UNITED STATES TARIFF COMMISSION

BUTTER, BUTTER SUBSTITUTES CONTAINING BUTTERFAT AND BUTTER OIL

Report to the President on Investigation No. 22-36
Under Section 22 of the
Agricultural Adjustment Act, as Amended

TC Publication 635
Washington, D. C.
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UNITED STATES TARIFF COMMISSION

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CONTENTS

	Page
Report to the President	1
Findings	3
Recommendation	4
Statement of the Commission	5
Statement of Commissioner Leonard	10
Statement of Commissioner Young	11
Introduction	17
The price-support program for milk	18
Purchases and costs	20
Dispositions	20
Butter	21
Description and uses	21
Customs treatment	22
U.S. producers	23
Commercial consumption	23
Production	25
Stocks	28
Imports	28
Exports	31
World production, trade, and stocks	31
Prices	31
Summary--supply, demand and price situation for butter	34
Butter oil	34
Description and uses	34
Customs treatment	36
U.S. production, trade, and domestic consumption	37
Production	37
Imports	37
Exports	38
Apparent consumption	38
World production and trade	38
Prices	39
U.S. prices	39
Foreign prices	39
Appendix A. The President's letter	A-1
Appendix B. Presidential Proclamation No. 4253	A-4
Appendix C. Statistical tables	A-8

Tables

		Page
1.	Butter, Cheddar cheese, nonfat dry milk, and all milk for manufacturing: U.S. market prices, Department of Agriculture support prices, and price-support objectives, marketing years 1953-72 and Mar. 15-Oct. 31, 1973	A-9
2.	Butter, Cheddar cheese, and nonfat dry milk: U.S. Department of Agriculture and sec. 32 purchases, utilization (disposal), and uncommitted supplies, 1953-72 and January-September of 1971-73	A-10
3.	Butter, Cheddar cheese, and nonfat dry milk: U.S. production, U.S. Department of Agriculture price-support purchases, and ratio of purchases to production, 1953-72, and Jan.-Oct. 1972 and 1973	A-12
4.	Net Government expenditures on dairy support and related programs, fiscal years, 1953-72	A-14
5.	Butter: U.S. production, imports for consumption, exports, yearend stocks, and commercial consumption, 1953-72, January-October 1972, January-October 1973	A-15
6.	Butter: U.S. production, commercial and Government-owned stocks as of end of month, market prices, U.S. Department of Agriculture support prices, 1968-73	A-16
7.	Butter: U.S. imports for consumption by principal sources, 1968-72 and January-October 1973	A-17
8.	Butter: U.S. exports by type, 1965-72, and monthly, 1973	A-18
9.	Butter: Supply and distribution for selected countries, 1972	A-19
10.	Butter: Production in specified countries, average 1961-1965, annual 1966-1972	A-20
11.	Butter: Exports by selected countries, 1970-72	A-21
12.	Butter: Stocks in selected countries, November, 1971 and 72 and October, 1973	A-22
13.	Butter: Wholesale prices in selected countries, October 1973	A-23
14.	Butter oil: Production, imports, exports, apparent consumption, and ratio of imports to apparent consumption, 1968-1973	A-24
15.	Butter oil: U.S. imports for consumption by principal sources, 1968-1972 and January-October 1973	A-25
16.	Butter oil: U.S. exports, annually 1965-72 and monthly, 1973	A-26

Page

17. Dairy products: U.S. milk production and whole-milk equivalent (fat-solids basis) of U.S. exports and imports for consumption, 1953-72, January-August 1972, and January-August 1973---------- A-27
18. Milk: U.S. utilization of domestic output, 1953-72----- A-28
19. Butter: European Community third country export subsidies and import levies, January 1972-March 1973-- A-29

Figures

1. Butter: U.S. commercial consumption, monthly, 1968-73-- 24
2. Butter: U.S. production, monthly, 1968-73---------- 26
3. Butter: U.S. production and commercial consumption, 1953-73---------- 27
4. Butter: Stocks, government owned and commercial, monthly, 1968-73---------- 29
5. Butter: Market price and U.S. Department of Agriculture support price, by months, 1968-73---------- 32

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
December 28, 1973

To the President:

Pursuant to your request of October 31, 1973, 1/ the U.S. Tariff Commission has conducted an investigation (No. 22-36) 2/ under subsection (d) of section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624) with respect to butter, butter substitutes containing butterfat and butter oil. The purpose of the investigation was to determine whether 56,000,000 pounds of the articles described in item 950.05 and 22,600,000 pounds of the articles described in item 950.06 of Part 3 of the Appendix to the Tariff Schedules of the United States (TSUS) may be imported into the United States during the period beginning November 1, 1973, and ending December 31, 1973, in addition to the quota-quantities specified for such articles under TSUS items 950.05 and 950.06, without rendering or tending to render ineffective, or materially interfering with, the price-support program now conducted by the Department of Agriculture for milk, or reducing substantially the amount of products processed in the United States from domestic milk. 3/

1/ The full text of your letter is shown in the app. A.

2/ Public notice of the investigation (No. 22-36) was issued November 7, 1973. The notice was posted at the Commission's offices in Washington, D.C., and in New York City, and was published in the Federal Register of November 13, 1973 (38 F.R. 31353). A public hearing was held on November 29 and 30, 1973; all interested parties were afforded opportunities to produce evidence and be heard.

3/ Presidential Proclamation 4253 providing for the special additional temporary quotas of 56,000,000 pounds of butter and 22,600,000 pounds of butter oil is contained in app. B.

The report of the Commission on the aforementioned matter, including its finding and recommendation, is submitted herewith. The information contained in this report was obtained from evidence submitted at the public hearing, from briefs, from questionnaires, from other Government agencies, and from the Commission's files.

FINDINGS 1/

On the basis of the investigation--

1. The Commission finds (Commissioner Young dissenting) that the importation of 56,000,000 pounds of butter and 22,600,000 pounds of butter oil into the United States during the period beginning November 1, 1973, and ending December 31, 1973, in addition to the annual quota quantities specified for such articles under items 950.05 and 950.06, respectively, of the Appendix to the Tariff Schedules of the United States, as provided for in Presidential Proclamation 4253 of October 31, 1973, will not render or tend to render ineffective, or materially interfere with, the price-support program conducted by the Department of Agriculture for milk, or reduce substantially the amount of products processed in the United States from domestic milk.

2. Commissioner Young finds that the importation of 56,000,000 pounds of butter and 22,600,000 pounds of butter oil into the United States during the period beginning November 1, 1973, and ending December 31, 1973, in addition to the annual quotas specified for such articles under items 950.05 and 950.06, respectively, of the Appendix to the Tariff Schedules of the United States, as provided for in Presidential Proclamation 4253 of October 31, 1973, will tend to render ineffective the price-support program conducted by the Department of Agriculture for milk.

1/ Commissioner Leonard did not participate in the decision. For Commissioner Leonard's statement of non-participation, see page 10 .

RECOMMENDATION

The Commission recommends (Commissioner Young dissenting) that no changes be made in the enlarged quotas provided for by Presidential Proclamation 4253.

Statement of the Commission 1/

U.S. imports of butter have been subject to an annual quota of 707,000 pounds under section 22 of the Agricultural Adjustment Act, as amended, since mid-1953. 2/ There had been no imports of butter oil up to that time. In 1956, however, butterfat began to be imported in the form of the article called butter oil, a "loophole" product through which imports were entered in order to avoid the quota on butter. Early in 1957, imports of butter oil were made subject to an annual section 22 quota of 1,200,000 pounds. The quotas were imposed on U.S. imports of butter and butter oil in order to prevent imports of the respective products from rendering or tending to render ineffective, or materially interfering with, the price-support program conducted by the Department of Agriculture for milk, or reducing substantially the amount of products processed in the United States from domestic milk.

Effective November 1, 1973, the additional temporary quotas subject to this investigation (No. 22-36) were established for the period ending December 31, 1973, to permit imports of 56,000,000 pounds of butter and 22,600,000 pounds of butter oil--in addition to imports under the regular annual quotas--pursuant to emergency action taken by the President under section 22 (Proclamation No. 4253). Imports under the temporary quotas began November 2; by December 14, the quota for butter oil

1/ Vice Chairman Parker concurs in the result.

2/ Commissioner Ablondi believes that the Tariff Commission has a continuing responsibility to undertake periodic reviews of developments respecting imports of all dairy products, and report to the President whether the annual import restrictions should be increased or decreased from time to time as changes occur in the domestic market, provided that any such modification will not "render or tend to render ineffective, or materially interfere with, the price support program of the Department of Agriculture for milk, or reduce substantially the amount of products processed in the United States from domestic milk."

was entirely filled and by December 26 the quota for butter was 98 percent filled. The temporary quotas on butter and butter oil are equivalent to about 84 million pounds of butter, or about 8 percent of the U.S. production of butter in 1972.

During the 20-year period following the imposition of the quota on butter, there were generally no abrupt changes in the domestic market situation for the product. Production declined irregularly from about 1.4 billion to 1.1 billion pounds. Commercial consumption, meanwhile, declined from about 1.2 billion to 900 million pounds. The market prices generally remained at or near the support prices during the period. Government purchases of the surplus production, under the price-support program of the Department of Agriculture for milk, ranged from about 11 percent to 28 percent of the total annual production, except in 1959 and 1966, when market prices were a few cents per pound higher than support prices and support purchases were small.

In the early months of 1973, however, the long-term decline in U.S. production of butter accelerated as the dwindling available supply of mi for manufacturing was diverted from butter/powder (i.e., nonfat dry milk to cheese. In January-October 1973, production of butter was about 16 percent less than in the corresponding period of 1972. Commercial consumption, however, declined only 5 percent during that 10-month period from the level of a year earlier. As production went down at a rate 3 times as great as that of consumption, the commercial market absorbed larger amounts of the production, and the market price began to rise sub stantially above the support price.

Purchases of the surplus production of butter under the support program began to decline early in 1973, and, since July, no such purchases have been made. Thus, for the 1973 year only 98 million pounds of butter will be purchased under the support program, compared with annual purchases ranging from about 200 million to 325 million pounds in the past few years. As no butter has been purchased under the price-support program since July 1973, the Government's uncommitted supplies have become virtually nil at the end of the year. In early 1973, commercial stocks of the product were at low levels. Soon after the support price for butter was lowered in March, and the support prices for cheese and nonfat dry milk were raised, producers apparently foresaw a deficit supply situation in the offing for butter and decided to hold the product in anticipation of higher prices. Thus, commercial stocks of butter have been large in recent months and, as discussed below, market prices have remained substantially above support prices.

As the supply/demand situation for butter as well as other forms of butterfat (including butter oil) tightened about mid-1973, the market price rose above the support price. By September, the market price had increased to 86 cents per pound, or 25 cents above the support price of 61 cents per pound. In early October the price began to moderate as the demand for butterfat in products such as ice cream declined seasonally, and production of butter increased from the abnormally low level of September. On October 16, it was announced that a recommendation had been made to the President that imports of butter should be expanded. On October 19, the market price dropped 12 cents per pound, reflecting, in large part, an initial overreaction to the announcement.[7]

On October 31, the additional temporary quotas for butter and butter oil were announced, and by the end of November market prices had risen to 80 cents per pound. In early December, the month that production begins its cyclical upturn, small amounts of the imports had entered the market; prices again declined somewhat, and by December 27 (the last date for which data are available) they amounted to 69.5 cents per pound, or about 9 cents above the support level.

On the basis of the supply-demand-price situation described above, we have concluded that the importation of an additional 56.0 million pounds of butter and 22.6 million pounds of butter oil, as provided for in Presidential Proclamation 4253, will not render or tend to render ineffective, nor materially interfere with, the price-support program now conducted by the Department of Agriculture for milk, nor reduce substantially the amount of products processed in the United States from domestic milk.

Data developed during the investigation showed that as of mid-December, some 6 weeks after the additional temporary quotas on butter and butter oil had been in effect, and virtually all the imports had been ente under the quotas, part of the imported butter and most of the imported but oil had not reached end users, notwithstanding the fact that the imported products were being offered at 5 cents to 10 cents per pound below the price of the domestic articles. Inasmuch as the imported products are not moving rapidly into the hands of end users, larger price differentials may well be necessary to ultimately move the imported articles into the market. However, in all probability the prices of those imported products will not be low enough to depress domestic commercial market prices to the

support level. Domestic production of butter is in its cyclical upturn during this time of year. Increased production plus the increased imports have added to the domestic supply. Although the market price for butter has been erratic in the past few months, consumption of butterfat, whether in the form of butter or butter oil, has not been strong enough to prevent the market price for butter from declining, although it currently (December 27) has remained about 9 cents above the support price.

In the first part of 1973, about 98 million pounds of surplus production of butter was purchased by the Department of Agriculture under the price-support program and used for donation purposes, rather than being held for resale to the commercial market when the shortage developed in late 1973. Most of those purchases were made about the time or year (January-March) that the bulk of the imports of butter and butter oil permitted under the additional temporary quotas will probably be entering the U.S. market in 1974. At that time of year market prices for butter normally moderate. As indicated earlier, moreover, commercial manufacturers' stocks of butter are currently large. Based on the foregoing, the data indicates at this time that additional imports of butter and butter oil beyond those permitted under Presidential Proclamation 4253 may well result in purchases of butter by the Department of Agriculture under the price-support program for milk.

Statement of Commissioner Leonard

Because of concern about the legality and appropriateness of this investigation, I am not participating in the decision. The reasons for my concern are similar to those set forth in my joint statement with Commissioner Young in one of the Commission's recent investigations under section 22 relating to an emergency import quota proclaimed by the President for nonfat dry milk. 1/

1/ U.S. Tariff Commission, Nonfat Dry Milk, . . . Investigation No. 22-33 . . ., TC Publication 603, August 1973, pp. 12-14.

