop years 1965/66 to 1981/82.

| <u>Year beginning June 1--</u> | <u>Quantity</u> <u>(million bushels)</u> |
|--------------------------------|---|
| 1974----- | 304 |
| 1975----- | 383 |
| 1976----- | 372 |
| 1977----- | 420 |
| 1978----- | 447 |
| 1979----- | 383 |
| 1980----- | 361 |
| 1981----- | 478 |

Although all barley can be used as feed, ^{2/} only certain qualities of certain varieties are suitable for use in making malt. The barley produced in North Dakota, Minnesota, and South Dakota is virtually all of the malting varieties. Barley for malting use is often grown on irrigated land because the protein level, which is an important factor in the brewing of beer, can be more easily controlled. The production of malting barley has been increasing because of a growing demand for malt; production of feed barley has been declining, particularly in areas where it competes with wheat for land use. Wheat is generally a more profitable crop, and barley production is heavily influenced by Government farm program restrictions on wheat production.

U.S. exports

U.S. exports of barley fluctuated widely during 1976-80 and were equivalent to 6 to 18 percent of domestic production. They ranged from a high of 71 million bushels, valued at \$157 million, in 1977 to a low of 30 million bushels, valued at \$71 million, in 1978. Principal known markets for U.S. exports in 1980 were Mexico, Italy, and Iraq (table 4). A major factor affecting U.S. exports of barley is the relative price of U.S. feed barley

^{1/} The U.S. crop year for barley extends from June 1 to May 31 of the following year.

^{2/} Barley is suitable for use as feed by all classes of livestock.

compared with prices of foreign barley and U.S. corn. Also, variations in the quality of foreign barley crops in certain years has led to an increased demand for high-quality U.S. malting barley. Table E-3 shows total U.S. exports of barley for crop years 1965/66 to 1981/82.

Table 4.--Barley: U.S. exports of domestic merchandise, by principal markets, 1976-80

| Market | 1976 | 1977 | 1978 | 1979 | 1980 |
|----------------------------------|---------|---------|--------|--------|---------|
| Quantity (1,000 bushels) | | | | | |
| Unidentified ^{1/} ----- | 3,432 | 7,259 | 421 | 2,267 | 17,183 |
| Mexico----- | 117 | 5 | 4,420 | 2,310 | 9,160 |
| Italy----- | 2,753 | 3,024 | 0 | 480 | 9,260 |
| Iraq----- | 648 | 2,751 | 1,995 | 1,906 | 7,179 |
| Taiwan----- | 1,837 | 0 | 7,792 | 4,734 | 6,113 |
| Japan----- | 3,979 | 2,715 | 2,174 | 643 | 5,879 |
| Spain----- | 0 | 0 | 0 | 0 | 5,546 |
| Romania----- | 0 | 0 | 0 | 0 | 2,735 |
| All others----- | 37,918 | 55,596 | 13,177 | 20,787 | 4,106 |
| Total | 50,684 | 71,350 | 26,799 | 33,127 | 67,181 |
| Value (1,000 dollars) | | | | | |
| Unidentified ^{1/} ----- | 8,749 | 13,932 | 1,497 | 6,186 | 46,383 |
| Mexico----- | 631 | 12 | 14,185 | 8,886 | 38,324 |
| Italy----- | 7,527 | 7,555 | - | 1,201 | 28,234 |
| Iraq----- | 1,530 | 6,048 | 3,637 | 5,115 | 20,286 |
| Taiwan----- | 4,563 | - | 18,538 | 10,962 | 18,667 |
| Japan----- | 11,247 | 6,516 | 5,124 | 1,910 | 18,121 |
| Spain----- | - | - | - | - | 14,151 |
| Romania----- | - | - | - | - | 7,935 |
| All others----- | 102,695 | 122,812 | 27,598 | 56,947 | 12,660 |
| Total | 136,942 | 156,874 | 70,579 | 91,207 | 204,761 |
| Unit value (per bushel) | | | | | |
| Unidentified ^{1/} ----- | \$2.55 | \$1.92 | \$3.56 | \$2.73 | \$2.70 |
| Mexico----- | 5.39 | 2.50 | 3.35 | 3.85 | 4.18 |
| Italy----- | 2.73 | 2.50 | - | 2.50 | 3.05 |
| Iraq----- | 2.36 | 2.20 | 1.82 | 2.68 | 2.83 |
| Taiwan----- | 2.48 | - | 2.38 | 2.32 | 3.05 |
| Japan----- | 2.83 | 2.40 | 2.36 | 2.97 | 3.08 |
| Spain----- | - | - | - | - | 2.55 |
| Romania----- | - | - | - | - | 2.90 |
| All others----- | 2.71 | 2.21 | 2.09 | 2.74 | 3.08 |
| Average----- | 2.70 | 2.20 | 2.37 | 2.75 | 3.05 |

^{1/} The final destination of these barley shipments was unknown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Yearend stocks

Yearend barley stocks are affected not only by supply and demand of other feed grains but also by the U.S. Department of Agriculture's reserve program which operates in conjunction with the price-support program for barley. Under the program, when an oversupply occurs producers are encouraged to store barley. The Commodity Credit Corporation (CCC), an agency of the USDA, will then make advanced annual storage payments to the producers.

As shown in the following tabulation, yearend barley stocks increased from 126 million bushels in 1977 to 228 million bushels in 1979, but declined irregularly thereafter, and in 1981 totaled 137 million bushels. It is estimated that on May 31, 1982, barley stocks will total about 150 million bushels. Table E-3 in the appendix shows yearend barley stocks for crop years 1965/66 to 1980/81.

| <u>Stocks on May 31--</u> | <u>Quantity</u> <u>(million bushels)</u> |
|---------------------------|---|
| 1977----- | 126 |
| 1978----- | 173 |
| 1979----- | 228 |
| 1980----- | 192 |
| 1981----- | 137 |
| 1982 1/----- | 150 |

1/ Estimated.

Cost of production

The cost of producing barley in the United States is shown in table 5 for 1978-81. 1/ Variable production costs per bushel rose 41 percent during 1978-80, from \$1.06 to \$1.49. Such costs were projected to increase 7 percent in 1981. Total per bushel production costs, including variable and fixed costs, rose 49 percent during 1978-80, from \$2.02 to \$3.00. These costs were projected to rise only 6 percent in 1981.

The total cost of producing an acre of barley, including variable and fixed costs, was \$129.09 in 1980, up \$36.79, or 40 percent, over the 1978 costs of \$92.30. The cost per acre was projected to rise \$18.62 or 14 percent in 1981. Although all cost items increased in the period under review, the largest increases occurred in the major cost items of energy and machine charges, which more than doubled, and of fertilizer, which rose by one-third.

1/ The data, extracted from the USDA's "Cost of Producing Selected Crops in the United States," are preliminary for 1980, and 1981 data are based on projections.

Table 5.--Barley production costs per bushel and per acre in the United States, 1978-81

| Item | 1978 | 1979 | 1980 ^{1/} | 1981 ^{2/} |
|-----------------------------|----------------------|----------|--------------------|--------------------|
| | -----Per bushel----- | | | |
| Variable costs: | | | | |
| Seed----- | \$0.10 | \$0.10 | \$0.13 | \$0.13 |
| Fertilizer and lime----- | .27 | .27 | .33 | .36 |
| Chemicals----- | .07 | .07 | .10 | .10 |
| Customs operations----- | .03 | .03 | .03 | .03 |
| Labor----- | .23 | .23 | .26 | .27 |
| Fuel and oil----- | .15 | .23 | .34 | .39 |
| Repairs----- | .16 | .18 | .21 | .23 |
| Miscellaneous----- | .05 | .07 | .09 | .09 |
| Subtotal----- | 1.06 | 1.18 | 1.49 | 1.60 |
| Machinery cost: | | | | |
| Depreciation----- | .38 | .46 | .54 | .56 |
| Interest----- | .17 | .27 | .41 | .43 |
| Taxes and insurance----- | .05 | .06 | .07 | .08 |
| Farm overhead----- | .18 | .19 | .22 | .23 |
| Management----- | .18 | .22 | .27 | .28 |
| Total----- | 2.02 | 2.38 | 3.00 | 3.18 |
| | -----Bushels----- | | | |
| Yield per planted acre----- | 45.8 | 47.8 | 43.1 | 46.4 |
| | -----Per acre----- | | | |
| Total cost per acre----- | \$92.30 | \$113.30 | \$129.09 | \$147.71 |

1/ Preliminary.

