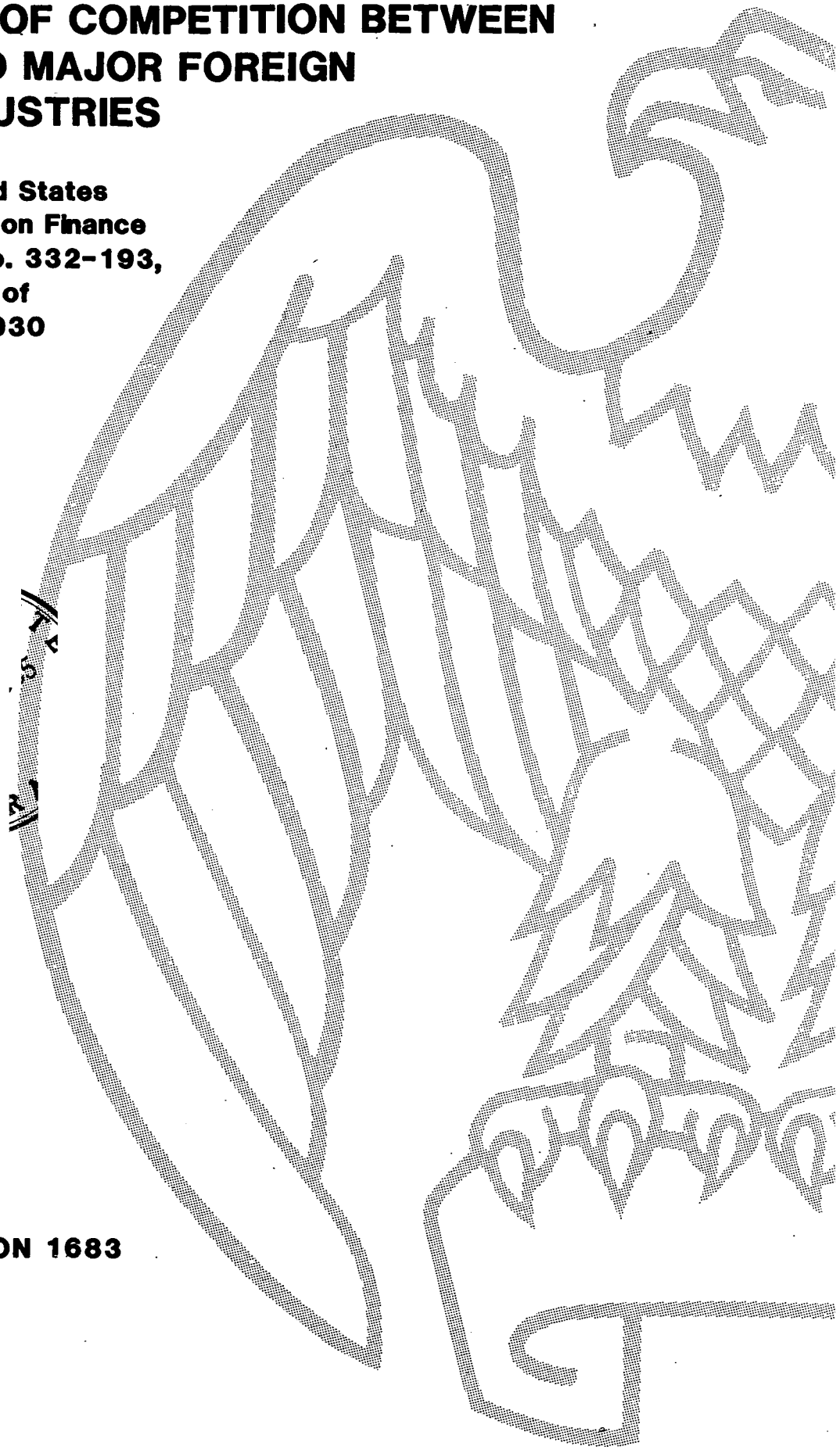
CONDITIONS OF COMPETITION BETWEEN THE U.S. AND MAJOR FOREIGN FILBERT INDUSTRIES

Report to the United States Senate Committee on Finance on Investigation No. 332-193, Under Section 332 of the Tariff Act of 1930



USITC PUBLICATION 1683

APRIL 1985

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Paula Stern, Chairwoman
Susan W. Liebeler, Vice Chairman
Alfred E. Eckes
Seeley G. Lodwick
David B. Rohr

This report was prepared principally by

Alvin Z. Macomber, Joan M. Gallagher,
and Timothy P. McCarty

Agriculture Crops and Products Branch
Agriculture, Fisheries, and Forest Products Division

James Tsao
Office of Economics

Vern Simpson, Acting Director
Office of Industries

Address all communications to
Kenneth R. Mason, Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

PREFACE

The Commission instituted the present investigation, Conditions of Competition Between the U.S. and Major Foreign Filbert Industries, investigation No. 332-193, on September 4, 1984, following the receipt of a letter of request therefor on August 16, 1984, from the Chairman of the U.S. Senate Committee on Finance. 1/ The investigation was conducted under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) for the purpose of gathering and presenting information on the competitive position of imported filberts in the U.S. market and to examine the conditions of competition that have affected the U.S. filbert industry and the filbert industries of the major foreign suppliers. The Commission was specifically asked, among other things, to concentrate on the competitive position of imported filberts in U.S. markets, the grading standards employed on the domestic and imported products, and U.S. producers' competitive position in foreign markets. The investigation includes inshell filberts and shelled, blanched, or otherwise prepared or preserved filberts.