Statement of Commissioner Young

In the nonfat dry milk investigation, I found that a significant increase in, or suspension of the section 22 import quota for that product would "interfere" with the price-support program for milk. 1/ The background underlying that determination was that--

1. Prior to 1973 milk was generally in surplus and the purpose of the price-support program as announced was to remove the surplus so that the price of milk and dairy products would not fall below the support level.

2. Under these conditions, import interference with the price-support program was measured pursuant to section 22 by the quantity of domestic products displaced by imports, which quantity had to be purchased by the Department of Agriculture.

3. In 1973, the supply of milk and dairy products became inadequate to satisfy the demand at the support price. The 1973 amendment to the Agricultural Act of 1949 2/ explicitly reinforced my view that in a short supply situation, the primary objective of the price-support program is to obtain an adequate supply of milk.

4. In a short supply situation, import interference is measured by the effect of such increased imports on the objective of obtaining an equilibrium between domestic production and demand at the support price level.

It is my view that any significant increase in the level of imports of butter or butter oil will tend to lower the price of milk and dairy products, thus discouraging production. According to the Department of Agriculture both manufacturing milk prices and butter prices probably would be higher without the additional imports of butter and butter oil

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1/ Nonfat Dry Milk and Animal Feeds Containing Milk or Milk Derivatives: Report to the President on Investigation No. 22-34 . . ., TC Publication 633, 1973.

2/ Under the Agricultural Act of 1949, as amended, the Secretary of Agriculture is required--beginning April 1, 1974--to support the price of milk at such levels between 80 percent and 90 percent of parity as he determines necessary in order to: (a) assure an adequate supply of . . . milk to meet current needs, (b) reflect changes in cost of production, and (c) assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

permitted by Presidential Proclamation 4253 of October 31. After the importation of the butter and butter oil early in November, the price of butter trended down and was 5 to 15 cents per pound lower than the price for the period immediately prior to October 31.

Butter production follows a very pronounced seasonal pattern, the low months being late summer and early fall. The seasonal upturn in production begins in December and continues through late spring. Although there is some seasonal variation in butter consumption, it is not nearly as pronounced as in the case of production. Generally speaking, butter consumption tends to be slightly lower as butter production increases seasonally. Accordingly, we can expect an increase in butter production over the next several months and probably a modest decrease in consumption. If this normal market condition prevails, it will tend to depress butter prices.

An important factor influencing the impact of the imported butter and butter oil on milk production is the rapidity of movement of the imported products into the hands of end users. Five weeks after most of the butter and butter oil was imported, a sample survey of importers indicated that virtually all of the butter oil and about three-fourths of the butter was held in storage by importers or distributors rather than having moved into the hands of end users (including retailers). The large stocks of the imported products which are overhanging the market at a time when butter production increases seasonally will inevitably have a pronounced price-depressing effect. Since domestic end users were unwilling to acquire imported butter and butter oil during November and

the first half of December when the supply-demand situation was seasonally tight, there is every reason to believe that the users can meet their requirements with the increase in production of the preferred domestic product well into the period when the Secretary is required to establish the price-support level for the marketing year beginning April 1.

As previously noted, present law requires that the Secretary set the support price at a level which he determines necessary in order to assure an adequate supply of milk. Section 22 is to be used to prevent imports from interfering with that statutory mandate. Certainly the imported butter and butter oil stocks will make the Secretary's effort to carry out the statutory mandate much more difficult. Accordingly, I have determined that the importation of the 56 million pounds of additional butter and 22.6 million pounds of additional butter oil will tend to render ineffective the price-support program for milk.

Addendum

In reviewing the butter market for 1973, one is impressed by the fact that production of butter was greater than commercial consumption. During the first half of 1973, the Department of Agriculture removed from commercial channels 98 million pounds of butter by price-support purchases. Since most of the imported butter had not moved into commercial consumption by the end of 1973, it seems clear that the production of butter exceeded consumption by virtually the entire 98 million pounds purchased by the Department of Agriculture.

It is anomalous that none of the 98 million pounds of butter purchased by the Department of Agriculture early in 1973 (when production was seasonally high) was made available for commercial purchases when the seasonal shortage developed during the latter part of the year. While it is recognized that the Department of Agriculture has the authority to donate dairy products it has purchased for nonprofit institutional use, the Department is given discretion with respect to whether these donations should be made. Sales in commercial channels of the dairy products acquired under the price-support program are in no way prohibited. 1/

In previous cases, I have expressed serious doubt about whether Congress intended that the "emergency" provision of the second paragraph of subsection (b) of section 22 should be applicable to the condition where import quotas are expanded. 2/ Even if such authority exists, it is most difficult to characterize the butter situation in the fall of 1973 as one which required emergency action. When the price of butter increased significantly, the Department of Agriculture owned more than 75 million pounds of butter. On the day the emergency was proclaimed and the section 22 quotas were increased, the Department owned over 40 million pounds. At either of these times the Department could have

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1/ U.S.C. 1431 provides in relevant part: "Dairy products acquired by the Commodity Credit Corporation through price-support operations may, insofar as they can be used in the United States in nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served, be donated for any such use prior to any other use or disposition." (underscoring supplied)

2/ Statement of Commissioners Leonard and Young in Nonfat Dry Milk: Report to the President on Investigation No. 22-33 . . ., TC Publication 603, 1973, pp. 12-14. Statement of Commissioner Young in Nonfat Dry Milk: Report to the President on Investigation No. 22-35 . . ., TC Publication 616, 1973, pp. 11-12.

offered its butter for sale for unrestricted use. Commercial users could have acquired from the Department the quantity of butter needed to satisfy their demand. If that course had been followed, the substantial quantities of imported butter and butter oil would not be hanging over the market today.

The effect of the governmental action on butter in 1973 was to "give away" the seasonal surplus purchased during the first of the year under the price-support program thereby removing it from the market. Then, paradoxically, in an attempt to control the price of butter during the last two months of the year, a substantial increase in imports of section 22 was authorized.

This action is all the more confused by the fact that nearly one-half of the additional import quota was allocated to countries in which the price of butter is significantly higher than the U.S. price, apparently resulting in a substantial export subsidy being paid by those governments on butter shipped to the United States. It seems incongruous to liberalize the restrictions on imports of butter pursuant to section 22 from countries which must provide substantial subsidies in order to fill the quota without also enforcing the countervailing duty statute (section 303 of the Tariff Act of 1930 1/) to obtain affirmative countervailing

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1/ 19 U.S.C. 1303 provides as follows: "Whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this Act, then upon the importation of any such article or merchandise into the United States, whether the same shall be

(Continued)

action. Obviously, it would have been futile to enlarge the quotas under section 22 and then, in effect, deny entry by levying a countervailing duty. While complaints have been lodged pursuant to the countervailing duty statute, no record has been found that the Treasury Department has taken action on any commodity covered by section 22, presumably on the grounds that the restriction provided in section 22 is sufficient. The failure to take such action has the effect of reading into section 303 of the Tariff Act an exemption for imports covered by section 22 quotas which exemption is not in fact contained in section 303.

(Continued)
imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this Act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The Secretary of the Treasury shal from time to time ascertain and determine, or estimate, the net amount of each such bounty or grant, and shall declare the net amount so determined or estimated. The Secretary of the Treasury shall make all regulations he may deem necessary for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

Introduction

The Agriculture and Consumer Protection Act of 1973 (Public Law 93-86) requires that the Secretary of Agriculture support the price of milk at not less than 80 percent of parity for the period August 10, 1973-March 31, 1975, in order to assure an adequate supply. The new law further directs the Secretary of Agriculture, beginning April 1, 1974, to support the price of milk at such level between 80 percent and 90 percent of parity as he determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. 1/

In order to satisfy these statutory requirements, the Secretary maintains a price-support program for milk under which the Department of Agriculture will purchase butter, Cheddar cheese, and nonfat dry milk at specified prices. In mid-1953,quotas were imposed on U.S. imports of certain dairy products--including butter--under section 22 of the Agricultural Adjustment Act, as amended, in order to protect the price-support program from import interference. The quota established for butter in mid-1953, 707,000 pounds, was slightly more than 50 percent of the imports during 1930-34, the representative period determined by the Commission. In 1956, butter oil began to be imported for the first time. In 1957, imports of butter oil were made subject to an

1/ Prior to August 10, 1973, the Agricultural Act of 1949, as amended, required the Secretary of Agriculture to support the price of milk at such levels between 75 percent and 90 percent of parity as he determined necessary in order to assure an adequate supply.

annual quota of 1,200,000 pounds. The quota established for imports was about two-thirds of the imports during 1956, the representative period determined by the Commission. The quotas for butter and butter oil have remained unchanged since they were established.

Effective November 1, 1973, additional temporary quotas were established for the period ending December 31, 1973, to permit imports of 56,000,000 pounds of butter and 22,600,000 pounds of butter oil, pursuant to emergency action taken by the President in Proclamation 4253. The temporary quota for butter was allocated to New Zealand (51 percent), to the Member States of the European Community (EC) (44 percent), and to a group of countries consisting of Argentina, Australia, Canada, Norway, Sweden, and Switzerland (5 percent); the quota on butter oil was not allocated by country. Both quotas are to be administered to importers on a first-come, first-served basis, but no importer is permitted to enter an aggregate quantity of such additional articles in excess of 2,500,000 pounds.

Imports under the temporary quotas began November 2, and by December 31, the quota for butter was 98 percent filled and that for butter oil was 100 percent filled.

The Price Support Program for Milk

As required by law, the price support program for milk is carried out by the Department of Agriculture through purchases of butter, Cheddar cheese, and nonfat dry milk. In advance of each marketing year (which begins April 1), the Secretary of Agriculture announces the price at

which the Department will purchase unlimited quantites of butter, Cheddar cheese, and nonfat dry milk which meet certain specifications. 1/ On March 8, 1973, the Department of Agriculture announced that effective March 15, 1973, and for the 1973 marketing year (April 1, 1973, to March 31, 1974), milk would be supported at 75 percent of the parity price on April 1, the minimum required by law. The price-support objective for manufacturing grade milk thus was set at $5.29 per hundredweight, or 7 percent above the support objective in effect for the 2 previous years. To meet this objective, the support price for Cheddar cheese was established at 62.0 cents per pound, 13 percent above the price of the 2 previous years, and the price for nonfat dry milk was set at 37.5 cents per pound, 18 percent above the price of the 2 previous years. The support price for butter was reduced to 60.9 cents per pound, or about 10 percent below that of the 2 previous years (table 1). The Department of Agriculture indicated that the increase in the price at which it would purchase cheese was made to encourage cheese production, and the reduction in the price of butter was made to increase the consumption of butter.

The Agriculture and Consumer Protection Act of 1973 (Public Law 93-86) which became law on August 10, 1973, required the Secretary of Agriculture to increase the minimum support price of milk to 80 percent of parity for the remainder of the 1973 marketing year and for the 1974 marketing year. In response, the Department of Agriculture announced

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1/ Since 1965 the Secretary of Agriculture has been authorized (sec. 709, Public Law 89-321) to purchase the three products at market prices above support prices, if necessary, to meet commitments under various Government programs, such as the school lunch program. There have been no such purchases of butter since 1966, when about 10 million pounds were purchased.

that, effective August 10, 1973, it would support the price of milk at 80 percent of the parity price in effect at the beginning of the marketing year. The price-support objective for manufacturing milk was set at $5.61 per hundredweight (6 percent above that announced in March). To achieve the new objective, new support prices of 65.0 cents per pound for Cheddar cheese and 41.4 cents per pound for nonfat dry milk took effect on August 10, 1973. The support price for butter remained at 60.9 cents per pound.

Purchases and costs

During 1968-72, the Department of Agriculture purchased from 17 percent (in 1968) to 25 percent (in 1972) of the annual production of butter under the price-support program. In 1973 price-support purchases of butter were about 98 million pounds, or 13 percent of production (tables 2 and 3). Since July 1973, however, the Department of Agriculture has made no purchases of butter. Generally, annual net Government expenditures on the dairy price-support and related programs have varied inversely with the amounts by which market prices have been above support prices. Such expenditures, which have been declining since the year beginning July 1, 1970, amounted to about 153 million dollars in the year beginning July 1, 1972, equivalent to about half of the expenditures in most recent years (table 4).

Dispositions

The butter acquired by the Government under the price-support program is nearly all disposed of through donations to domestic welfare and

institutional outlets and donations or subsidized sales abroad, with the larger portion having been disposed of through domestic welfare channels. In accordance with Public Law 91-233, dairy products acquired through price-support operations may, insofar as they can be used in the United States in nonprofit school lunch programs and certain other charitable and welfare programs, be donated for any such use prior to any other use or disposition. There have been no domestic commercial sales of butter in 1973; butter was removed from the sales list by the Department of Agriculture in mid-1973.

Butter

Description and uses

Butter is the solidified fat of milk churned from cream. By U.S. statutory definition (21 U.S.C. 321a), butter must contain not less than 80 percent by weight of butterfat. Butter is made exclusively from milk or cream or both; salt and coloring matter are generally added.