2/ Projected.

Source: "Costs of Producing Selected Crops in the United States, 1978-80, and Projections for 1981," prepared by the Economics and Statistics Service, U.S. Department of Agriculture.

Consideration of the Causal Relationship Between the Subsidized Imports and the Possibility of Injury in the Event the Order Were to Be Revoked

U.S. consumption

U.S. consumption of barley increased irregularly from 319 million bushels in crop year 19/6/77 to 376 million bushels in 1979/80 but declined in 1980/81 to 349 million bushels. The U.S. Department of Agriculture estimated domestic consumption at 375 million bushels in 1981/82, about 7 percent higher than in 1980/81. Feed use, owing to higher prices of other feed grains, is expected to account for most of the increase. As a share of consumption, imports

declined irregularly from 3.4 percent in crop year 1976/77 to an estimated 2.7 percent in 1981/82. The ratio of imports to production fluctuated from a low of 2.1 percent in crop years 1977/78 and 1981/82 to a high of 3.1 percent in crop year 1979/80, as shown in table 6. ^{1/} Table E-3 shows U.S. barley consumption, 1965-81.

Table 6.--Barley: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, crop years 1976/77 to 1981/82

| Year beginning June 1-- | Production | Exports | Imports | Apparent consumption | Ratio of imports to-- | |
|-----------------------------|------------|---------|---------|-------------------------|--------------------------|-------------|
| | | | | | Production | Consumption |
| ----- Million bushels ----- | | | | ----- Percent ----- | | |
| 1976----- | 372 | 66 | 11 | 319 | 3.0 | 3.4 |
| 1977----- | 420 | 57 | 9 | 325 | 2.1 | 2.8 |
| 1978----- | 447 | 26 | 11 | 377 | 2.5 | 2.9 |
| 1979----- | 383 | 55 | 12 | 376 | 3.1 | 3.2 |
| 1980----- | 361 | 77 | 10 | 349 | 2.8 | 2.9 |
| 1981 ^{1/} ----- | 478 | 100 | 10 | 375 | 2.1 | 2.7 |

^{1/} Estimated.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

U.S. consumption of malting barley increased without interruption from 132 million bushels in crop year 1976/77 to an estimated 154 million bushels in crop year 1981/82. Feed consumption during that period ranged from a low of 164 million bushels in 1976/77 to a high of 210 million bushels in 1978/79. Use as food increased slightly, from 5 million bushels in 1976/77 to 7 million bushels in 1979/80 to 1981/82, and seed use ranged from 18 million bushels in 1976/77 to 14 million bushels in 1981/82 (table 7).

^{1/} As stated earlier in this report, a drought in North Dakota, the principal producing State, contributed significantly to the decline in production of barley in 1980.

Table 7.--Barley: U.S. consumption, by uses, crop years 1976/77 to 1981/82

(In millions of bushels)

| Year beginning June 1-- | Food | Seed | Alcoholic beverages | Feed ^{1/} | Total consumption |
|----------------------------|------|------|------------------------|--------------------|----------------------|
| 1976----- | 5 | 18 | 132 | 164 | 319 |
| 1977----- | 6 | 17 | 133 | 169 | 325 |
| 1978----- | 6 | 14 | 147 | 210 | 377 |
| 1979----- | 7 | 14 | 151 | 204 | 376 |
| 1980----- | 7 | 13 | 152 | 177 | 349 |
| 1981 ^{2/} ----- | 7 | 14 | 154 | 200 | 375 |

^{1/} Residual; approximate feed use.

^{2/} Estimated.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Market penetration of imports from France

U.S. imports of barley from France increased from nearly 7 percent of the total barley imported by the United States in 1965 to slightly more than 15 percent in 1967, dropped to 10 percent in 1968, and returned to 15 percent in 1969. During the 1965-70, the share of U.S. barley consumption supplied by France fluctuated from a low of less than 0.05 percent in 1966 and 1970 to a high of 0.4 percent in 1969, as shown in the following tabulation (in percent):

| <u>Crop year beginning June 1--</u> | <u>Barley from France as a share of--</u> | |
|---|---|-------------------------|
| | <u>Total imports</u> | <u>U.S. consumption</u> |
| 1965----- | 6.8 | 0.1 |
| 1966----- | 1.2 | ^{1/} |
| 1967----- | 15.4 | .3 |
| 1968----- | 10.4 | .2 |
| 1969----- | 15.0 | .4 |
| 1970----- | 1.1 | ^{1/} |

^{1/} Less than 0.05 percent.

Prices

Barley prices are quoted on a per bushel basis. There are two pricing systems, market prices and contract prices. Market prices for both feed and malt barley are determined at Minneapolis, the largest central market for barley in the United States. Contracts are sometimes made for a part of the malt barley sold to brewers. These contracts either specify a certain price or contain a formula to establish a price. Contract prices are usually based on the prevailing market price.

Barley prices are supported by the USDA. Price-support programs for barley include deficiency payments (target prices), nonrecourse loans, purchases, and farmer-owned reserves. 1/

Deficiency payments to barley producers are based on barley target prices, which are established by the U.S. Secretary of Agriculture as specified by law. The full target price is guaranteed only to those producers who produce barley within the normal crop acreage (NCA) designated for crops in a given year. Deficiency payments are made to barley producers if the national weighted average farm price received by farmers during the first 5 months of the crop year, June through October, is below the target price. The payment rate is the difference between the target price and the higher of either the 5-month weighted average farm price or the loan rate. U.S. price-support operations are shown in table 8, and plotted in figure 1. Table 8 shows that the average farm price fell below the target price in crop years 1977/78, 1978/79, and in 1979/80, and deficiency payments were made in those years. In crop year 1980/81 the farm price rose above the target price and no deficiency payments were made for that crop year. In crop years 1981/82 and 1982/83 the barley target price was set at \$2.60 per bushel.

Nonrecourse loans and purchases programs allow barley producers to place their crops under loan from the CCC at a specified loan rate per bushel. Under this program, the borrower has the choice of repaying the loan and accrued interest at any time during the crop year and then selling his crop in the market, or turning the barley crop over to the Government in fulfillment of his loan obligations. In general, barley producers prefer to sell their crop in the market if the market price is higher than the loan rate and turn their crop over to the Government if the market price is lower than the loan rate. The loan rate generally has acted as a floor for domestic market prices, which have seldom dropped below the loan rate. Loans are available for barley from harvest through March 31 of the following year. They mature on demand, but not later than the last day of the ninth calendar month following the month in which the loan is made. The Government sells the barley acquired under this program domestically or for export. Prices at which the barley is sold domestically must be above the loan rate. Prices at which barley is exported are not subject to minimum price provisions, but care must be exercised not to disturb the world market balance, thereby depressing barley world prices. In crop years 1979/80 and 1980/81 the average loan rate was \$1.71 per bushel, and market prices were substantially higher; thus, no deliveries of barley were made to the Government during this period (table 8). For the crop year 1981/82 the loan rate was determined at \$ 1.95 per bushel and for the crop year 1982/83 the loan rate was determined at \$2.08 per bushel.