About 80 percent of the butter produced in the United States is graded by the Department of Agriculture upon request of, and at the expense of, the producer. Such butter is eligible to bear the grade shields (i.e., 93 score U.S. grade AAA or AA, or 92 score U.S. grade A) 1/ often seen on butter cartons in retail stores. U.S. butter that grades below 92 score (i.e., 90 score U.S. grade B, 89 score U.S. grade C, and below 89 score below grade) is used by the food service industry and

1/ Butter is graded on the basis of flavor, body, color, salt and package, with points being awarded for each category. The total of these points is the numerical "score" which has a letter equivalent.

by food processors; sometimes 92 score butter is also so used. The Department of Agriculture reports that about 34 percent of annual production is sold with a U.S.D.A. grade shield. The U.S. Department of Agriculture does not grade foreign produced butter.

Butter consumption in the United States has been mainly for table use. In 1973, about 50 percent of production has been sold at retail for household use, 30 percent to the food service industry (restaurants, hospitals, etc.), 10 percent to the Government, and 10 percent, generally unsalted butter, to food processors for use as an ingredient in products such as bakery goods, candy, and ice cream. Of the small quantities imported under the quota in the past, the imports from New Zealand and the Netherlands have been consumed both for table use and in processed foods, whereas that from Denmark, which has been higher in fat content, has been consumed almost entirely for table use.

Customs treatment

U.S. imports of butter are subject to seasonal tariff quotas, in addition to absolute quotas imposed under section 22. Imports of not over 50,000,000 pounds entered from November 1 of any year to the following March 31 are dutiable at a rate of 7 cents per pound; imports in excess of 50,000,000 pounds during such periods are dutiable at the statutory rate of 14 cents per pound. Inasmuch as the additional temporary quota of 56,000,000 pounds is in effect only from November 1 through December 31, 1973, 50,000,000 pounds, if imported, will be dutiable at 7 cents per pound, and 6,000,000 pounds, if imported, will be dutiable at 14 cents per pound (plus the amount of any imports

entered under the regular quota in that period). Imports of designated quantities of butter (5,000,000 pounds) entered during two other periods of the year are likewise subject to seasonal tariff quotas and dutiable at 7 cents per pound while quantities above that amount are dutiable at 14 cents per pound. The average ad valorem equivalent of the rate of duty on butter entered during the period November 1, 1972, to March 31, 1973, was 11.4 percent. The ad valorem equivalent of any imports at 14 cents per pound would have been 22.8 percent.

U.S. producers

During the past decade, the number of creameries producing butter in the United States has declined from about 1,500 to about 500. In recent years most U.S. butter production has been by the large butter/powder (i.e., nonfat dry milk) plants, some of which produce and market butter under their own labels and also under private labels for others.

Commercial consumption

U.S. commercial consumption of butter, which generally has been declining over the past two decades, decreased from 976 million pounds in 1968 to 885 million pounds in 1972. Consumption of butter was 682 million pounds during the first 10 months of 1973 (table 5), which is 5 percent less than for the corresponding period of 1972 and 8 percent less than in the corresponding period of 1971.

Annual U.S. consumption of butter is seasonal, generally reaching a peak during the month of December then falling off in January and February (figure 1).

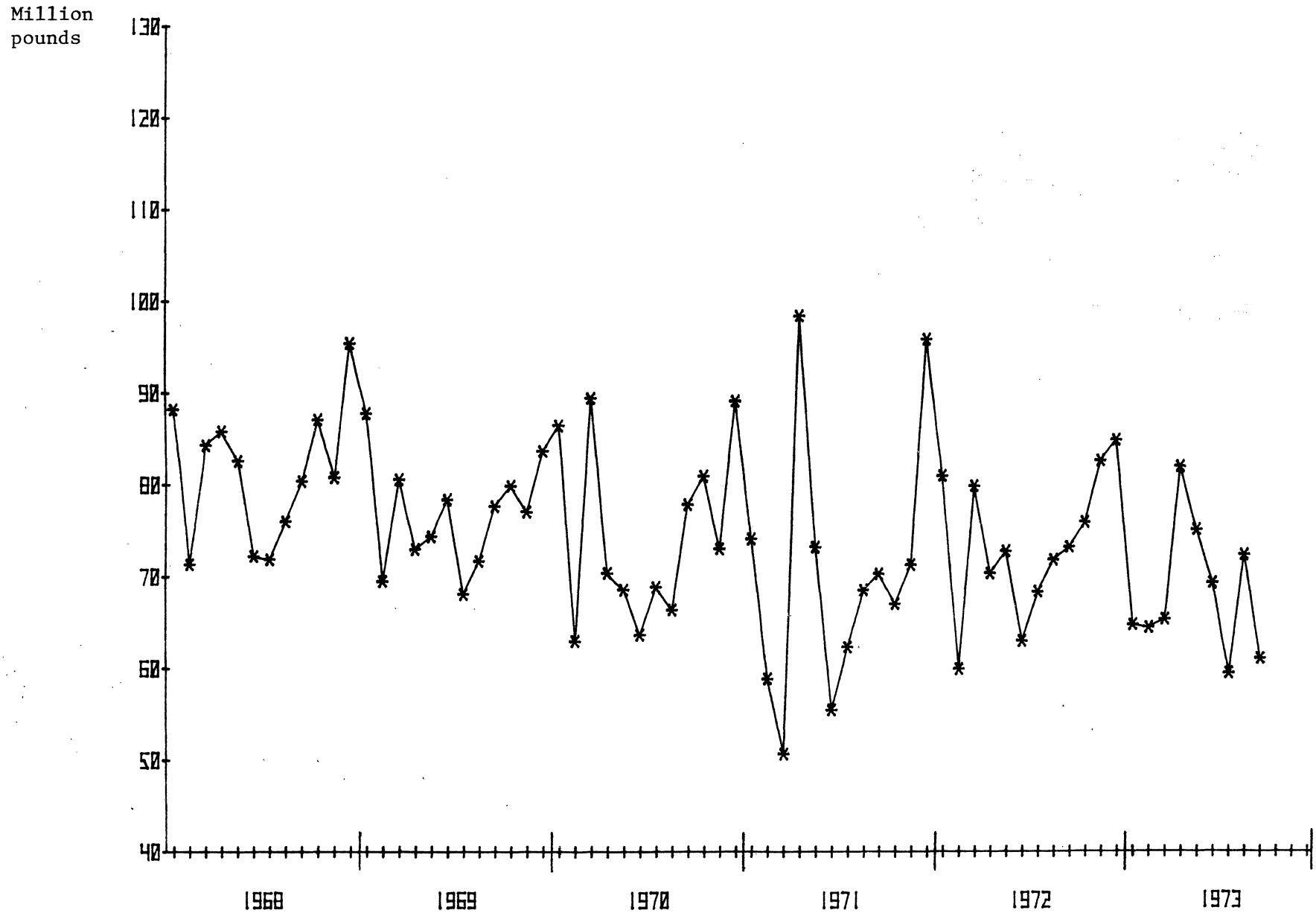


Figure 1.--Butter: U.S. commercial consumption, monthly, 1968-73.

[illegible] of the U.S. Department of Agriculture.

24

In the United States, margarine, a vegetable oil product, has been substituted for butter at an increasing rate for the past two decades. Currently, margarine consumption in the United States is double that of butter; per capita consumption of butter was 5.0 pounds per person, while per capita consumption of margarine was 11.3 pounds per person in 1972. In 1950, per capita butter consumption was about double that of margarine, 10.7 pounds vs. 6.1 pounds, respectively.

Production

Annual U.S. production of butter has declined considerably in the past two decades. The domestic output of butter was stable at approximately 1.4 billion pounds in most of the years 1953-1964; it then declined but was stable at 1.1 billion pounds in the years 1966-1972 (figure 2&3). The U.S. Department of Agriculture has estimated that U.S. production of butter will amount to about 910 million pounds in 1973.

The long-term decline in U.S. production of butter has occurred largely for the following reasons:

(1) Demand has not kept pace with the increase in population, since consumers have substituted margarine for butter; margarine ordinarily costs less than half the price of butter and is often preferred for medical or dietary reasons. The properties of margarine can also be revised by adjusting the manufacturing process, thereby allowing margarine to be tailored to the consumer's taste.

(2) Butter and nonfat dry milk--both storable products--are made after all other uses for the available manufacturing milk supply have been satisfied. Manufacturers generally are able to obtain a greater

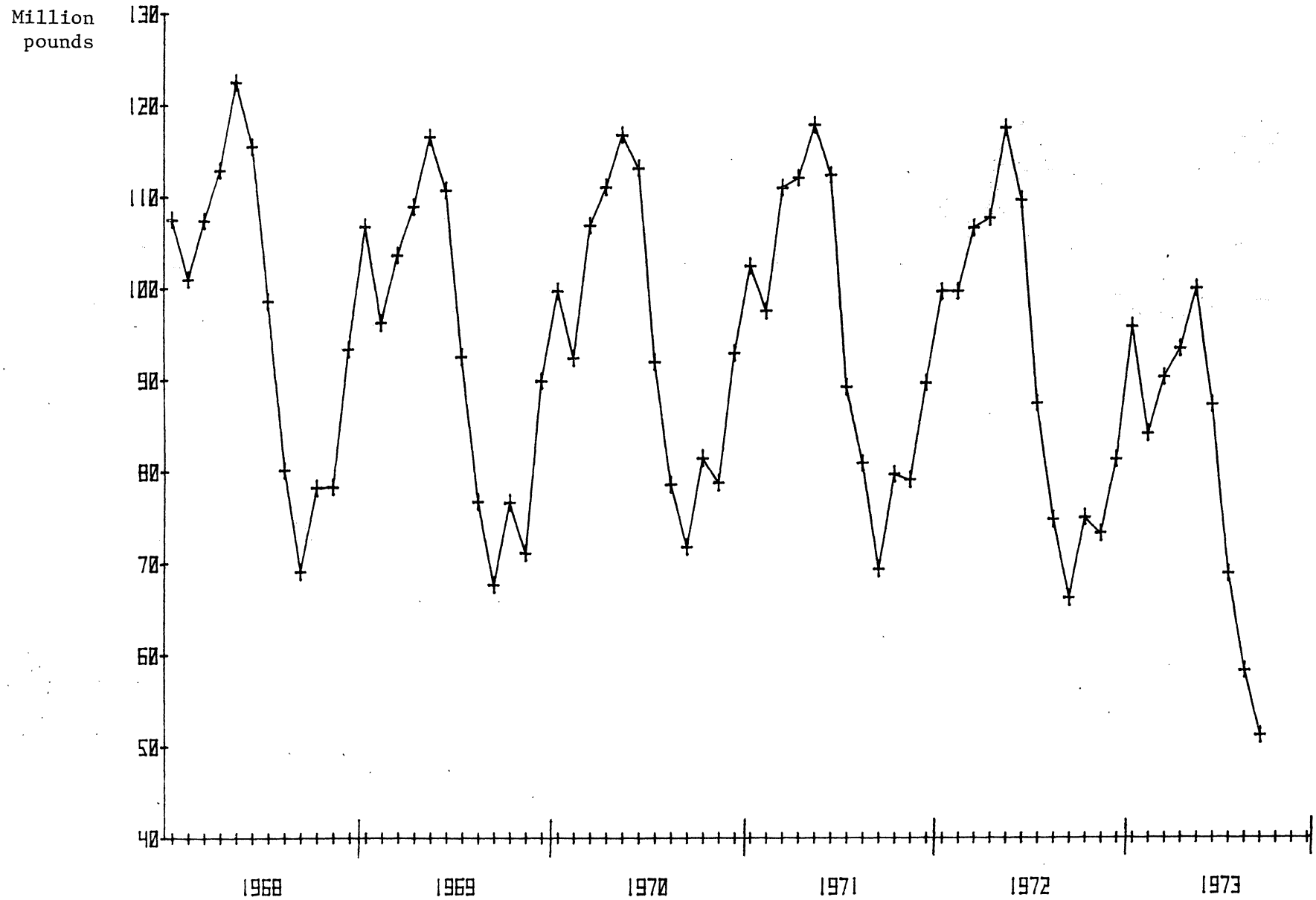


Figure 2.--Butter: U.S. production, monthly, 1968-73.

26

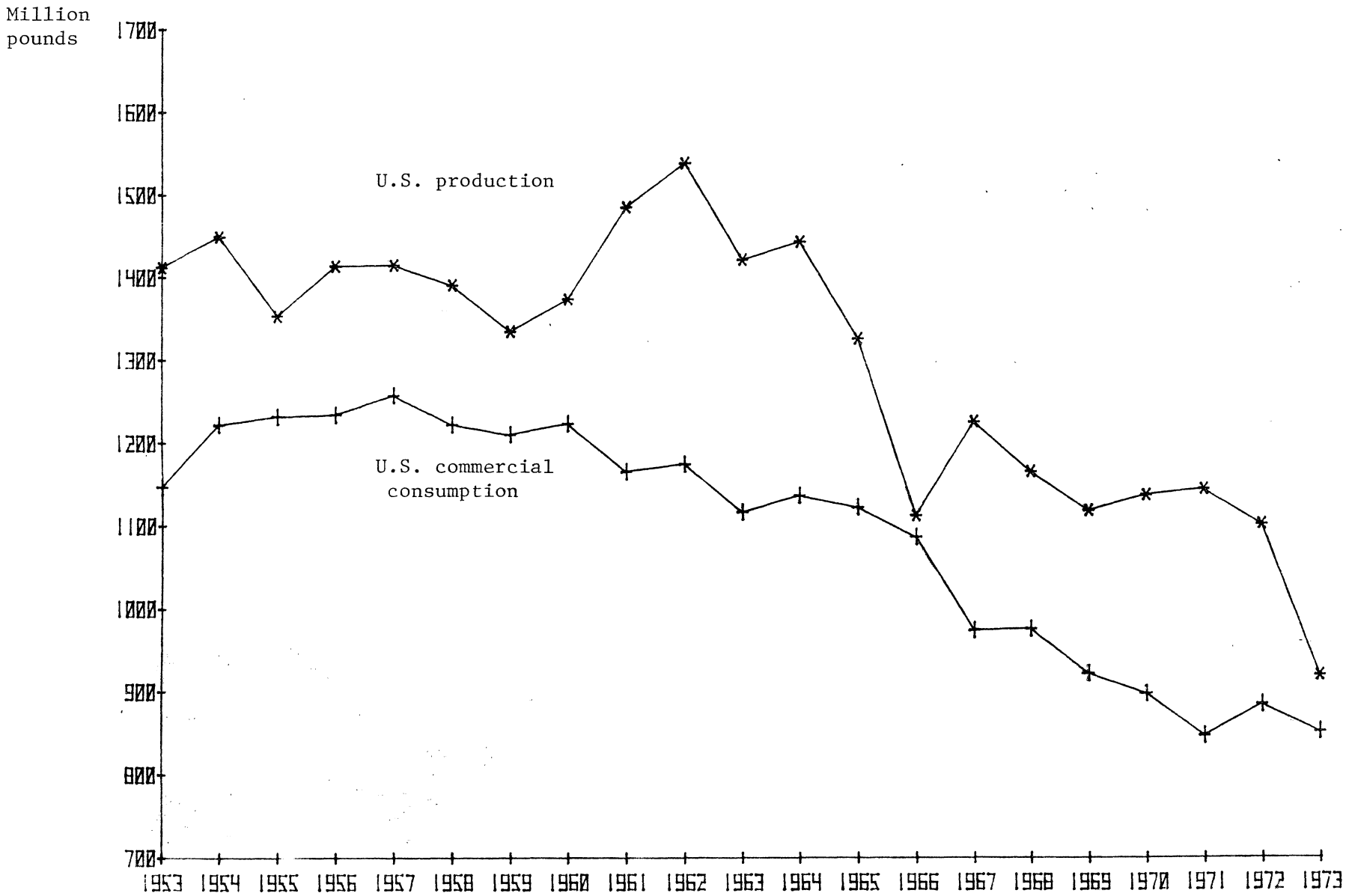


Figure 3.--Butter: U.S. production and commercial consumption, 1953-73.

Source: Table 7.

27

return from cheese than from butter/powder. Currently, producers of cheese are paying 32 cents per hundredweight more than butter/powder manufacturers for the manufacturing milk supply they use. Cheese has also been able to compete with meat, fish, and poultry as a source of protein in the diet.

Stocks

Total yearend stocks of butter (commercial and Government-owned) averaged 106 million pounds during the period 1968-72 (table 6). At the end of October 1973, they amounted to 68 million pounds compared with 155 million at the end of October 1972. Over the years, the great bulk of the yearend stocks have been Government-owned. Since the spring of 1973, however, the Government-owned stocks have been decreasing and commercial stocks increased to a peak of 55 million pounds in July, then declined to 24 million pounds in October, 50 percent more than in October 1972 (figure 4). At the end of October, commercial stocks accounted for 36 percent of total stocks, a considerably higher portion than in the past. At the hearing in this investigation, the spokesman for the Department of Agriculture reported that all the Government-owned stocks were committed for programs through January.

Imports

U.S. imports of butter have been limited by the regular quota (TSUS item 950.05) to 707,000 pounds annually. About half of the regular quota on butter has been allocated to importers licensed to import the product from New Zealand, 30 percent to those licensed to import the product from Denmark, and 20 percent to those licensed to import the

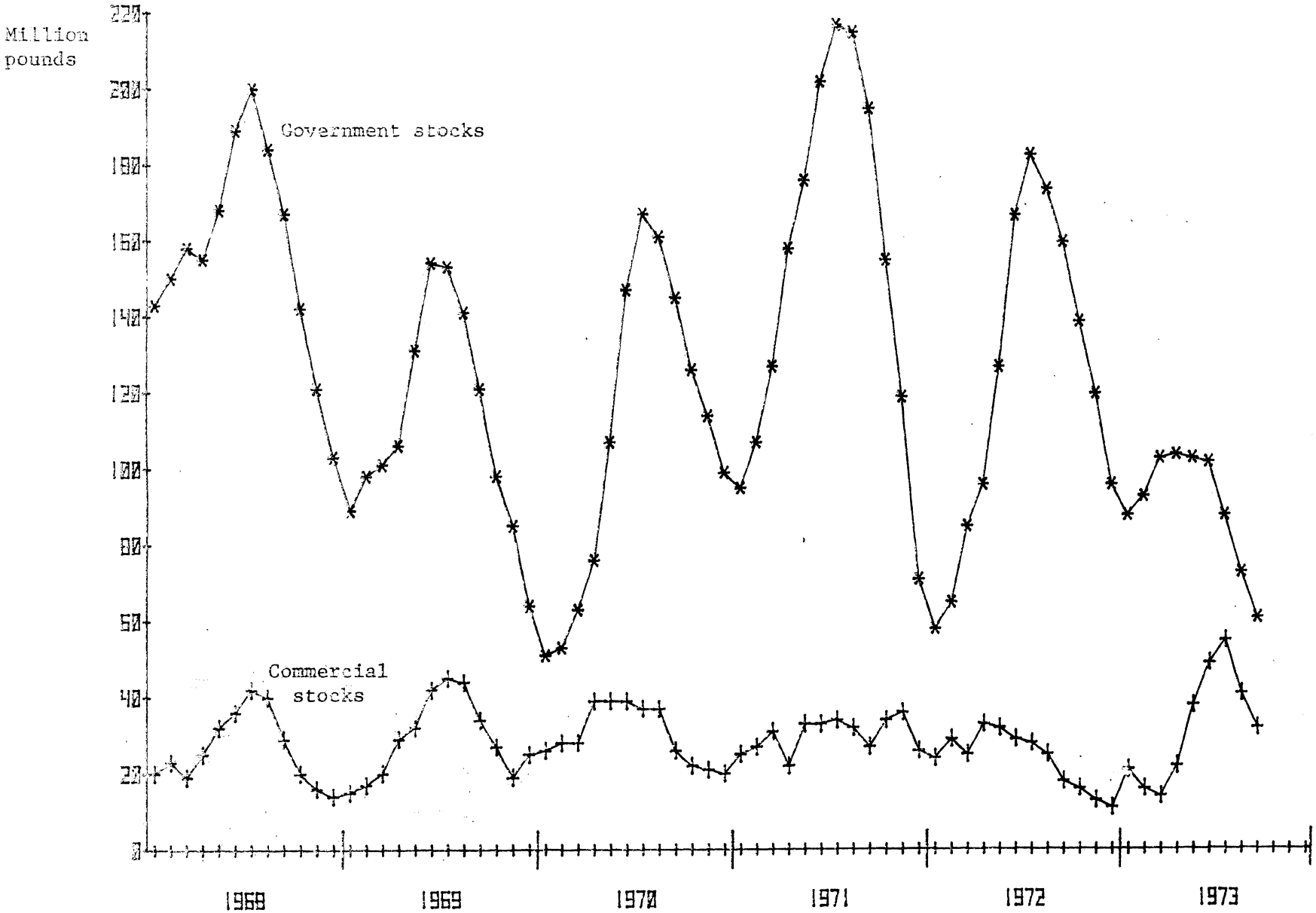


Figure 4.--Butter: Stocks, government owned and commercial, monthly, 1968-73.

Source: Table 8.

product from a group of countries composed of Argentina, Canada, Norway, the Netherlands, Sweden, and Switzerland. Butter from Denmark has been consumed mostly for table use and has a higher unit value than most other imported butter, probably due to its relatively high fat content. Most of the butter from the other regular suppliers--the Netherlands, West Germany, Finland, Sweden, and Argentina (table 7)--is believed to be consumed for table use or in processed foods (particularly any unsalted butter imports).

Imports under the 707,000 pound regular quota for butter have been equivalent to less than one-tenth of 1 percent of U.S. butter production in the past. The temporary quota amount of 56,000,000 pounds would be equivalent to about 5 percent of U.S. butter production in 1972. Converting butter oil to butter equivalent, the temporary quota allocations for both butter and butter oil amount to about 84 million pounds, or about 7.6 percent of U.S. butter production in 1972.

Based on a survey made during December 1973 of 10 importers selected at random from the 47 importers of butter and butter oil under the temporary quota, it was indicated that about 30 percent of the butter imported was still in the importer's warehouses, about 44 percent had been sold to jobbers and wholesalers, about 9 percent had been sold to printers and retailers, nearly 5 percent was sold to food service institutions, and about 12 percent had been sold to food processors. All the butter oil imported was still in the importers' warehouses.

Exports

Annual U.S. exports of butter have been erratic since 1965 (table 8). For instance, exports in 1965 totaled nearly 46 million pounds). In 1967, they amounted to less than 400 thousand pounds. In 1971, they totaled nearly 88 million pounds, and in 1972, less than 43 million pounds.

World production, trade, and stocks

During the period 1968-72, world production of butter averaged 6.5 billion pounds (tables 14 and 15) with no significant trend. The European Community (EC), the world's largest producer, accounted for about 45 percent of the total output. The United States, the next largest producer, accounted for 17 percent of the total, New Zealand, about 8 percent, and Australia, about 7 percent.

During 1970-72, world trade in butter decreased in each year except 1970 (table 11). The largest exporter, New Zealand, accounted for about 43 percent of the world exports during the period. The European Community was the second largest supplier, accounting for 22 percent of the exports; Australia accounted for about 15 percent (table 19). The United States accounted for about 8 percent.

World stocks of butter increased from 746 million pounds in 1971 to 1,222 million pounds in 1972. At the end of October 1973 they amounted to 996 million pounds (tables 9 and 12).

Prices

Except for recent months, market prices of U.S. butter have remained close to the support price in recent years (figure 5).

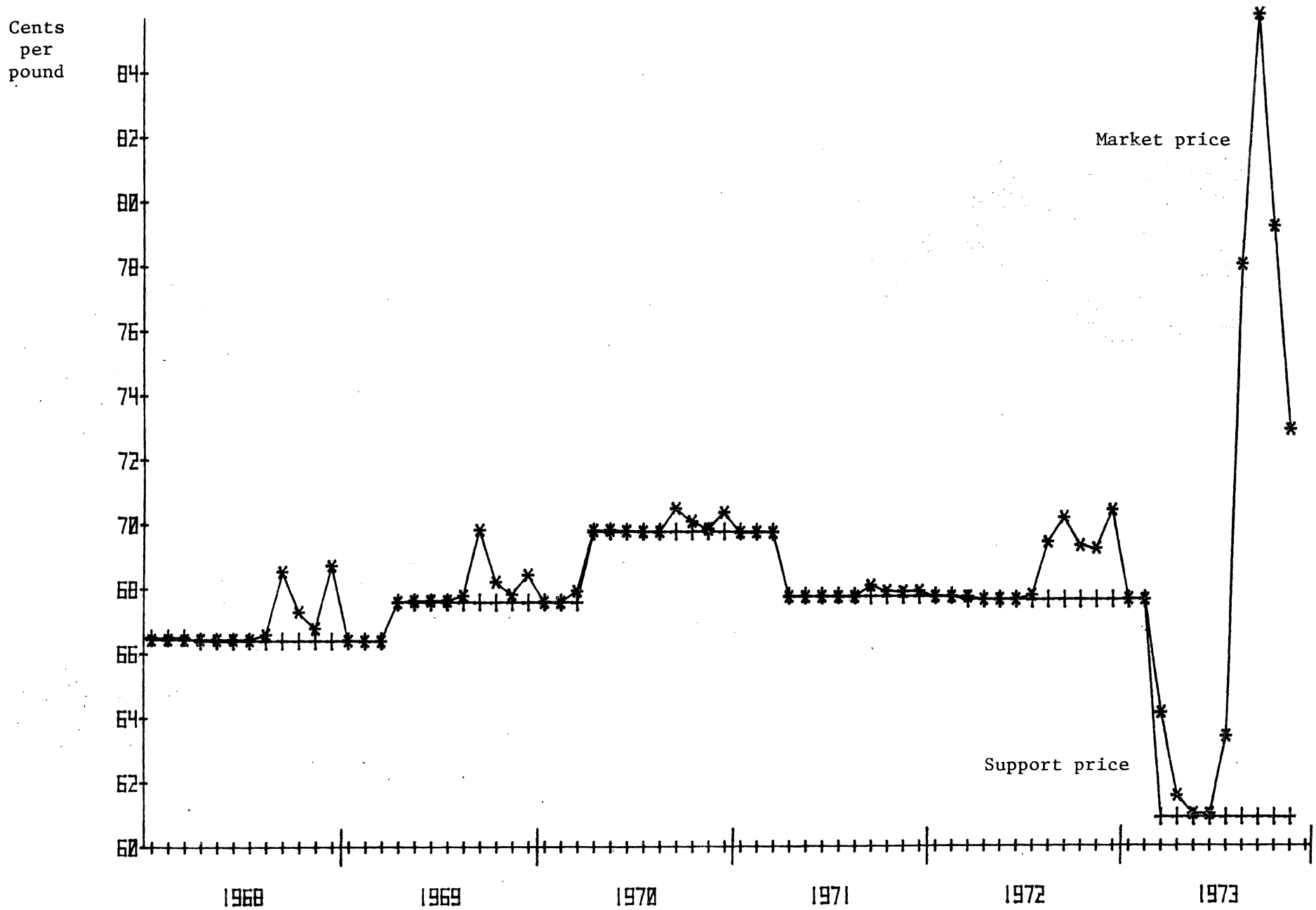


Figure 5.--Butter: Market price and U.S. Department of Agriculture support price, by months, 1968-73.