1/ Price-support programs are authorized by the Food and Agricultural Act of 1977 (P.L. 95-113, 91 Stat. 913), as amended by the Emergency Agricultural Act of 1978 and the Food and Agricultural Acts of 1980 and 1981. The 1981 act set new loan rates and new target prices for corn for 1982/83. Loan rates and target prices for barley are determined by the Secretary of Agriculture at a fair and reasonable level in relation to corn prices. The 1981 act is a 4-year authorization bill which applies for the most part to the 1982 through 1985 crop years.

Table 8.--Barley: U.S. price-support operations, crop years 1975/76 to 1980/81

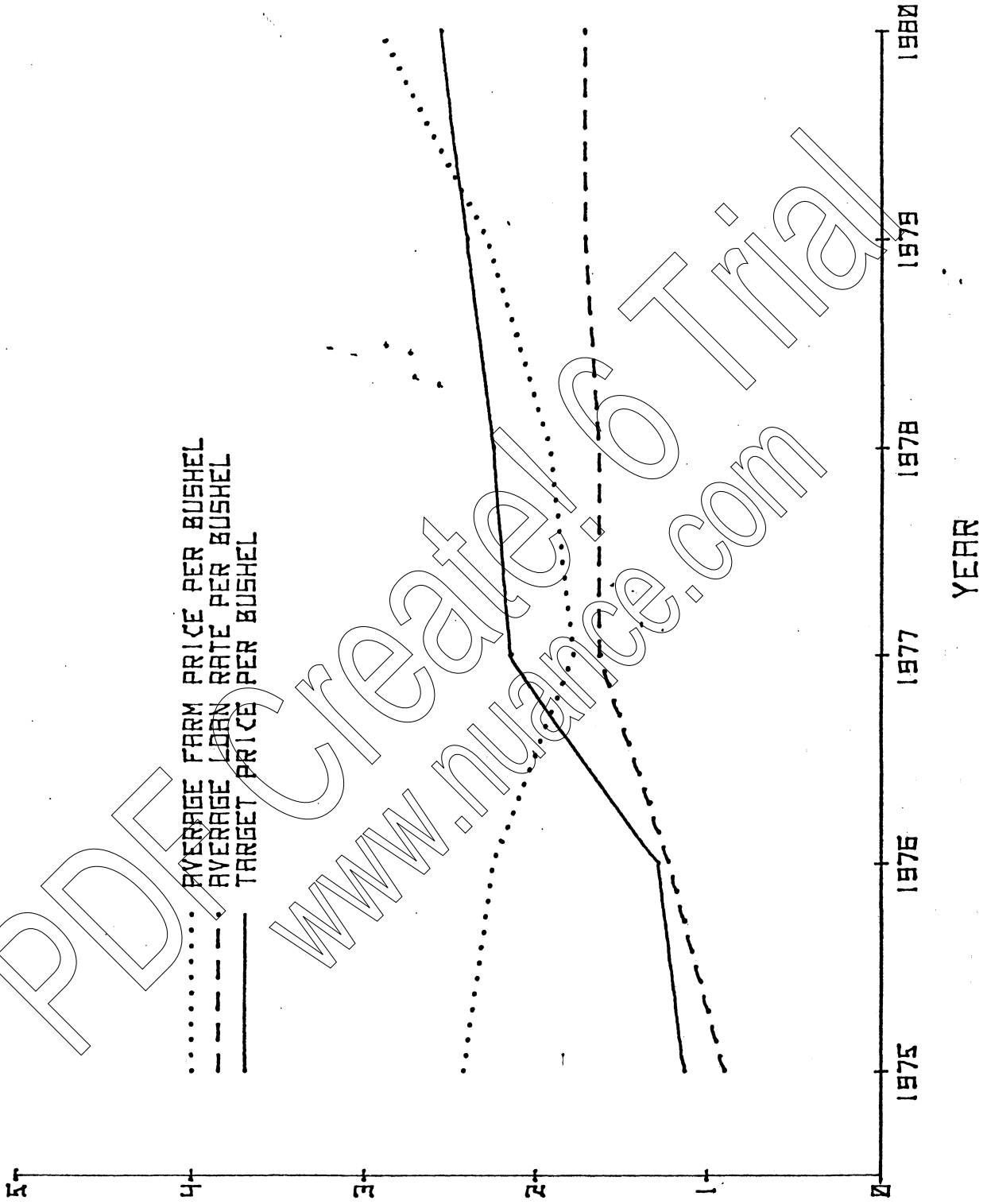
| Year beginning June 4-- | Average farm price | Average loan rate | Target price | Placed under loan | | Deliveries to the Government | Govern- ment stocks at yearend |
|-------------------------------|--------------------------|-------------------------|-----------------|--------------------|--------------------------------|------------------------------------|---|
| | | | | Quantity | Share of produc- tion | | |
| | Per bushel | Per bushel | Per bushel | Million bushels | Percent | Million bushels | Million bushels |
| 1975----- | \$2.42 | \$0.90 | \$1.13 | 9 | 2 | 0 | 0 |
| 1976----- | 2.25 | 1.22 | 1.28 | 19 | 5 | 0 | 0 |
| 1977----- | 1.78 | 1.63 | 2.15 | 87 | 21 | 3 | 0 |
| 1978----- | 1.92 | 1.63 | 2.25 | 68 | 15 | <u>1/</u> | 2 |
| 1979----- | 2.29 | 1.71 | 2.40 | 30 | 8 | 0 | 3 |
| 1980----- | 2.91 | 1.71 | 2.55 | 31 | 9 | 0 | 3 |

1/ Less than 500,000 bushels.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Reserve programs in conjunction with the price-support loan program are designed to help farmers to market their crops in an orderly fashion. Under the reserve program, barley producers are encouraged to store barley when it is in oversupply. The USDA usually announces the amounts of barley it will accept into the reserve program and the specific terms of the contracts being offered. The CCC makes advance annual storage payments to producers. Under the reserve program applicable to crop years 1979/80 and 1980/81, the Secretary of Agriculture could release barley from Government contractual obligation if the market price reached 125 percent of the then-current national average loan level or he could call the loans due and request barley producers to repay their loans plus accrued interest, and refund storage payments, if the market price reached 145 percent of the then-current support price. Under the new reserve program applicable to crop years 1981/82 and 1982/83, which was authorized by the Food and Agricultural Act of 1981, a trigger price at which farmers may take their grain out of the reserve without penalty was set at \$2.55 per bushel for 1981/82 and \$2.65 per bushel for 1982/83. If the average market price reaches the trigger price level, the Secretary of Agriculture will notify barley producers participating in the reserve program that the trigger price has been reached and that they must redeem their reserves and pay their loans plus interest accrued.

Figure 1. --Barley: U.S. price support operations, crop years 1975/76 to 1980/81



Price trends

Prices received by farmers for their barley crops increased in 1980/81 over levels recorded during the previous 4 years. Table 9 shows that the average annual farm price for barley dipped in 1977/78 to \$1.78 from \$2.25 per bushel in 1976/77, or by 20.8 percent. After 1977/78, the average price rose and reached a high of \$2.91 per bushel in 1980/81, representing a 27.1-percent increase over the 1979 average price. However, average monthly prices dropped during July-November 1981 compared with those of a year earlier. In July 1981, the average price dropped 11 cents per bushel, or by 4.3 percent below the average price in July 1980. In November 1981, the average price dropped 49 cents per bushel, or by 17 percent below the average price in November 1980.

The average cash price of feed barley No. 2 or better in Minneapolis followed the same trend, dipping in 1977/78 to \$1.68 from \$2.35 per bushel in 1976/77, representing a decline of 28.5 percent. After 1977/78, the average price rose and reached a high of \$2.60 per bushel in 1980/81, or by 20.4 percent over the 1979 average price. However, average monthly prices dropped in June-November 1981 compared with those of a year earlier. In June 1981, the average price dropped by 6 cents per bushel, or by 3 percent from that in June 1980. In November 1981 the average price dropped by 72 cents per bushel, or by 24 percent from that in November 1980.

The average cash price in Minneapolis of No. 3 or better malting barley, or 5 percent or better plump, also dipped in 1977/78 to \$2.27 from \$3.13 per bushel in 1976/77, or by 27.4 percent. After 1977/78, the average price rose and reached a high of \$3.64 per bushel in 1980/81, representing a 26.9-percent increase over the 1979 average price. However, average monthly prices dropped in July-November 1981 compared with those of a year earlier. In July 1981, the average price dropped by 41 cents per bushel, or by 12 percent from that in July 1980. In November 1981, the average price dropped by 81 cents per bushel, or by 21 percent from that in November 1980.

Malting barley prices were higher than feed barley prices. In 1980/81, the malting barley average cash price was higher than the average cash price of feed barley by 40 percent.

On January 18, 1982, the USDA estimated that barley production and consumption will rise in 1981/82 by 32 percent and 7 percent, respectively, from last year's levels. Most of the increase in barley consumption will be in feed use. Stocks are expected to rise by 10 percent. Because of the greater increase in the production relative to the consumption of barley and the consequent growth in stocks, barley prices at the farm in crop year 1981/82 are expected to average between \$2.45 and \$2.55 per bushel, down from \$2.91 in 1980/81. Prices during the first 5 months of crop year 1981/82 averaged below the target price of \$2.60 per bushel, making barley producers eligible for deficiency payments.

Import prices

No imports of barley from France were recorded during the period from June 1977 to October 1981; therefore, there are no price data on U.S. imports

Table 9.---Barley: Average monthly prices received by farmers and average monthly cash prices for feed and malting barley at Minneapolis, June 1976-November 1981

| Crop year beginning June 1-- | (Per bushel) | | | | | | | | | | | | Average age 1/ |
|--|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | |
| Average prices received by farmers for barley | | | | | | | | | | | | | |
| 1976 | \$2.60 | \$2.51 | \$2.35 | \$2.33 | \$2.22 | \$2.11 | \$2.08 | \$2.19 | \$2.25 | \$2.22 | \$2.12 | \$2.25 | \$2.25 |
| 1977 | 1.93 | 1.53 | 1.69 | 1.63 | 1.82 | 1.79 | 1.90 | 1.98 | 1.90 | 1.93 | 2.15 | 1.78 | 1.78 |
| 1978 | 2.04 | 1.83 | 1.86 | 1.85 | 1.90 | 1.93 | 1.90 | 1.95 | 1.87 | 1.98 | 2.07 | 1.92 | 1.92 |
| 1979 | 2.30 | 2.22 | 2.23 | 2.33 | 2.22 | 2.40 | 2.31 | 2.27 | 2.23 | 2.18 | 2.15 | 2.29 | 2.29 |
| 1980 | 2.36 | 2.52 | 2.59 | 2.65 | 2.81 | 2.90 | 2.97 | 3.09 | 3.05 | 3.04 | 3.00 | 2.91 | 2.91 |
| 1981 | 2.94 | 2.41 | 2.37 | 2.44 | 2.38 | 2.44 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| Cash prices, No. 2 or Better Feed Barley, Minneapolis | | | | | | | | | | | | | |
| 1976 | \$2.62 | \$2.45 | \$2.48 | \$2.68 | \$2.46 | \$2.21 | \$2.05 | \$2.20 | \$2.35 | \$2.29 | \$2.28 | \$2.13 | \$2.35 |
| 1977 | 1.76 | 1.53 | 1.50 | 1.58 | 1.66 | 1.65 | 1.65 | 1.65 | 1.65 | 1.66 | 1.91 | 1.90 | 1.68 |
| 1978 | 1.84 | 1.71 | 1.68 | 1.77 | 1.81 | 1.88 | 1.79 | 1.71 | 1.69 | 1.86 | 1.89 | 1.96 | 1.80 |
| 1979 | 2.16 | 2.39 | 2.15 | 2.22 | 2.34 | 2.11 | 2.15 | 2.09 | 2.04 | 2.06 | 2.12 | 2.09 | 2.16 |
| 1980 | 2.15 | 2.48 | 2.39 | 2.43 | 2.77 | 3.03 | 2.75 | 2.81 | 2.90 | 2.63 | 2.51 | 2.39 | 2.60 |
| 1981 | 2.09 | 2.26 | 2.35 | 2.21 | 2.26 | 2.31 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |
| Cash prices, No. 3 or Better Malting Barley, 65 percent or Better Plump, Minneapolis | | | | | | | | | | | | | |
| 1976 | \$3.55 | \$3.59 | \$3.37 | \$3.24 | \$3.21 | \$3.00 | \$2.95 | \$3.00 | \$2.91 | \$2.98 | \$2.91 | \$2.83 | \$3.13 |
| 1977 | 2.38 | 2.02 | 1.92 | 2.15 | 2.25 | 2.36 | 2.32 | 2.26 | 2.33 | 2.32 | 2.44 | 2.51 | 2.27 |
| 1978 | 2.39 | 2.13 | 2.19 | 2.27 | 2.26 | 2.47 | 2.40 | 2.30 | 2.33 | 2.46 | 2.59 | 2.73 | 2.38 |
| 1979 | 2.80 | 2.82 | 2.67 | 3.10 | 3.18 | 3.06 | 2.93 | 2.87 | 2.81 | 2.69 | 2.73 | 2.82 | 2.87 |
| 1980 | 2.99 | 3.36 | 3.27 | 3.63 | 3.80 | 3.88 | 3.77 | 3.75 | 3.83 | 3.71 | 3.84 | 3.80 | 3.64 |
| 1981 | 3.34 | 2.95 | 3.15 | 3.05 | 3.02 | 3.07 | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ | 2/ |

1/ Average weighted by sales for prices received by farmers; simple average for cash prices.
 2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

from France for that period. Because there are no U.S. import prices of barley from France to compare with domestic barley prices, the Commission staff calculated the unit values of France's total world exports of barley and used these values as a proxy for U.S. import prices. Table 10 shows the quantities and unit values of France's world exports of all kinds of barley per bushel, and U.S. average prices per bushel received by farmers for all kinds of barley, during crop years 1972-80. ^{1/} The table shows that in all years, except 1973, the unit values of French exports of barley were higher than U.S. average prices by margins ranging from 16.4 to 107.3 percent.

^{1/} Farm prices were used because they are more comparable with the unit values for all types of barley which were exported from France. A-21

Table 10.--Barley: France's world total exports, export unit values; and U.S. average prices received by farmers for the period 1972-80

| Year | Quantity | Export unit values | U.S. average price 1/ received by farmers | Price differential |
|-----------|-----------------|--------------------|---|--------------------|
| | Million bushels | Dollars per bushel | Dollars per bushel | Percent |
| 1972----- | 169.4 | 1.61 | 1.21 | 33.1 |
| 1973----- | 190.0 | 2.10 | 2.13 | (1.4) |
| 1974----- | 198.2 | 3.26 | 2.80 | 16.4 |
| 1975----- | 118.8 | 3.39 | 2.42 | 40.1 |
| 1976----- | 136.0 | 3.18 | 2.25 | 41.3 |
| 1977----- | 110.6 | 3.69 | 1.78 | 107.3 |
| 1978----- | 169.4 | 3.98 | 1.92 | 107.3 |
| 1979----- | 186.7 | 4.12 | 2.29 | 79.9 |
| 1980----- | 182.5 | 4.27 | 2.91 | 46.7 |

1/ Weighted by sales.

Source: U.S. average prices received by farmers were compiled from official statistics of the U.S. Department of Agriculture.

Other sources:

- France's exports were compiled from Statistique du Commerce Extérieur de La France, 1975-80.
- Unit value of barley exports from France were calculated by the Commission Staff. Export values include local transportation costs only, but do not include local taxes or costs of unloading.
- Quantities of France's exports were converted from metric tons to bushels using the conversion factor 1 bushel = 0.021772 mt.
- Exchange rates of the French franc in terms of the U.S. dollar used to convert the unit values of exports from the French franc into U.S. dollars were obtained from International Financial Statistics, line ae.