The market price exceeded the support price by 2.33 cents per pound in 1968, 2.25 cents in 1969, 0.72 cents in 1970, 0.33 cents in 1971, and 2.79 cents in 1972 (figure 5 and table 6). On the other hand, the average monthly market prices were never below the support price by more than 0.06 cent per pound in those 5 years. At the beginning of 1973, the market price was 0.02 cent above the support price of 67.7 cents. The U.S. Department of Agriculture adjusted the support price of butter on March 15 from 67.7 cents per pound to 60.9 cents per pound. The market price averaged 0.8 cent above this new support price for March. In July of 1973, the market price was 2.53 cents per pound above the support price. It climbed to 17.25 cents above support in August and to 25.04 cents above in September, before decreasing to 18.44 cents per pound above support price in October.

On October 16, when the Cost of Living Council announced its recommendation to the President that butter imports be expanded, the price of butter was 82.75-83.00 cents per pound, about 22 cents above support. By October 19, this price had dropped to 70.25-70.50 cents per pound, about 9.5 cents above support, where it remained in early November. By late November, the price had increased to 79.5-80.0 cents per pound about 19 cents per pound above the support price. The price then dropped to 72.0 cents per pound on December 7, and further to 69.0 cents per pound on December 14.

Summary--supply, demand, and price situation for butter

Wholesale prices for 92 score, grade A butter on the Chicago market have been substantially above the support price since July 1973, climbing to 25 cents above the support price in September, before dropping to 8 cents above the support price on December 14. Although monthly production of butter exhibited its normal peak in May 1973, that peak was the lowest in the last six years, the seasonal decline since May has kept pace with prior years, output falling to a low in September (which was the lowest September production in the last six years). Output in October 1973 (nearly 63 million pounds) was 12 million pounds less than in October 1972. Total stocks of butter have been declining to levels considerably below levels of the past six years, (particularly October stocks), but most of the decline has been due to heavy drawing down of Government stocks. Commercial stocks have been maintained at nearly normal levels in 1973 as compared with commercial stocks in recent years. However, taking production and stocks together, the supply of butter previous to the announcement of the temporary quotas was below normal.

Butter Oil

Description and uses

Butter oil is a concentrated butterfat product, generally containing in excess of 99 percent butterfat, which is made by centrifuging melted butter or milk or cream. It is used as a source of butterfat in the production of ice cream, baked goods, and candy.

The scope of the term "butter oil," as used in TSUS item 950.06, is not defined. It seems undisputed that it includes a highly-

concentrated butterfat product made from butter scrapings or butter that has turned rancid or developed an undesirable off-flavor; the question has arisen, however, as to whether it also includes so-called anhydrous milkfat which is also a highly-concentrated butterfat product but which is made directly from fresh sweet cream.

It appears that, in U.S. trade, no significant difference between the butter-derived and cream-derived products exists, either in composition or in end usage. Moreover, the United States Customs Court, in C.D. 2351, decided July 3, 1962, appears to support the treatment of such concentrated butterfat as "butter oil" whether produced from butter or directly from cream. Accordingly, the term "butter oil," as used in this report, is regarded as including the highly-concentrated butterfat products, however derived.

Approximately two-thirds of the U.S. production in 1973 was the so-called anhydrous milkfat, and probably a comparable fraction for the prior years covered by this report. There are no available data distinguishing imports under the section 22 quota provision in terms of their derivation.

U.S. Food and Drug Administration Standards for Labeling require that "ice cream" must contain a minimum milk fat content of 10 percent by weight of the final product (before bulky flavoring ingredients are added). For other frozen desserts such as ice milk and sherbet, the minimum milk fat content required is much lower. Although cream is the preferred dairy product used to supply the milk fat content for ice cream and other frozen desserts, unsalted butter and butter oil

can also be used. On the average, some 8 percent of the total butterfat produced in the U.S. is used to satisfy the federal milk fat requirement for ice cream. The necessity for precise control of fat ingredients, combined with similar standards for milk fat content in milk chocolate, make butter oil the preferred dairy ingredient in milk chocolate production.

About 25 states permit the sale of mellorine, a product similar to ice cream except that the fat used is not butterfat. The U.S. Food and Drug Administration has proposed standards (38 F.R. 2150) that will allow butterfat as well as vegetable and other animal fats, to be used as part of the fat ingredient in mellorine.

Customs treatment

In an investigation in March 1957 under the provision of section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), the U.S. Tariff Commission determined in effect that butter substitutes containing over 45 percent butterfat (including butter oil) were practically certain to be imported under such conditions and in such quantity as to interfere materially with the Government's price-support program for whole milk and butterfat. After consideration of the Commission's findings, the President on April 15, 1957, issued proclamation No. 3178 (22 F.R. 2701) establishing an absolute annual import quota of 1.8 million pounds for such butter substitutes and butter oil for 1957 and an annual quota of 1.2 million pounds thereafter (see TSUS item 950.06).

Prior to July 1962, butter oil was classified as a butter substitute, dutiable at the reduced rate of 7 cents per pound. Subsequently,

the U.S. Customs Court issued a decision (C.D. 2351) holding that butter oil was not classifiable as a butter substitute, nor as butter, but rather, as an animal oil or animal fat, not specially provided for, and dutiable at the rate of 10 percent ad valorem (TSUS item 177.70). Effective October 5, 1963, TSUS item 950.06 was modified by adding reference to butter oil, however classified (Presidential Proclamation 3558, October 5, 1963, 3 CFR). There are no known imports of butter substitutes under this provision.

Effective January 1, 1968, TSUS item 177.70 was deleted and TSUS items 177.67 and 177.69 were created to replace it (Presidential Proclamation 3822, December 16, 1967, 3 CFR). TSUS item 177.67 provided specifically, at the prior rate, for other edible oils, fats, or greases, derived from milk.

U.S. production, trade, and domestic consumption

Production.--Data on U.S. production of butter oil are not regularly published. Based on information obtained in the investigation, it is estimated that U.S. production of butter oil and anhydrous milk fat combined has increased annually from slightly over 10 million pounds in 1970 to nearly 14 million pounds in 1973 (table 14). Nine companies produced such products in 1973, compared with seven in 1970. The three largest producers accounted for more than 10 million pounds of the domestic output in 1973, while the three largest producers accounted for about 8.5 million pounds in 1970.

Imports.--Under the regular annual quota provision, which was implemented in 1957 1.2 million pounds of butter oil have been

permitted to enter the United States in a calendar year on a first-come, first-served basis. The quota is normally filled on January 1.

In recent years, imports have been primarily from Belgium, with varying amounts from France, New Zealand, and the Netherlands (table 15). In 1973, however, imports originated from the Netherlands in greatest quantity, followed by New Zealand, Belgium, and France.

The temporary quota allocation of 22.6 million pounds is about 1.6 times greater than estimated U.S. production of butter oil in 1973. Imports of butter oil are normally equivalent to 12 percent of production (table 14). The ratio has declined each year since 1971.

Exports.--The quantity of butter oil exported from the United States has varied substantially from year to year. Such exports were as large as 20 million pounds in 1968, but less than one million pounds in 1972 and 1973 (table 16). Virtually all exports of butter oil have been for relief or charity purposes.

Apparent consumption.--Since data on stocks of butter oil are not available, the consumption of butter oil in the United States can only be roughly estimated. In three of the past four years, estimated domestic consumption has increased, rising from 10 million pounds in 1970 to 15.5 million pounds in 1973 (excluding consideration of any amounts entered under the quota of 22.6 million pounds). U.S. imports of butter oil in years before 1973 have accounted for between 14 and 17 percent of apparent consumption.

World production and trade

Information on butter oil production and trade is generally unavailable. The use of butter oil in milk recombining plants is expanding,

especially in those countries without adequate storage facilities for cream or butter. The Foreign Agriculture Service of the U.S. Department of Agriculture reports that production of butter oil in New Zealand nearly doubled in 1971-72 over the previous year, and that United Kingdom imports of butter oil and other derivatives decreased significantly in 1972.

Prices

U.S. prices.--Domestic prices of butter oil follow those of butter closely. Information from the trade indicate that producers of butter oil generally relate their prices to the price of butter. It appears that anhydrous milkfat generally commands about a ten-cent per pound premium over butter oil.

Foreign prices.--Data on prices of butter oil in other countries are available only from Australia. In June of 1972, the price of this product in Australia ranged from 67.7 cents per pound to 84.6 cents per pound, before decreasing to 60.6 cents per pound for the latter part of 1972, following the increased use of vegetable oils by a condensed recombining plant.

APPENDIX A

THE PRESIDENT'S LETTER

THE WHITE HOUSE

WASHINGTON

October 31, 1973

Dear Madam Chairman:

Pursuant to Section 22 of the Agricultural Adjustment Act, as amended, I have been advised by the Secretary of Agriculture, and I agree with him, that there is reason to believe that additional quantities of butter, butter substitutes containing butterfat, and butter oil may be imported during a temporary period without rendering or tending to render ineffective, or materially interfering with, the price support program for milk now conducted by the Department of Agriculture, or reducing substantially the amount of products processed in the United States from domestic milk.

Specifically, reference is made to the following articles presently subject to Section 22 quantitative limitations under items 950.05 and 950.06 of part 3 of the Appendix to the Tariff Schedules of the United States:

TSUS	Article
950.05	Butter, and fresh or sour cream containing over 45 percent of butterfat, provided for in part 4B of schedule 1 of the Tariff Schedules of the United States.
950.06	Butter substitutes containing over 45 percent of butterfat provided for in item 116.30, part 4B, schedule 1, of the Tariff Schedules of the United States and butter oil however provided for elsewhere in such schedules.

The Secretary has also advised me, pursuant to Section 22(b) of the Agricultural Adjustment Act, as amended, that a condition exists requiring emergency treatment with respect to these articles and has, therefore, recommended that I take immediate action under Section 22(b) to authorize the importation of 56,000,000 pounds of the articles provided for in TSUS item 950.05 and 22,600,000 pounds of the articles provided for in TSUS item 950.06 during a temporary period ending December 31, 1973. I have, therefore, this day issued a proclamation establishing special temporary quotas in such amounts for such articles, which quotas are to be effective through December 31, 1973, pending further action upon receipt of the report and recommendation of the Tariff Commission. These quotas are in addition to the quantities otherwise authorized to be imported under Section 22 quantitative limitations.

The United States Tariff Commission is, therefore, directed to make an investigation under Section 22 of the Agricultural Adjustment Act, as amended, and to make findings and recommendations as to whether 56,000,000 pounds of the articles provided for in TSUS item 950.05 and 22,600,000 pounds of the articles provided for in TSUS 950.06 may be imported during a temporary period ending December 31, 1973, in addition to the quantities of such articles otherwise authorized to be imported under Section 22 quantitative limitations, without rendering or tending to render ineffective, or materially interfering with, the price support program for milk now conducted by the Department of Agriculture or reducing substantially the amount of products processed in the United States from milk.

The Commission is directed to report its findings and recommendations at the earliest practicable date.

Respectfully,

Richard Nixon

Honorable Catherine Bedell
Chairman
U.S. Tariff Commission
Eighth and E Streets
Washington, D.C. 20436

APPENDIX B

PRESIDENTIAL PROCLAMATION 4253

PROCLAMATION AMENDING PART 3 OF THE APPENDIX TO THE TARIFF SCHEDULES OF THE UNITED STATES WITH RESPECT TO THE IMPORTATION OF AGRICULTURAL COMMODITIES

- - - - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

4253

WHEREAS, pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), limitations have been imposed by Presidential proclamations on the quantities of certain dairy products which may be imported into the United States in any quota year; and

WHEREAS the import restrictions proclaimed pursuant to said section 22 are set forth in part 3 of the Appendix to the Tariff Schedules of the United States; and

WHEREAS the Secretary of Agriculture has reported to me that he believes that additional quantities of butter, butter substitutes containing butterfat and butter oil provided for in items 950.05 and 950.06 of part 3 of the Appendix to the Tariff Schedules of the United States (TSUS) may be entered for a temporary period without rendering or tending to render ineffective, or materially interfering with, the price support program now conducted by the Department of Agriculture for milk or reducing substantially the amount of products processed in the United States from domestic milk; and

WHEREAS, under the authority of section 22, I have requested the United States Tariff Commission to make an investigation with respect to this matter; and

WHEREAS the Secretary of Agriculture has determined and reported to me that a condition exists with respect to such articles provided for in items 950.05 and 950.06 of the TSUS which requires emergency treatment and that the quantitative limitation imposed on such articles

should be increased during the period ending December 31, 1973, without awaiting the recommendations of the United States Tariff Commission with respect to such action; and

WHEREAS I find and declare that the entry during the period ending December 31, 1973, of additional quantities of 56,000,000 pounds of the articles provided for in item 950.05 of the TSUS and 22,600,000 pounds of the articles provided for in item 950.06 of the TSUS will not render or tend to render ineffective, or materially interfere with, the price support program which is being undertaken by the Department of Agriculture for milk and will not reduce substantially the amount of products processed in the United States from domestic milk; and that a condition exists which requires emergency treatment and that the quantitative limitations imposed on such articles should be increased during such period without awaiting the recommendations of the United States Tariff Commission with respect to such action;

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under and by virtue of the authority vested in me as President, and in conformity with the provisions of section 22 of the Agricultural Adjustment Act, as amended, and the Tariff Classification Act of 1962, do hereby proclaim that headnote 3(a) of part 3 of the Appendix to the Tariff Schedules of the United States is temporarily amended by adding a new subdivision as follows:

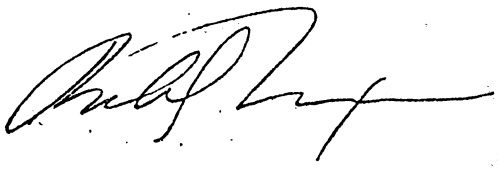
> (viii) Notwithstanding any other provision of this part, 56,000,000 pounds of the articles described in item 950.05 and 22,600,000 pounds of the articles described in item 950.06 may be entered during the period beginning November 1, 1973, and ending December 31, 1973, in addition to the annual quota quantities specified for such articles under items 950.05 and 950.06, and import licenses shall not be required for entering such additional quantities. No individual, partnership, firm, corporation, association, or other legal entity (including its affiliates or subsidiaries) may during such period

enter pursuant to this provision an aggregate quantity of such additional articles in excess of 2,500,000 pounds. The 56,000,000 pounds of the articles described in item 950.05 shall be allocated among supplying countries as follows:

Supplying Country	Quantity in pounds
New Zealand	28,560,000
Member States of the European Economic Community	24,640,000
Other Countries as follows: Argentina, Australia, Canada, Norway, Sweden, and Switzerland	2,800,000

The additional quota quantities provided for herein shall continue in effect pending Presidential action upon receipt of the report and recommendations of the Tariff Commission with respect thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of October in the year of our Lord nineteen hundred and seventy-three, and of the Independence of the United States of America the one hundred and ninety-eighth.