Possible Threat of Material Injury

In France, barley production has been on an upward trend and has exceeded U.S. production in 11 of the last 17 years. In 1979, production in France exceeded U.S. production by 34 percent, and in 1980, by 50 percent, although the reduced production in North Dakota owing to the drought contributed significantly to the lower U.S. production that year. In 1981, U.S. production exceeded production in France for the first time since 1971 by an estimated 2 percent.

The USDA has monitored the situation for barley produced within the entire EC. Principal producers of barley (besides France) include the United Kingdom and West Germany. According to the USDA, barley yields in the EC have improved in recent years and, in 1980, were about 70 percent higher than those in North America. With record harvests 1/ and a slowing growth in demand, the EC is experiencing increasing surpluses. Although demand in the EC for barley for feeding purposes has expanded by 15 percent over the past decade, annual growth has slowed in recent years. This slowing is attributable to fairly stagnant requirements from the low-growth livestock sector, the increased availability of feed wheat, and the gradual displacement of barley by other products (principally imported tapioca) in mixed feed compounds 2/.

A forecast by the U.S. Department of Agriculture 3/ indicates that, in the absence of major changes in EC support prices, barley planting areas will probably not increase notably in the near future, but farmers are likely to continue shifting into higher yielding winter varieties. Although a strong upsurge in internal demand does not appear likely, barley will be utilized to the maximum extent possible in the feed sector. However, according to the USDA forecast, prospects are for continued accrual of surplus barley, all of which, barring an EC decision to build stocks, will be moved into export channels by means of subsidies in order to balance the EC internal situation. Exports of barley from the EC to third countries have increased by more than 65 percent from 3.3 million tons in 1970/71 to about 5.5 million tons in 1980/81, although as noted previously, there have been no exports from France to the United States during this period.

1/ Although harvests have increased, in 1981, the barley crop dropped 9 percent below the amount of the 1980 harvest.

2/ As stated earlier in this report, exports of barley from France accounted for 35 percent of production in 1978/79, 34 percent in 1979/80, 38 percent in 1980/81, and 31 percent in 1981/82.

3/ Foreign Agriculture Circular, FG-42-81, Dec. 11, 1981.

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Appendix A

Letter From the EC Requesting an Investigation

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March 28, 1980

RECEIVED

MAR 28 1980

OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

Mr. Kenneth R. Mason
Secretary
International Trade Commission
701 E Street, N.W.
Washington, D.C. 20436

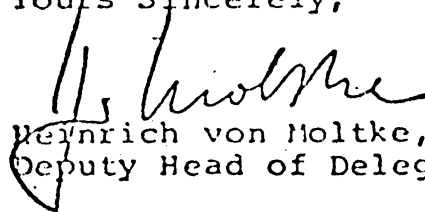
Dear Sir:

The Delegation of the Commission of the European Communities has the honour of referring to the relevant provisions of the Trade Agreements Act of 1979 and to the Notice published in the Federal Register of March 14, 1980, by the International Trade Commission.

Accordingly, we respectfully request the inclusion in the schedule to be established on or about April 30, 1980, for the conduct of investigations pursuant to section 104 (b) of the Trade Agreements of 1979 of the following products originating in Member States of the European Communities:

Barley: France
Molasses: France
Spirits: Ireland, U.K.
Sugar: E.C.
Certain Steel Products: Italy ✓
Chains and Parts: Italy ✓
Compressors and Parts: Italy
Die Presses: Italy
Float Glass: Italy
Refrigerators, Freezers and Parts: Italy
Screws: Italy
Ski Lifts and Parts: Italy
Steel Units for Electrical Transmission Towers: Italy
Steel Welded Wire Mesh: Italy

Yours Sincerely,


Heinrich von Holtke,
Deputy Head of Delegation

A-26

Appendix B

Commission's Letter to the Department of Commerce

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UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

OFFICE OF THE SECRETARY

APRIL 2, 1980

Mr. John Greenwald
Deputy Assistant Secretary of Commerce
for Import Administration
U.S. Department of Commerce
14th & Constitution Ave., NW. -- Rm. 3808
Washington, D.C. 20230

Dear Mr. Greenwald:

This is to notify you pursuant to section 104(b)(3) of the Trade Agreements Act of 1979 (the "Act") that the Commission has received the requests listed in the attachment with respect to countervailing duty orders specified in section 104(b)(1) of the Act that it commence an investigation to determine whether an industry in the United States would be materially injured or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of the merchandise covered by any such countervailing duty order if the order were to be revoked. The Commission, which has not yet scheduled its investigations pursuant to section 104(b)(2) of the Act, will notify you of any additional requests it receives for such investigations.

Sincerely,

Kenneth R. Mason
Secretary

Enclosures

Requests received by the ITC for countervailing duty investigations under section 104 of the Trade Agreements Act of 1979 (as of April 4, 1980)

| Article | Country of exportation | Identity of requester | Status of requester | Actual date request received | Starting date for request |
|---|------------------------|--|---------------------------------|------------------------------|---------------------------|
| 1. Chains and parts, of iron or steel | Italy | A. Harvey M. Applebaum, of Covington & Burling for Acciaio Weissenfels; S.p.A. and Weissenfels, Inc. | A. Italian producer and exports | A. January 11, 1980 | A. January 11, 1980 |
| | | B. Delegation of the Commission of the European Communities | B. Foreign government | B. March 28, 1980 | B. See A above. |
| 2. Fabricated structural steel units for the erection of electrical transmission towers | Italy | A. Graubard, Moskowitz and McAuley for Societa Anonima Elettificazione S.p.A., Milano, Italy | A. Italian exporter | A. March 27, 1980 | A. March 27, 1980 |
| | | B. Delegation of the Commission of the European Communities | B. Foreign government | B. March 28, 1980 | B. See A above. |
| 3. Barley | France | Delegation of the Commission of the European Communities | Foreign government | March 28, 1980 | March 28, 1980 |
| 4. 7. Molasses | France | Delegation of the Commission of the European Communities | Foreign government | March 28, 1980 | March 28, 1980 |
| 5. 8. Sugar | European Communities | Delegation of the Commission of the European Communities | Foreign government | March 28, 1980 | March 28, 1980 |

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Appendix C

Commission's Federal Register Notice of Institution
of Investigation

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In the present case, there is a direct relationship between the rapid increase in imports in 1980-81 and the decline in capacity utilization, employment, shipments, and profits of the U.S. producer. Imports were highest in both absolute and relative terms at the time domestic shipments, employment, capacity utilization, financial position, and profits were declining. Furthermore, during the 1980 period, which is clearly reflective of market disruption, the importer's margins of underselling reached their highest levels on a quarterly basis since January 1978.²⁴

Considerable attention was devoted by both the domestic producer and importer to certain alleged operating cost advantages which the East German producer has over Alpco. I believe that the Commission's views expressed in investigation No. 731-TA-30 (Final) issued September 4, 1981, Unrefined Montan Wax from East Germany, adequately explain why the importer's contentions in this respect are not persuasive. In this respect, it should also be noted that Alpco is currently working with the State of California to develop a cogeneration capability which should significantly improve its operating efficiencies if capacity utilization returns to reasonable levels.

Furthermore, any cost comparisons on a BTU equivalent basis between Alpco and the East German producer should take into consideration ground reclamation cost inputs and lignite process by-product utilization (as a credit), among other things, in ascertaining the true costs incurred in producing unrefined montan wax. From the information developed in this investigation in this respect, I am not persuaded that there is adequate support for the importer's contention, stated repeatedly, that the East German producer enjoys a true comparative operating cost advantage which the domestic producer cannot even approach. I would observe, additionally, that further scrutiny of transportation cost inputs from the East German producer to importer's ports of entry along with the domestic transportation cost differential data that was requested in the questionnaires sent to the importer and domestic producer (and absorbed by the end-user) might have been helpful in ascertaining the true constructed cost differentials between the East German products and domestic products.