APPENDIX C

STATISTICAL TABLES

Table 1.--Butter, Cheddar cheese, nonfat dry milk, and all milk for manufacturing: U.S. market prices, Department of Agriculture support prices, and price-support objectives, marketing years 1953-72 and Mar. 15-Oct. 31, 1973

Year beginning Apr. 1--	Butter (grade A) at Chicago		Cheddar cheese		Nonfat dry milk (spray process)		Milk for manufacturing		
	Market price	Price support	Market price (Wisconsin assembly points)	Price support	Market price (U.S. average)	Price support	Market price (U.S. average)	Price-support objective: Amount	Price-support objective: Percent of parity
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	
1953	65.5	65.8	36.8	37.0	15.5	16.0	3.46	3.74	89
1954	57.8	57.5	33.1	1/ 33.2	15.3	2/ 16.0	3.15	3.15	75
1955	57.4	57.5	33.2	33.2	15.6	16.0	3.19	3.15	80
1956	59.7	59.5	34.7	3/4/35.0	15.5	16.0	3.31	3/3.25	3/ 84
1957	59.6	59.5	34.8	35.0	15.5	16.0	3.28	3.25	82
1958	58.2	57.8	33.3	32.8	13.8	14.2	3.16	3.06	75
1959	59.7	58.0	34.0	32.8	13.7	14.2	3.22	3.06	77
1960:									
Apr. 1-Sept. 16	58.1	58.0	34.4	32.8	14.4	13.4	3.21	3.06	76
Sept. 17-Mar. 9 (1961)	60.6	5/ 60.5	39.1	5/ 34.2	14.7	5/ 13.9	3.29	5/3.22	80
Mar. 10-31 (1961)	60.5	60.5	37.2	36.1	15.9	15.9	3.37	3.40	85
1961:									
Apr. 1-July 17	60.5	60.5	36.7	36.1	15.9	15.9	3.36	6/3.40	83
July 18-Mar. 31 (1962)	60.5	60.5	37.2	36.5	16.0	16.4	3.39	6/3.40	83
1962	58.6	58.0	36.0	34.6	14.4	14.4	3.19	3.11	75
1963	58.2	58.0	36.1	35.6	14.5	14.4	3.24	3.14	75
1964	59.1	58.0	36.8	35.6	14.6	14.4	3.30	3.15	75
1965	61.1	59.0	39.8	36.1	14.9	14.6	3.45	3.24	75
1966:									
Apr. 1-June 29	64.1	61.0	43.5	39.3	17.2	16.6	3.70	3.50	78
June 30-Mar. 31 (1967)	69.1	66.5	49.2	43.8	20.1	19.6	4.24	4.00	89.5
1967	66.7	66.5	45.2	43.8	19.9	19.6	4.06	4.00	87
1968	66.9	66.4	48.3	47.0	23.3	23.1	4.30	4.28	89
1969	68.0	67.6	53.6	48.0	23.6	23.4	4.55	4.28	83
1970	69.9	69.8	55.3	52.0	27.3	27.2	4.76	4.66	85
1971	67.9	67.8	57.0	54.8	31.8	31.7	4.91	4.93	85
1972	68.3	67.7	61.1	54.8	35.2	31.7	5.21	4.93	79
1973:									
Mar. 15-Aug. 9	7/ 61.8	60.9	7/ 67.0	62.0	7/45.0	37.5	7/ 5.58	5.29	75
Aug. 10-Oct. 31	83.7	60.9	80.1	65.0	49.0	41.4	8/ 6.43	5.61	80

1/ Cheddar supported at 32.25 cents per pound from Apr. 1 to July 11, 1954.
2/ Nonfat dry milk supported at 15 cents per pound from Apr. 1 to July 11, 1954.
3/ Applies to the period Apr. 19, 1956-Mar. 31, 1957.
4/ For the period Apr. 1-18, 1956, the support price was 34.0 cents per pound.
5/ Increase required by Public Law 86-799.
6/ The U.S. Department of Agriculture later found that the purchase prices of March 1961 reflected a per hundredweight support objective of only $3.36-$3.37: the new purchase prices of July 1961 more accurately reflected the $3.40 price-support objective.
7/ April-July.
8/ August-September.

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

Table 2.--Butter, Cheddar cheese, and nonfat dry milk: U.S. Department of Agriculture and sec. 32 purchases, utilization (disposal), and uncommitted supplies, 1953-72 and January-September of 1971-73

(In millions of pounds)

Commodity and year 1/	Purchases 2/	Utilization	Uncommitted supplies at end of year 3/
Butter:			
1953	359	118	257
1954	320	313	264
1955	162	366	60
1956	165	225	0
1957	173	142	31
1958	184	208	7
1959	124	130	0
1960	145	129	16
1961	330	196	150
1962	403	259	294
1963	308	482	120
1964	266	368	18
1965	216	225	9
1966	4/ 29	32	6
1967	259	128	137
1968	193	255	77
1969	188	223	33
1970	246	242	37
1971	324	328	33
1972	224	216	43
January-September			
1971	279	170	144
1972	216	134	113
1973	98	125	5/ 21
Cheddar cheese:			
1953	308	54	255
1954	276	196	335
1955	150	224	261
1956	188	303	146
1957	241	245	142
1958	80	215	3
1959	57	53	7
1960	6/	7	0
1961	124	70	54
1962	203	194	63
1963	120	164	19
1964	119	121	17
1965	39	56	6/
1966	4/ 20	12	8
1967	182	133	57
1968	78	111	24
1969	4/ 36	58	4
1970	43	47	0
1971	101	86	15
1972	21	36	0
January-September			
1971	88	76	12
1972	21	35	0
1973	7/ 3	4	0

See footnotes at end of table.

Table 2.--Butter, Cheddar cheese, and nonfat dry milk: U.S. Department of Agriculture and sec. 32 purchases, utilization (disposal), and uncommitted supplies, 1953-72 and January-September of 1971-73--Continued

(In millions of pounds)

Commodity and year 1/	Purchases 2/	Utilization	Uncommitted supplies at end of year 3/
Nonfat dry milk: 8/			
1953	597	209	432
1954	649	1,000	97
1955	536	649	4
1956	724	726	32
1957	825	821	27
1958	783	765	45
1959	838	783	0
1960	873	696	177
1961	1,193	1,185	186
1962	1,300	972	514
1963	998	1,146	303
1964	677	977	66
1965	888	823	143
1966	367	433	64
1967	615	478	201
1968	625	582	246
1969	354	461	137
1970	447	560	29
1971	444	462	14
1972	298	353	0
January-September--			
1971	357	232	35
1972	301	180	23
1973	9/ 31	32	0

1/ Calendar year unless otherwise specified.
2/ On the basis of contracts made; some deliveries were made in the subsequent reporting period.
3/ The supplies at the end of a year do not always equal the supplies at the beginning, plus purchases, less utilization, owing to rounding of figures and purchase contract tolerance.
4/ Includes purchases for school lunches under sec. 709 of the Food and Agriculture Act of 1965.
5/ Estimated.
6/ Less than 0.5 million pounds.
7/ Includes 1 million pounds purchased under sec. 709 of the Food and Agriculture Act of 1965.
8/ Includes instant nonfat dry milk.
9/ Includes 21 million pounds purchased under sec. 709.

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

Table 3. --Butter, Cheddar cheese, and nonfat dry milk: U.S. production, U.S. Department of Agriculture price-support purchases, and ratio of purchases to production, 1953-72, and Jan.-Oct. 1972 and 1973

Commodity and year	Production	USDA price-support purchases	Ratio of purchases to production
	Million pounds	Million pounds	Percent
Butter:			
1953	1,412	359	25.4
1954	1,449	320	22.1
1955	1,383	162	11.7
1956	1,413	165	11.7
1957	1,414	173	12.2
1958	1,390	184	13.2
1959	1,334	124	9.3
1960	1,373	145	10.6
1961	1,484	330	22.2
1962	1,537	403	26.2
1963	1,420	308	21.7
1964	1,442	266	18.4
1965	1,325	216	16.3
1966	1,112	29	2.6
1967	1,225	259	21.1
1968	1,165	193	16.6
1969	1,118	188	16.8
1970	1,137	246	21.6
1971	1,144	324	28.3
1972	1,102	224	20.3
Jan.- Oct. 1972	947	220	23.2
Jan.- Oct. 1973	795	98	12.3
Cheddar cheese:			
1953	967	308	31.9
1954	970	276	28.5
1955	920	150	16.3
1956	889	188	21.1
1957	927	241	26.0
1958	883	80	9.1
1959	849	57	6.7
1960	894	3	.3
1961	1,020	124	12.2
1962	956	203	21.2
1963	965	120	12.4
1964	1,009	119	11.8
1965	1,007	39	3.9
1966	1,043	20	1.9
1967	1,103	182	16.5
1968	1,050	78	7.4
1969	1,058	36	3.4
1970	1,182	43	3.6
1971	1,225	101	8.2
1972	1,349	21	1.6
Jan.-Oct. 1972	1,418	21	1.5
Jan.-Oct. 1973	1,404	3	.2

Table 3.--Butter, Cheddar cheese, and nonfat dry milk: U.S. production, U.S. Department of Agriculture price-support purchases, and ratio of purchases to production, 1953-72, and Jan.-Oct., 1972 and 1973--Continued

Commodity and year	Production	USDA price-support purchases	Ratio of purchases to production
	Million pounds	Million pounds	Percent
Nonfat dry milk:			
1953	1,214	597	49.2
1954	1,334	649	48.7
1955	1,366	536	39.2
1956	1,490	724	48.6
1957	1,624	825	50.8
1958	1,710	783	45.8
1959	1,723	838	48.6
1960	1,819	873	48.0
1961	2,020	1,193	59.1
1962	2,230	1,300	58.3
1963	2,106	998	47.4
1964	2,177	677	31.1
1965	1,989	888	44.6
1966	1,595	367	23.0
1967	1,679	615	36.6
1968	1,594	625	39.2
1969	1,452	354	24.4
1970	1,444	447	31.0
1971	1,418	444	31.3
1972	1,223	298	24.4
Jan.-Oct. 1972	1,094	293	26.8
Jan.-Oct. 1973	849	31	3.7

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

Table 4.--Net Government expenditures on dairy support and related programs, fiscal years, 1953-73

Year beginning July 1	Net support purchases 1/	Military milk 2/	Section 32 3/	Section 709 4/	Export assistance 5/	Total (excluding special milk)	Special milk program 6/
	Million dollars						
1952-53	274.9	----	25.1	-----	-----	300.0	-----
1953-54	400.4	----	74.0	-----	-----	474.4	-----
1954-55	228.7	4.3	24.4	-----	-----	257.4	22.2
1955-56	237.9	7.3	39.0	-----	-----	284.2	48.2
1956-57	239.1	16.4	75.6	-----	-----	331.1	61.0
1957-58	205.9	30.4	123.7	-----	-----	360.0	66.7
1958-59	102.1	23.0	106.2	-----	-----	231.3	74.7
1959-60	159.5	23.6	35.1	-----	-----	218.2	81.2
1960-61	173.9	25.3	82.1	-----	-----	281.3	87.0
1961-62	539.0	25.9	47.1	-----	-----	612.0	91.7
1962-63	454.0	24.8	-----	-----	6.7	485.5	93.7
1963-64	311.7	26.5	4.4	-----	36.5	379.1	97.1
1964-65	157.2	26.2	105.6	-----	44.7	333.7	86.5
1965-66	26.1	----	38.7	-----	3.8	68.6	97.0
1966-67	283.9	----	.9	14.2	18.4	317.4	96.1
1967-68	357.1	----	-----	-----	7.1	364.2	103.1
1968-69	268.8	----	45.4	-----	13.1	327.3	101.9
1969-70	168.6	----	107.1	7.8	7.4	290.9	102.9
1970-71	315.4	----	91.6	3.2	11.6	421.8	91.8
1971-72	267.0	----	63.9	-----	7.3	338.2	93.6
1972-73	135.8	----	15.4	.1	1.5	152.8	90.8

1/ CCC support purchases and related costs (for processing, packaging, transporting, and storing) of dairy products, less proceeds from sales.
2/ CCC reimbursements to U.S. military agencies, Veterans' Administration, and other participants.
3/ Expenditures of section 32 funds to buy dairy products in the market and from CCC school lunch and welfare uses.
4/ Purchases of dairy products at market prices under section 709, Food and Agricult Act of 1965, for domestic school lunch and welfare use.
5/ Value of payment-in-kind certificates issued by CCC on exports of nonfat dry milk butter, and other high-milkfat products, and CCC cost of exports under Title I, P.L. 480, of dairy products not originating in CCC stocks.
6/ Expenditures of CCC and section 32 funds to increase milk consumption by childrer in schools, childcare centers, and similar institutions.
7/ Net receipt due to sales exceeding purchases.
8/ Receipt due to adjustment.

Source: U.S. Department of Agriculture.

Table 5.--Butter: U.S. production, imports for consumption, exports, yearend stocks, and commercial consumption, 1953-72, January-October 1972, January-October 1973

Year	Production	Imports	Exports 1/	Yearend stocks	Commercial consumption
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1953	1,412	0.1	25	282	1,147
1954	1,449	1.0	55	379	1,222
1955	1,383	.7	221	163	1,232
1956	1,413	.7	182	25	1,234
1957	1,414	.7	10	87	1,257
1958	1,390	.8	34	69	1,222
1959	1,334	.7	25	31	1,210
1960	1,373	1.0	8	77	1,223
1961	1,484	.9	7	225	1,165
1962	1,537	.7	35	359	1,174
1963	1,420	.7	193	271	1,116
1964	1,442	.7	297	71	1,136
1965	1,325	.7	75	52	1,122
1966	1,112	.7	19	32	1,086
1967	1,225	.7	7	168	974
1968	1,165	.7	41	117	976
1969	1,118	.7	27	89	922
1970	1,137	1.0	9	119	898
1971	1,144	.6	100	97	847
1972	1,102	.7	53	107	885
Jan.-Oct					
1972	947	.6	2/42	155	718
1973	795	2.3	2/ 4	68	682

1/ Exports include butter equivalent of butter oil and anhydrous milkfat.
2/ Exports for Jan.-Oct. 1972 and 1973 are compiled from official statistics of the U.S. Department of Commerce.

Source: Production, exports, yearend stocks, and commercial consumption are compiled from official statistics of the U.S. Department of Agriculture except as noted; imports are compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Butter: U.S. production, commercial and Government-owned stocks as of end of month, market prices, 1/ U.S. Department of Agriculture support prices, 1968-1973

(In thousands of pounds, prices in cents per pound)

Year and item	January	February	March	April	May	June	July	August	September	October	November	December	Total or average
1968:													
Production	107,524	101,001	107,367	112,854	122,525	115,503	98,631	80,225	69,095	78,277	78,417	93,410	1,164,829
Stocks:													
Commercial	20,483	22,613	18,919	25,222	31,720	35,947	41,679	40,376	29,053	19,805	16,434	14,478	
Government-owned	143,045	150,367	157,507	154,885	167,541	189,010	200,018	184,226	147,470	142,036	120,950	102,877	
Total	163,528	172,980	176,426	180,107	199,261	224,957	241,697	224,602	196,523	161,841	137,384	117,355	
Prices:													
Market	66.44	66.44	66.44	66.44	66.44	66.44	66.43	66.59	68.59	67.29	66.79	68.73	66.92
Support 2/	66.50	66.50	66.50	66.40	66.40	66.40	66.40	66.40	66.40	66.40	66.40	66.40	66.43
Market over support	-.06	-.06	-.06	.04	.04	.04	.03	.19	2.19	.89	.39	2.33	.49
1969:													
Production	106,790	99,879	103,727	108,967	116,634	110,793	92,621	76,847	67,732	76,657	71,164	89,987	1,121,798
Stocks:													
Commercial	15,484	17,012	20,216	28,658	31,540	41,784	44,531	44,304	33,924	27,243	19,198	25,055	
Government-owned	89,022	98,121	101,140	105,804	131,096	153,546	153,425	141,282	121,392	97,916	85,131	63,581	
Total	104,506	115,133	121,356	134,462	162,636	195,330	197,956	185,586	155,316	125,159	104,329	88,636	
Prices:													
Market	66.41	66.39	66.39	67.59	67.64	67.64	67.64	67.80	69.85	68.23	67.84	68.45	67.6
Support 2/	66.40	66.40	66.40	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.3
Market over support	.01	-.01	-.01	-.01	.04	.04	.04	.20	2.25	.63	.24	.85	.3
1970:													
Production	99,755	92,534	106,961	111,164	116,873	113,321	92,134	78,743	71,853	81,589	78,951	93,142	1,137,02
Stocks:													
Commercial	26,050	28,164	27,981	38,546	39,443	38,901	36,906	37,032	26,123	21,667	20,554	19,717	
Government-owned	51,309	53,097	63,125	75,648	107,212	147,070	166,637	161,003	145,147	125,798	113,708	99,055	
Total	77,359	81,261	91,106	114,194	146,655	185,971	203,543	198,035	171,270	147,465	134,262	118,772	
Prices:													
Market	67.61	67.60	67.95	69.83	69.85	69.81	69.80	69.80	70.52	70.12	69.88	70.40	69.4
Support 2/	67.60	67.60	67.60	69.80	69.80	69.80	69.80	69.80	69.80	69.80	69.80	69.80	69.2
Market over support	.01	0.00	.35	.03	.05	.01	0.00	0.00	.72	.32	.08	.60	.1
1971:													
Production	102,606	97,719	111,227	112,266	118,170	112,598	89,419	81,144	69,464	79,870	79,331	89,881	1,143,69
Stocks:													
Commercial	24,531	26,859	30,966	22,219	33,474	33,415	33,747	31,506	26,732	34,225	36,248	26,162	
Government-owned	94,727	107,231	126,940	158,184	176,312	201,658	217,445	215,254	195,309	154.662	118,784	70,685	
Total	119,258	134,090	157,906	180,403	209,786	235,073	251,192	246,760	222,041	188,887	155,032	96,847	
Prices:													
Market	69.77	69.78	69.78	67.78	67.78	67.78	67.78	67.78	68.13	67.95	67.94	67.96	68.
Support 2/	69.80	69.80	69.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	68.
Market over support	-.03	-.02	-.02	-.02	-.02	-.02	-.02	-.02	.33	.15	.14	.16	.
1972:													
Production	99,913	99,897	106,949	108,011	117,853	110,040	87,703	74,965	66,354	75,204	73,453	81,568	1,101,9
Stocks:													
Commercial	23,719	28,657	25,342	32,880	31,822	29,307	27,510	24,606	18,046	15,901	12,722	11,077	
Government-owned	58,106	64,615	84,762	95,644	127,283	166,627	183,153	173,800	160,363	138,839	119,795	96,393	
Total	81,825	93,272	110,104	128,524	159,105	195,934	210,663	198,406	178,409	154,740	132,517	107,470	
Prices:													
Market	67.79	67.78	67.78	67.71	67.71	67.71	67.84	69.50	70.25	69.38	69.29	70.49	68.
Support 2/	67.80	67.80	67.70	67.70	67.70	67.70	67.70	67.70	67.70	67.70	67.70	67.70	68.
Market over support	-.01	-.02	.08	.01	.01	.01	.14	1.80	2.55	1.68	1.59	2.79	.
1973:													
Production	96,142	86,437	90,646	93,736	100,256	87,621	69,138	58,431	51,324	62,716			
Stocks:													
Commercial	21,279	16,241	14,049	21,907	37,714	48,537	55,124	41,407	31,580	24,393			
Government-owned	87,587	92,641	102,638	103,949	103,008	101,667	88,233	72,926	60,860	43,314			
Total	108,866	108,882	116,687	125,856	140,722	150,204	143,357	114,333	92,440	67,707			
Prices:													
Market	67.72	67.71	64.17	61.58	61.00	61.00	63.43	78.15	85.94	79.34	75.00	4/ 69.00	
Support 2/	67.70	67.70	3/ 60.90	60.90	60.90	60.90	60.90	60.90	60.90	60.90	60.90	4/ 60.90	
Market over support	.02	.01	3.27	.68	.10	.10	2.53	17.25	25.04	18.44	14.10	4/ 8.10	

1/ Average wholesale price for grade A, 92 score butter, Chicago.
2/ Effective April 1.
3/ The decreased support price was effective March 15, 1973; for the entire month, the market price averaged 0.8 cents per pound above the averag support price.
4/ As of Dec. 14, 1973.

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

Table 7.--Butter: U.S. imports for consumption by principal sources, 1968-72 and January-October 1973

Source	1968	1969	1970	1971	1972	Jan.-Oct. 1973
	Quantity (pounds)					
New Zealand	367,556	314,048	388,136	367,668	354,272	260,176
Denmark	190,327	184,486	180,356	174,724	171,272	232,455
Netherlands	172,286	175,580	151,302	64,650	24,892	182,781
West Germany	2,016	2,400	24,420	20,000	-	84,358
Sweden	-	-	-	-	128,361	101,306
Argentina	-	-	-	-	29,400	58,291
Finland	-	1,000	280	448	6,280	5,600
Other	1/ 6,970	-	2/216,290	-	-	3/1,372,405
Total	739,155	677,514	960,784	627,490	714,477	2,297,372
	Value (dollars)					
New Zealand	221,358	190,511	217,355	226,841	216,271	148,528
Denmark	140,377	133,643	133,692	132,089	151,401	165,984
Netherlands	37,703	42,004	38,197	28,495	30,437	83,324
West Germany	474	504	5,092	4,778	-	30,993
Sweden	-	-	-	-	61,614	46,710
Argentina	-	-	-	-	10,196	20,553
Finland	-	353	280	804	4,458	1,780
Other	2,788	-	220,140	-	-	790,500
Total	402,700	367,015	614,756	393,007	474,377	1,288,372
	Unit value (cents per pound)					
New Zealand	60.2	60.7	56.0	61.7	61.1	57.1
Denmark	73.8	72.4	74.1	75.6	88.4	71.4
Netherlands	21.9	23.9	25.3	44.1	122.3	45.6
West Germany	23.5	21.0	20.9	23.9	-	36.7
Sweden	-	-	-	-	48.0	46.1
Argentina	-	-	-	-	34.7	35.3
Finland	-	35.3	100.0	179.5	71.0	31.8
Other	40.0	-	101.8	-	-	57.6
Average	54.5	54.2	64.0	62.6	66.4	56.1

1/ Imports from Spain.
2/ Includes 213,155 pounds from Brazil.
3/ Includes 1,372,000 pounds from France (probably entered for temporary quota allocation).

Source: Official statistics of the U.S. Department of Commerce.

Table 8.--Butter: U.S. exports by type, 1965-72, and monthly, 1973

Year	For relief or charity			Not for relief or charity			Total		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	1,000 pounds	1,000 dollars	Cents per pound	1,000 pounds	1,000 dollars	Cents per pound	1,000 pounds	1,000 dollars	Cents per pound
1965	574	125	21.8	45,392	19,416	42.8	45,966	19,541	42.5
1966	9	2	24.3	2,368	808	34.1	2,377	810	34.1
1967	33	22	67.2	334	244	73.0	367	266	72.5
1968	6,016	4,258	70.8	1,550	1,101	71.1	7,566	5,359	70.8
1969	2,572	1,735	67.5	539	387	71.8	3,111	2,122	68.2
1970	10	8	76.1	315	173	54.8	325	181	55.5
1971	1,187	637	53.7	86,670	44,166	51.0	87,857	44,803	51.0
1972	747	373	50.0	41,683	22,285	53.5	42,430	22,658	53.4
1973:									
January	-	-	-	13	10	78.3	13	10	78.3
February	3	3	83.0	20	14	69.4	23	17	71.1
March	-	-	-	17	13	76.3	17	13	76.3
April	-	-	-	2,578	1,382	53.6	2,578	1,382	53.6
May	-	-	-	414	229	55.3	414	229	55.3
June	-	-	-	126	63	49.8	126	63	49.8
July	3	2	75.3	9	8	82.6	12	10	80.8
August	-	-	-	32	24	75.8	32	24	75.8
September	-	-	-	30	23	77.5	30	23	77.5
October	-	-	-	32	31	94.6	32	31	94.6
Jan.-Oct. 1973	6	5	79.2	3,271	1,797	54.9	3,277	1,802	55.0

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

A-18

Table [illegible]. Butter: Supply and distribution for selected countries 1/, 1972

Country	Beginning stocks	Production	Imports	Total supply	Consumption	Exports	Ending stocks
	Millions of pounds						
EC (6) 2/	293	3,064	---	3,357	2,381	254	722
Denmark	39	300	---	339	102	192	45
Ireland	31	168	---	199	85	79	35
United Kingdom	58	206	748	1,012	855	6	151
Australia	57	421	---	478	298	145	35
New Zealand	104	576	---	680	110	482	88
Austria	4	104	2	110	98	11	1
Finland	13	185	---	198	142	49	7
Norway	3	47	22	72	64	4	4
Spain	6	17	2	25	22	---	3
Sweden	6	123	---	129	102	24	3
Switzerland	11	68	26	105	100	---	5
Canada	51	291	9	351	321	---	30
United States	97	1,110	1	1,208	1,057	44	107
Mexico	3/	15	8	23	23	---	3/
Argentina	10	111	---	121	85	27	9
Brazil	8	114	---	122	119	---	3
Japan	2	96	27	125	122	---	3
Total	793	7,016	845	8,654	6,086	1,317	1251

1/ Preliminary data.
2/ Excludes intra EC trade between Belgium; France; Germany, West; Italy; and the Netherlands.
3/ Not available.