Remedy

Since the Commission majority has made a negative determination, there

will not be a Commission remedy recommendation to the President. However, had the Commission determination been in the affirmative, I would have recommended that the President impose a 3-year quota of 3.9 million pounds per year²⁵ on imports of unrefined montan wax from East Germany, with such restrictions to be in effect during the period January 1, 1982-December 31, 1984, and with such quotas to be upwardly adjusted by 3 percent in each of the second and third years provided that U.S. consumption of unrefined montan wax had increased by 5 percent or more in the preceding calendar year. The "recent" period "representative" of imports for the purpose of establishing such a quota would be 1976-79.

I would not have supported a recommendation for the imposition of a tariff since it would not have provided an adequate remedy in this case, and its effect would have been most likely absorbed by the consumer public unnecessarily. I would not have recommended adjustment assistance in this case because I do not believe that this kind of assistance should be a remedy in a section 406 case.

Other Considerations

The domestic producer's posthearing statement included a letter dated October 8, 1980, from Assistant Secretary of the Army for Research, Development and Acquisition Percy A. Pierre to Congressman Norman D. Shumway.²⁶

In that letter, Assistant Secretary Pierre states that Honeywell, Inc., responsible for developing ammunition production capability for the German 120MM tank gun system which the U.S. Army has a license agreement with the West German Government to adapt and produce in the United States, has expressed an interest in the domestic producer's potential ability to satisfy future requirements of montan wax. The foreign specification, according to this letter, includes the use of montan wax as a desensitizer of the main charge.

In this regard, the report of the Senate Finance Committee on the bill which became the Trade Act of 1974 states the following with respect to section 406:

The Committee is also particularly concerned that the U.S. could become dependent upon Communist countries for vital raw materials such as oil, gas, nickel,

chromium, manganese and others. If traditional, dependable suppliers of such materials, whether they are domestic or foreign, are suddenly forced out of business by substantial imports of such materials from Communist countries, it could result in market disruption, or the threat thereof, for the domestic industry either producing or utilizing such articles. . . . The Committee expects the Commission and the President to monitor carefully import trends and to view each case with the goal of preventing imprudent dependence on a nonmarket economy for a vital material.²⁷

Issued: January 15, 1982.

By Order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-1405 Filed 1-19-82; 8:45 am]
BILLING CODE 7020-02-8

(Investigation No. 104-TAA-6)

Barley From France

AGENCY: International Trade Commission.

ACTION: Institution of a countervailing duty investigation.

SUMMARY: The Commission is hereby instituting an investigation under section 104(b)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note) to determine whether an industry in the United States would be materially injured, threatened with material injury, or whether the establishment of an industry in the United States would be materially retarded, by reason of imports of barley from France if countervailing duties provided by T.D. 71-117 were to be revoked.

The Commission does not plan to hold a public hearing or to solicit information by questionnaire. Requests for a hearing or for the issuance of questionnaires will be considered by the Commission.

EFFECTIVE DATE: January 15, 1982.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator, U.S. International Trade Commission, Washington, D.C. 20436 (202-523-0439).

SUPPLEMENTARY INFORMATION:

Background

On May 5, 1971 in T.D. 71-117, the Department of the Treasury (Treasury) imposed countervailing duties, under section 303 of the Tariff Act of 1930, on

²⁴ This level is equal to average annual imports for the period 1976-79, which period I have determined to be the recent representative period in this investigation within the meaning of section 203(d)(2) of the Trade Act.

²⁵ Posthearing statement dated Dec. 7, 1981, Exhibit A.

²⁷ Senate Finance Report, pp. 210-11. Although this consideration was not a significant relevant factor of those factors upon which I based my determination in this investigation, I believe the legislative intent stated here in this respect is explicit. Therefore, I feel it is appropriate to cite this for the President's consideration at this time.

barley imported from France. Imports of barley from France, currently provided for under items 130.08 and 130.11 of the Tariff Schedules of the United States are presently subject to countervailing duties of \$0.04 per bushel in those months when the world market price for barley is lower than the European Communities "threshold" price.

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 (Pub. L. 96-39, 93 Stat. 144) became effective, and on January 2, 1980, the authority for administering the countervailing duty statute was transferred from Treasury to the Department of Commerce (Commerce).

On March 28, 1980, the U.S. International Trade Commission received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b)(1) of the Trade Agreements Act of 1979 (the Act), with respect to barley from France. In accordance with section 104(b)(3) of the Act, the Commission notified the Department of Commerce of its receipt of the request for this investigation. On May 13, 1980, Commerce published a notice in the **Federal Register** (44 FR 31455) of intent to conduct an annual administrative review of all outstanding countervailing duty orders.

As required by section 751(a)(1) of the Tariff Act of 1930, Commerce has now conducted its first annual administrative review of the countervailing duty order on barley from France. As a result, on October 27, 1981, Commerce published in the **Federal Register** its preliminary determination that the net subsidy conferred was \$0.04 per bushel in those months in which the world market price for barley fell below the European Communities "threshold" price (46 FR 52406). Of the 18-month period, January 1, 1980 through June 30, 1981, studied in the Commerce review, restitution payments occurred only during the months of May and June 1981. On the basis of that preliminary determination, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of barley from France provided for under items 130.08 and 130.11 of the Tariff Schedules of the United States covered by the countervailing duty if the order were to be revoked.

Public Hearing

Any person with an interest in this investigation may request in writing that the Commission hold a public hearing in connection with this investigation. Any such request must be received by the Commission on or before February 3, 1982. Such request should be filed with the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436.

Questionnaires

No questionnaires soliciting information from U.S. producers, importers, or purchasers of the articles under investigation will be prepared or mailed unless an interested party, as defined in section 771(a) of the Tariff Act of 1930 (19 U.S.C. 1677(a)) requests that the Commission prepare and mail such questionnaires and the Commission approves the request. Any such request must be received by the Commission on or before February 3, 1982. Such requests should be filed with the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436.

Written Submissions

Any person may submit to the Commission on or before February 10, 1982, written statements of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.6 of the Commission's Rules of Practice and Procedure, 19 CFR 201.6 (1980). All written submissions, except confidential business data, will be available for public inspection.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Rules of Practice and Procedure 19 CFR 201.6.

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR 207), and part 201, subparts A through E (19 CFR 201).

This notice is published pursuant to § 207.20 of the Commission's Rules of Practice and Procedure, 19 CFR 207.20.

Issued January 15, 1982.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-1392 Filed 1-19-82; 8:45 am]
BILLING CODE 7820-02-M

DEPARTMENT OF JUSTICE

Attorney General

City of Hamilton, Ohio v. Gardebring, et al, and United States of America; Notice of Consent Decree in Action To Require Compliance With Requirements of Clean Air Act

In accordance with Departmental policy, 28 CFR 50.7, 38 FR 19029, notice is hereby given that on December 7, 1981, a proposed consent decree in *City of Hamilton, Ohio v. Gardebring, et al. and United States of America*, Civil Action No. C-1-79-552, was lodged with the United States District Court for the Southern District of Ohio. The decree requires the City of Hamilton, Ohio to achieve compliance with the sulfur dioxide New Source Performance Standard, promulgated pursuant to Section 111 of the Clean Air Act, 42 U.S.C. 7411, and codified at 40 CFR 60.43(a)(2), by May 15, 1982, demonstrate compliance with said standard by means of a stack test in conformance with 40 CFR 60.8, 60.46 and Reference Method 6 by July 15, 1982, continuously maintain compliance with said standard, and submit sulfur dioxide continuous emission monitoring reports. The decree was signed by the Honorable Carl B. Rubin on December 9, 1981.

The consent decree may be examined at (1) the office of the United States Attorney, Southern District of Ohio, 220 U.S. Post Office & Courthouse, 5th & Walnut Sts., Cincinnati, Ohio 45202, (2) the office of the Environmental Protection Agency, Region V, Air Enforcement Branch, 230 S. Dearborn St., Chicago, Illinois 60604, and (3) the Environmental Enforcement Section, Land and Natural Resources Division, of the Department of Justice, Room 1254, Ninth St. and Pennsylvania Ave. NW., Washington, D.C. 20530. A copy of the proposed decree may be obtained in person or by mail from the Environmental Enforcement Section, Land and Natural Resources Division, of the Department of Justice. There is a copying charge of \$1.30, based on a per page charge of \$0.10 for 13 pages, and a check for this amount must be enclosed with the request for a copy. The Department of Justice will receive comments relating to the consent decree through February 19, 1982. Comments

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Appendix D

Commerce's Federal Register Notice of Final Determination

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Notices

Federal Register

Vol. 47, No. 8

Wednesday, January 13, 1982

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

COMMISSION ON CIVIL RIGHTS

Utah Advisory Committee; Agenda and Notice of Open Meeting

Notice is hereby given, pursuant to the provisions of the Rules and Regulations of the U.S. Commission on Civil Rights, that a meeting of the Utah Advisory Committee to the Commission will convene at 7:30 p.m., and will end at 10:00 p.m., on January 27, 1982, at the Howard Johnson's Motor Lodge, 122 W. South Temple Street, Lisa Room, Salt Lake City, Utah 84101. The purpose of this meeting is to discuss the Committee's current project; and a briefing on hate group activities.

Persons desiring additional information or planning a presentation to the Committee, should contact the Chairperson, Ms. Linda M. Dupont-Johnson, 2377 East Boyes, Salt Lake City, Utah 84117, (801) 533-4061; or the Rocky Mountain Regional Office, 3660 Brooks Towers, 1020 Fifteenth Street, Suite 2235, Denver, Colorado 80202, (303) 327-2211.

The meeting will be conducted pursuant to the provisions of the Rules and Regulations of the Commission.

Dated at Washington, D.C., January 8, 1982.

John I. Binkley,

Advisory Committee Management Officer.

[FR Doc. 82-882 Filed 1-12-82; 8:45 am]

BILLING CODE 6335-01-M

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket No. 2-82]

Proposed Foreign-Trade Zone—Tampa, Florida; Application and Public Hearing

Notice is hereby given that an application has been submitted to the Foreign-Trade Zones Board (the Board) by the City of Tampa, Florida,

requesting authority to establish a foreign-trade zone project in Tampa, within the Tampa Customs port of entry. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR Part 400). It was formally filed on January 7, 1981. The applicant is authorized to make this proposal under Chapter 288.36 of the Florida Statutes (1979).

The applicant proposes to develop a general-purpose zone in three phases, with sites in the port area, at the airport and in an industrial park. The first phase will involve a 29-acre site at the Tampa International Center (Site 1) at Adamo Drive and 22nd Street, adjacent to the Port of Tampa. Operated by the Elmer J. Krauss Organization, this facility will offer 600,000 square feet of warehouse and processing space for initial zone users. The second phase involves an undeveloped 33-acre site at Tampa International Airport at Tampa Bay Boulevard and Lauber Way (Site 2).

This site will be developed primarily to accommodate air cargo-related operations and firms requiring separate facilities, including light industrial operations. The third phase involves a 50-acre standby site at the 127-acre Tampa Industrial Park at M. McKinley Drive and Fowler Avenue. This site will be marketed as an area for future zone development involving larger scale, heavy industrial operations.

The application contains evidence of the need for zone services in the Tampa area. Prospective tenants have indicated an interest in using the zone for warehousing, distribution, exhibition, assembly and processing of food service equipment, plastic pipe and fittings, laser and computer components, electronic products, woodworking tools, and paper and glass products.

In accordance with the Board's regulations, an examiners committee has been appointed to investigate the application and report to the Board. The committee consists of: John J. Da Ponte, Jr. (Chairman), Director, Foreign-Trade Zones Staff, U.S. Department of Commerce, Washington, D.C. 20230; Charles W. Winwood, Director (Inspection and Control), U.S. Customs Service, Region IV, 99 S.E. 5th Street, Miami, Florida 33131; and Colonel Alfred B. Devereaux, Jr., District Engineer, U.S. Army Engineer District

Jacksonville, P.O. Box 4970, Jacksonville, Florida 32232.

As part of its investigation, the Examiners Committee will hold a public hearing on February 12, 1982, beginning at 9:00 a.m., in the City Council Chambers, 3rd Floor, Old City Hall, 315 E. Kennedy Blvd., Tampa. The purpose of the hearing is to help inform interested persons about the proposal, to provide an opportunity for their expression of views, and to obtain information useful to the examiners.

Interested parties are invited to present their views at the hearing. They should notify the Board's Executive Secretary of their desire to be heard in writing at the address below or by phone (202/377-2862) by February 3. Instead of an oral presentation, written statements may be submitted in accordance with the Board's regulations to the examiners committee, care of the Executive Secretary, at any time from the date of this notice through March 16, 1982. Evidence submitted during the post-hearing period is not desired unless it is clearly shown that the matter is new and material and that there are good reasons why it could not be presented at the hearing. A copy of the application and accompanying exhibits will be available during this time for public inspection at each of the following locations:

U.S. Customs District Office, 301 S.

Ashley Drive, Tampa, Florida 33602; Office of the Executive Secretary,

Foreign-Trade Zones Board, U.S. Department of Commerce, Room 3721, 14th and E Street, NW., Washington, D.C. 20230

Dated: January 7, 1982.

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 82-836 Filed 1-12-82; 8:45 am]

BILLING CODE 3510-25-M

International Trade Administration

Barley From France; Final Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration Department of Commerce.

ACTION: Notice of final results of administrative review of countervailing duty order.

A-36

SUMMARY: On October 27, 1981, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on barley from France. The review covered the period January 1, 1980 through June 30, 1981. Interested parties were given an opportunity to submit written or oral comments. We received no comments. Therefore, as described in our preliminary results, we have determined that barley from France benefitted from net subsidies of \$0.04 per bushel during the period of review.

EFFECTIVE DATE: January 13, 1982.

FOR FURTHER INFORMATION CONTACT: Josephine A. Russo or Joseph A. Black, Office of Compliance, Room 2802, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1168 or 377-1774).

SUPPLEMENTARY INFORMATION:

Procedural Background

On May 5, 1971, the Department of the Treasury published in the Federal Register a countervailing duty order, T.D. 71-117 (36 FR 8365), on barley from France. This order became effective on June 19, 1971. The order stated that exports of this merchandise benefitted from bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) ("the Tariff Act"). Accordingly, imports into the United States of this merchandise were subject to countervailing duties.

On October 27, 1981, the Department of Commerce ("the Department") published in the Federal Register a notice of the preliminary results of its administrative review of that countervailing duty order (46 FR 52406). In the notice, we stated that barley from France benefitted from net subsidies of \$0.04 per bushel during the period of review and that a cash deposit of estimated countervailing duties of \$0.04 per bushel would be required on any entries until completion of the next administrative review. Interested parties were invited to comment.

Scope of the Review

Imports covered by this review are barley imported directly or indirectly from France. These imports are currently classifiable under item numbers 130.08 and 130.11 of the Tariff Schedules of the United States. The review covers the period January 1, 1980 through June 30, 1981, and was limited to the program of restitution payments made through the Guidance and Guarantee Fund operated under the Common Agricultural Policy of the European Communities ("the EC"). This was the only program found

countervailing in the final determination.

Final Results of the Review

Since we have received no comments, the final results of our review are the same as those presented in the preliminary results of the review. There are no known unliquidated entries of this merchandise.