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

A-19

Table 10.--**Butter:** Production in specified countries, average 1961-1965, annual 1966-1972

(In million pounds)

	Average 1961-1965	1966	1967	1968	1969	1970	1971	1972
EC								
Belgium	181	176	180	212	204	196	180	20
France	945	1,040	1,186	1,268	1,199	1,129	1,118	1,19
Germany, West	1,064	1,105	1,141	1,184	1,151	1,121	1,039	1,08
Italy	136	160	151	137	116	119	121	13
Netherlands	214	220	216	260	247	266	274	36
Sub-total	2,540	2,701	2,874	3,061	2,917	2,831	2,732	2,97
Other Europe								
Austria	89	96	105	107	104	102	100	10
Denmark	357	353	344	353	319	290	272	30
Finland	220	224	212	225	223	195	186	18
Greece	27	20	19	16	17	17	17	1
Ireland	138	148	161	172	173	165	166	17
Norway	44	46	44	52	51	45	43	4
Sweden	185	165	144	146	139	110	102	12
Switzerland	73	76	90	82	63	63	68	6
United Kingdom	105	79	92	122	132	148	209	21
Sub-total	1,238	1,207	1,211	1,275	1,221	1,135	1,163	1,23
North America								
Canada	361	342	338	345	360	337	290	29
United States	1,476	1,128	1,236	1,175	1,135	1,143	1,143	1,11
Sub-total	1,837	1,470	1,574	1,520	1,495	1,480	1,433	1,40
Oceania								
Australia	455	481	468	426	476	473	432	42
New Zealand	512	560	580	541	613	497	473	52
Sub-total	967	1,041	1,048	967	1,089	970	905	95
Grand total	6,582	6,419	6,707	6,823	6,722	6,416	6,233	6,56

Source: U.S. Department of Agriculture.

Table 11.--Butter: Exports by selected countries, 1970-72

(In millions of pounds)

Country	1970	1971	1972
European Community 1/:			
Belgium	73.3	97.2	56.8
France	111.3	98.3	22.9
Germany, West	50.6	129.1	23.7
Netherlands	197.2	113.2	74.5
Other:			
Australia	205.7	153.7	144.5
United Kingdom	3.7	5.3	5.7
Denmark	2/	169.4	192.2
Ireland	101.0	70.9	83.0
New Zealand 3/	392.9	345.7	325.8

1/ Excludes intra-EC trade.
2/ Not available.
3/ For year beginning July 1.

Source: European Community statistics compiled from official statistics of the U.S. Department of Agriculture; New Zealand statistics compiled from exhibit 2, World Exports of Butter; other country statistics compiled from Foreign Agricultural Service reports.

Table 12.--Butter: Stocks in selected countries, November, 1971 and 72 and October, 1973

(In millions of pounds)

Countries	1971	1972	1973
Australia	46.5	38.1	33.5
Canada	51.8	36.6	32.0
New Zealand	67.8	66.4	73.0
United States	155.0	132.5	1/92.0
E.C:			
Belgium	30.9	56.0	37.3
Luxembourg	-	2.2	3.2
Denmark	2/	2/	31.0
France	138.0	315.8	204.6
Ireland	31.6	36.0	43.7
Netherland	37.5	112.0	84.8
United Kingdom	50.6	159.5	82.0
Germany	136.7	266.6	278.7
Total EC	425.3	948.1	765.3
Grand total	746.4	1,221.7	995.8

1/ September.
2/ Not available.

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

Table 13.--Butter: Wholesale prices in selected countries, October 1973

Country	Dollars per pound
Belgium	1.08
France	1.08
Germany, West	1.22
Italy	0.97
Netherlands	1.10
Denmark	1.05
United Kingdom	0.51
Austria	1.24
Canada	0.71
Switzerland	1.48
Sweden	1.16
Australia	0.58
New Zealand	0.53
United States	0.82

Source: U.S. Department of Agriculture.

Table 14.--Butter oil: Production, imports, exports, apparent consumption, and ratio of imports to apparent consumption, 1970-1973
(in pounds)

Year	Production 1/	Imports	Exports	Apparent Consumption	Ratio of imports to apparent consumption (%)
1970--	10,216,862	1,403,284	1,290,036	10,330,110	13.6
1971--	10,742,957	1,195,575	4,758,456	7,180,076	16.7
1972--	11,746,981	1,929,204	959,666	12,716,519	15.2
1973 1/	13,968,411	2/ 1,895,633	332,272	15,531,772	12.2

1/ Estimated by the staff of the U.S. Tariff Commission.
2/ January to October; does not include 22,600,000 pounds entered under temporary quota.

Source: Production estimated by the staff of the U.S. Tariff Commission; imports and exports compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 15.--Butter oil: U.S. imports for consumption by principal sources, 1968-1972 and January-October 1973

Country	1968	1969	1970	1971	1972	Jan.-Oct. 1973
	Quantity (pounds)					
Belgium	600,276	1,039,872	858,868	938,111	1,103,246	310,804
France	-	-	-	125,953	822,370	51,642
New Zealand	230,084	359,016	230,422	125,552	3,588	617,039
Netherlands	35,439	90,248	312,794	-	-	831,215
Other	39,347	17,640	1,200	5,959	-	84,933
Total	905,146	1,506,776	1,403,284	1,195,575	1,929,204	1,895,633
	Value (dollars)					
Belgium	107,834	217,259	177,461	229,154	230,732	61,784
France	-	-	-	38,850	318,316	12,651
New Zealand	96,004	129,895	82,405	45,396	2,115	428,827
Netherlands	8,364	22,974	58,572	-	-	477,707
Other	13,700	3,951	632	3,336	-	35,232
Total	225,902	374,079	319,070	316,736	551,163	1,016,201
	Unit value (cents per pound)					
Belgium	18.0	20.9	20.7	24.4	20.9	19.9
France	-	-	-	30.8	38.7	24.5
New Zealand	41.7	36.2	35.8	36.2	58.9	69.5
Netherlands	23.6	25.5	18.7	-	-	57.5
Other	34.8	22.4	52.7	56.0	-	41.5
Average	25.0	24.8	22.7	26.5	28.6	53.6

Source: Official statistics of the U.S. Department of Commerce.

Table 16.-- Butter oil: U.S. exports, annually 1965-72 and monthly, 1973

	For relief or charity			Not for relief or charity			Combined totals		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	1,000 pounds	1,000 dollars	Cents per pound	1,000 pounds	1,000 dollars	Cents per pound	1,000 pounds	1,000 dollars	Cents per pound
1965	5,163	2,983	57.8	10,668	7,215	67.6	15,831	10,198	64.4
1966	167	79	47.2	8,885	7,005	78.8	9,052	7,084	78.3
1967	31	27	85.6	2,077	1,762	84.8	2,108	1,789	84.8
1968	18,864	16,938	89.8	857	760	88.7	19,721	17,698	89.7
1969	14,127	12,443	88.1	95	84	88.7	14,222	12,527	88.1
1970	2	1	79.4	1,288	378	29.3	1,290	379	29.4
1971	24	18	77.0	4,735	2,372	50.1	4,759	2,390	50.2
1972	10	8	84.9	950	347	36.5	960	355	37.0
1973									
January	-	-	-	9	9	100.2	9	9	100.2
February	10	5	50.0	17	15	87.2	27	20	73.5
March	-	-	-	41	28	68.3	41	28	68.3
April	-	-	-	81	54	67.1	81	54	67.1
May	4	3	77.0	41	27	67.0	45	30	67.9
June	2	1	77.0	4	3	87.2	6	4	84.2
July	-	-	-	-	-	-	-	-	-
August	-	-	-	1	1	87.2	1	1	87.2
September	-	-	-	9	8	80.2	9	8	80.2
October	-	-	-	114	96	84.7	114	96	84.7
Jan.-Oct. 1973	16	9	59.5	317	241	76.3	333	250	75.5

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

A-26

Table 17.--Dairy products: U.S. milk production and whole-milk equivalent (fat-solids basis) of U.S. exports and imports for consumption, 1953-72, January-August 1972, and January-August 1973

Period	Total milk production	Exports				Imports		Export or import (-) balance
		Sales 1/	Donations 2/	Total 1/				
				Quantity	Ratio to total milk production	Quantity	Ratio to total milk production	
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Million pounds	Percent	Million pounds
Annual:								
1953	120,521	675	694	1,369	1.1	525	0.4	844
1954	122,294	707	1,340	2,047	1.7	441	.4	1,606
1955	123,045	919	5,743	6,662	5.4	458	.4	6,204
1956	124,860	1,432	4,797	6,229	5.0	514	.4	5,715
1957	124,628	1,028	1,675	2,703	2.2	661	.5	2,042
1958	123,220	757	2,047	2,804	2.3	507	.4	2,297
1959	121,989	651	503	1,154	.9	578	.5	576
1960	123,109	755	21	776	.6	604	.5	172
1961	125,707	645	10	655	.5	760	.6	-105
1962	126,251	434	853	1,287	1.0	795	.6	492
1963	125,202	552	4,484	5,036	4.0	915	.7	4,121
1964	126,967	368	6,504	6,872	5.4	830	.7	6,042
1965	124,173	416	1,420	1,836	1.5	923	.7	913
1966	119,892	778	-	778	.6	2,791	2.3	-2,013
1967	118,769	353	10	363	.3	2,908	2.4	-2,545
1968	117,234	455	730	1,185	1.0	1,780	1.5	-595
1969	116,345	444	477	921	.8	1,600	1.4	-679
1970	117,149	397	41	438	.4	1,874	1.6	-1,436
1971	118,640	480	2,000	2,480	2.1	1,347	1.1	1,133
1972	120,300	3/	3/	1,481	1.2	1,684	1.4	-203
January-August:								
1972	4/ 92,430	3/	3/	1,293	1.4	1,000	1.1	29[illegible]
1973	4/ 90,025	3/	3/	483	0.5	1,239	1.4	-75[illegible]

1/ Includes some commercial sales subsidized by the Commodity Credit Corporation (CCC).
2/ Donations by CCC chiefly to relief agencies for shipment to overseas destinations.
3/ Not available.
4/ January-September.

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

A-27

Table 18.--Milk: U.S. utilization of domestic output, 1953-72

Year	Fluid use 1/	Manufactured dairy products					Grand total	Percent of total used for--	
		Butter 2/	Cheese	Condensed and evaporated milk	Frozen products	Other 3/	Total		Butter	Cheese
	Billion pounds	Billion pounds	Billion pounds	Billion pounds	Billion pounds	Billion pounds	Billion pounds	Billion pounds		
1953	55.0	32.4	13.3	6.2	7.8	2.5	62.2	117.2	28	11
1954	56.2	32.9	13.8	6.1	7.7	2.3	62.8	119.0	28	12
1955	57.5	31.2	13.6	6.3	8.2	3.0	62.3	119.8	26	11
1956	58.7	31.5	13.7	6.4	8.5	2.9	63.0	121.7	26	11
1957	59.2	31.4	13.5	6.2	8.4	3.0	62.5	121.7	26	11
1958	58.7	31.7	12.7	5.6	8.8	3.0	61.8	120.5	26	11
1959	58.5	30.3	12.6	5.7	9.4	2.8	60.8	119.3	25	11
1960	58.3	30.7	13.4	5.4	9.5	3.3	62.3	120.6	25	11
1961	57.4	32.9	14.9	5.4	9.6	3.1	65.9	123.3	27	12
1962	57.7	34.0	14.4	5.0	9.7	3.1	66.2	123.9	27	12
1963	58.4	31.5	14.8	5.0	9.8	3.5	64.6	123.0	26	12
1964	58.7	31.9	15.7	5.0	10.2	3.3	66.1	124.8	26	13
1965	58.8	29.0	15.8	4.6	10.4	3.5	63.3	122.1	24	13
1966	58.6	24.0	16.7	4.6	9.1	4.9	59.3	117.9	20	14
1967	56.9	26.4	17.2	4.1	9.4	2.8	59.9	116.8	23	15
1968	56.3	25.1	17.4	3.9	11.0	1.7	59.1	115.4	22	15
1969	55.3	23.8	17.7	3.8	11.0	3.0	59.3	114.6	21	15
1970	54.2	24.1	19.5	3.3	11.0	3.3	61.2	115.4	21	17
1971	53.9	24.0	20.9	3.2	11.1	4.0	63.2	117.1	21	18
1972	54.2	22.9	23.1	3.0	11.2	4.1	64.3	118.5	19	19

1/ Does not include milk fed to calves but does include other milk consumed on farms.
2/ Includes farm and nonfarm butter.
3/ Includes dry whole milk, dry ice-cream mix, creamed cottage cheese, and other miscellaneous products.

Source: Compiled from official statistics of the U.S. Department of Agriculture, Economic Research Service, Dairy Section.

A-28

Table 19.--Butter: European Community third country export subsidies and import levies, January 1972-March 1973

(Cents per pound)

Date	Export subsidy	Import levy
1972:		
Jan. 1		43.45
Jan. 27	18.14	
Mar. 1		32.44
Mar. 30		35.40
Apr. 1	22.68	
May 1	24.04	
May 16		38.43
May 17	26.10	
June 1		47.88
June 6	36.94	
July 7	38.91	
July 15	41.86	
July 21	46.79	
Aug. 1		58.24
Aug. 2	49.25	
Sept. 1		61.42
Sept. 15	52.21	
Oct. 1		63.45
Nov. 4	54.18	
Nov. 16		68.20
1973:		
Mar. 1		74.10
Mar. 5	60.19	

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