Therefore, as provided by section 751(a)(1) of the Tariff Act, the Department will instruct the Customs Service to collect a cash deposit of estimated countervailing duties of \$0.04 per bushel on any shipments entered, or withdrawn from warehouses, for consumption on or after the date of publication of these final results. This requirement shall remain in effect until publication of the final results of the next administrative review. The Department intends to conduct the next review by the end of June 1982.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Gary N. Horlick,
Deputy Assistant Secretary for Import Administration.

January 7, 1982
[FR Doc. 82-83 Filed 1-12-82; 8:45 am]
BILLING CODE 3510-25-04

The President's Export Council, Subcommittee on Export Administration; Partially Closed Meeting

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: Pursuant to Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1976), notice is hereby given that a meeting of the Subcommittee on Export Administration of the President's Export Council (PEC) will be held on Wednesday, January 27, 1982. The meeting is being held on short notice because the members need to be briefed on export administration matters to allow them to offer industry views on the Military Critical Technologies List and on ways to strengthen the present system on multilateral controls.

The Subcommittee on Export Administration was initially established on June 1, 1976. Executive Order 12258 of December 31, 1980, continued the Subcommittee until December 31, 1982.

The Subcommittee provides advice on matters pertinent to those portions of the Export Administration Act of 1979, that deal with United States policies of

encouraging trade with all countries with which the United States has diplomatic or trading relations and of controlling trade for national security and foreign policy reasons. The agenda for the meeting is as follows:

Public Session

- a. Welcome and Introduction of Subcommittee Members
- b. Briefing and Status of Previous Recommendations
- c. Discussion of Current Issues and Subcommittee Members Issue-Interest Areas
- d. Comments and Questions from the Public (written comments will be accepted)

Executive Session

- a. Briefing on Export Administration Act—What Items Controlled and Why
- b. Briefing on High-Level COCOM Meeting

TIME AND PLACE: The meeting will take place at 9:30 a.m., in Room 4830 of the Department of Commerce, 14th and Constitution Avenue, NW., Washington, D.C. The public session will be from 9:30 a.m. to 11:30 a.m. An Executive session, closed to the public, will be held from 1:30 p.m. to 5:00 p.m.

From 1:30 p.m. to 5:00 p.m. the Subcommittee will meet only in Executive Session to discuss matters properly classified under Executive Order 12065, dealing with the U.S. and COCOM export control program developments and their related strategic criteria.

SUPPLEMENTARY INFORMATION: The Assistant Secretary of Commerce for Administration, with the concurrence of the delegate of the General Counsel, formally determined on January 8, 1982, pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended by Section 5(c) of the Government in the Sunshine Act, Pub. L. 94-409, that the matters to be discussed in Executive Session should be exempt from the provisions of the Federal Advisory Committee Act relating to open meetings and public participation therein, because the Executive Session will be concerned with matters listed in 5 U.S.C. 552(b)(1) and properly classified under Executive Order 12065.

A copy of the Notice of Determination to close the Subcommittee's meetings or portions thereof is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 5317, U.S. Department of Commerce, telephone: (202) 377-4217.

For further information or copies of minutes contact: Ms. Debbie Kappler, Office of the Assistant Secretary for

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Appendix E
Statistical Tables

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Table E-1.--Barley: Production in the United States and in France, crop years beginning June 1, 1965-81

(In millions of bushels)

| Crop year beginning June 1-- | United States | France |
|------------------------------|---------------|---------------|
| 1965----- | 393 | 335 |
| 1966----- | 392 | 341 |
| 1967----- | 374 | 439 |
| 1968----- | 426 | 419 |
| 1969----- | 427 | 429 |
| 1970----- | 416 | 373 |
| 1971----- | 464 | 411 |
| 1972----- | 423 | 459 |
| 1973----- | 422 | 498 |
| 1974----- | 304 | 461 |
| 1975----- | 383 | 429 |
| 1976----- | 372 | 381 |
| 1977----- | 420 | 472 |
| 1978----- | 447 | 505 |
| 1979----- | 383 | 514 |
| 1980----- | 361 | 540 |
| 1981----- | 478 | <u>1/</u> 467 |

1/ Estimated by USDA.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table E-2.--Barley: U.S. imports for consumption, total and from France, 1965-80

| Year | Total | | | France | | |
|------|---------------|---------------|------------|---------------|---------------|------------|
| | Quantity | Value | Unit value | Quantity | Value | Unit value |
| | 1,000 bushels | 1,000 dollars | | 1,000 bushels | 1,000 dollars | |
| 1965 | 6,438 | 8,806 | \$1.37 | 438 | 634 | \$1.45 |
| 1966 | 5,822 | 8,100 | 1.39 | 67 | 102 | 1.51 |
| 1967 | 7,161 | 9,675 | 1.35 | 1,102 | 1,501 | 1.36 |
| 1968 | 7,250 | 8,756 | 1.21 | 751 | 862 | 1.15 |
| 1969 | 9,929 | 11,040 | 1.11 | 1,491 | 1,499 | 1.01 |
| 1970 | 10,772 | 12,788 | 1.19 | 117 | 147 | 1.26 |
| 1971 | 9,410 | 11,191 | 1.19 | 0 | - | - |
| 1972 | 16,535 | 22,964 | 1.39 | 0 | - | - |
| 1973 | 8,329 | 20,586 | 2.47 | 0 | - | - |
| 1974 | 15,052 | 55,939 | 3.72 | 0 | - | - |
| 1975 | 14,084 | 56,304 | 4.00 | 0 | - | - |
| 1976 | 8,954 | 32,826 | 3.67 | 0 | - | - |
| 1977 | 7,804 | 24,455 | 3.13 | 0 | - | - |
| 1978 | 4,942 | 11,539 | 2.33 | 0 | - | - |
| 1979 | 7,200 | 19,649 | 2.73 | 0 | - | - |
| 1980 | 6,412 | 23,811 | 3.71 | 0 | - | - |

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Data presented in this table are on a calendar-year basis.

Table E-3.--Barley: U.S. production, sales of domestic barley, exports of domestic merchandise, imports for consumption, ending stocks, and apparent consumption, crop years 1965/66 to 1981/82

| Crop year beginning June 1-- | Production | Sales of domestic barley | Exports | Imports | Ending stocks | Apparent consumption | Ratio of imports to consumption |
|------------------------------------|------------|--------------------------------|---------|---------|------------------|-------------------------|---------------------------------------|
| | | | | | | | |
| 1965----- | 393 | 300 | 78 | 8 | 133 | 323 | 2.5 |
| 1966----- | 392 | 288 | 48 | 7 | 148 | 336 | 2.1 |
| 1967----- | 374 | 270 | 36 | 9 | 161 | 334 | 2.7 |
| 1968----- | 426 | 316 | 12 | 10 | 225 | 360 | 2.8 |
| 1969----- | 427 | 310 | 10 | 13 | 269 | 386 | 3.4 |
| 1970----- | 416 | 301 | 84 | 10 | 184 | 427 | 2.3 |
| 1971----- | 464 | 337 | 41 | 12 | 208 | 411 | 2.9 |
| 1972----- | 423 | 312 | 70 | 17 | 192 | 386 | 4.4 |
| 1973----- | 422 | 308 | 93 | 9 | 146 | 384 | 2.3 |
| 1974----- | 304 | 217 | 42 | 20 | 92 | 336 | 6.0 |
| 1975----- | 383 | 274 | 24 | 16 | 128 | 339 | 4.7 |
| 1976----- | 372 | 274 | 66 | 11 | 126 | 319 | 3.4 |
| 1977----- | 420 | 306 | 57 | 9 | 173 | 325 | 2.8 |
| 1978----- | 447 | 329 | 26 | 11 | 228 | 377 | 2.9 |
| 1979----- | 383 | 273 | 55 | 12 | 192 | 376 | 3.2 |
| 1980----- | 361 | 264 | 77 | 10 | 137 | 349 | 2.9 |
| 1981 <u>1</u> /----- | 478 | <u>2</u> / | 100 | 10 | 150 | 375 | 2.7 |

1/ Estimated by USDA.

2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

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