Public notice of the investigation was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of September 12, 1984 (49 F.R. 35875). 2/ At the request of the Association of Food Industries, an organization whose members import filberts, an extension of time for submitting written statements was granted and notice was published in the Federal Register (49 F.R. 47580). Questionnaires were prepared, reviewed by the Office of Management and Budget (OMB), and sent to all known firms in the United States that purchased or imported filberts in significant quantities, or handled domestically grown filberts. 3/

The information presented in this report was obtained from information contained in the Commission's files, fieldwork, Federal, State, and foreign governmental sources, university research, telephone conversations with individuals and organizations, responses to questionnaires, and written submissions by interested parties.

1/ The request from the U.S. Senate Committee on Finance is reproduced in app. A.

2/ A copy of the Federal Register notice of the institution of the Commission's investigation No. 332-193 is reproduced in app. B, along with other Federal Register notices concerning the investigation.

3/ Notice of the information collection that was submitted to the OMB for review was published in the Federal Register (49 F.R. 39922).

CONTENTS

CONTENTS

CONTENTS

Figures

Statistical Tables

Page

Statistical Tables

Tables--Continued

EXECUTIVE SUMMARY

The economic health of the U.S. filbert industry is tied to the general economic conditions of the domestic economy, the variability in filbert production of the domestic and major foreign industries, and the competitive posture of the major foreign producers, particularly Turkey and Italy. Filberts (also known as hazelnuts) are a hard-shell edible tree nut that, once the nut kernel has been removed from the inedible shell, are used in the United States primarily by bakeries and nut mixers; inshell filberts (those with the shell intact) are used primarily in inshell nut mixtures. During 1979-84, U.S. production generally increased in quantity and decreased in value. During the same period, foreign producers, particularly those in Turkey and Italy, significantly increased their sales of filberts in the U.S. market.

Members of the U.S. filbert industry have expressed their concerns about their competitive position in the U.S. market with respect to competition from imports from the major producing countries of Turkey and Italy.

The principal allegations made by the U.S. industry are as follows:

(1) The low-grade quality of imported filbert kernels have an adverse impact on the domestic industry by, according to testimony, 1/ seriously limiting the U.S. market growth.

(2) Filberts exported from Turkey and Italy benefit from subsidies.

(3) U.S. growers are suffering losses because the cost of production is not being covered with the low prices received in recent years.

The principal arguments offered by representatives of the major exporting countries and firms importing filberts into the U.S. market focus on the following:

(1) U.S. production of filberts has never been sufficient to satisfy domestic consumption.

(2) Any decrease in the current grade standard tolerance for mold, rancidity, insect injury, and decay will result in a total cessation of filbert imports into the United States.

(3) Imports are not being subsidized or sold below cost; in fact, Turkey, the largest exporter to the U.S. market, imposes a significant export tax which artificially raises the price of Turkish filberts to the U.S. market.

(4) The domestic filbert industry is basically healthy; growers' returns are improving and markets are expanding.

1/ Testimony before the Subcommittee on International Trade of the Committee on Finance, United States Senate, on Sept. 14, 1984.

(5) U.S. importers and wholesalers of Turkish and Italian filberts distribute both imported and domestic filbert kernels, attempting to the best of their ability to provide existing and prospective customers with the highest quality, most economical product available.

Highlights of the Commission's investigation are as follows:

1. Structure of the U.S. filbert industry and of U.S. markets.

o The United States accounts for about 3 percent of the world production of filberts whereas filbert production in Turkey and Italy accounts for 90 percent of the world total.

In Turkey, filberts are a major agricultural crop and Turkish production, which has been increasing, accounts for 70 percent of the world total. Italy's filbert production provides about 20 percent of the average world filbert production. Annual filbert production in recent years in Turkey has been about 306,000 metric tons, in Italy, 93,000 metric tons, in Spain, 19,000 metric tons, in the United States, 12,000 metric tons, and in other countries, 11,000 metric tons. Of the world's average annual production of 441,000 metric tons, the United States provided less than 3 percent.

o U.S. growers of filberts are nearly all located in Oregon in an area of diverse agriculture.

There are about 1,100 U.S. filbert growers (with 50 or more trees) and nearly all are located in the Willamette Valley of Oregon. The average grower had 20 acres of filbert orchards and produced 25,000 pounds of filberts in 1984. Filbert producers are generally small-size farms, the largest not exceeding 200 acres, and about one-half of the growers depend on filberts for their full-time occupation. Agriculture in the Willamette Valley is diverse. In 1982, there were about 18,000 farms in the region that sold crops with a market value of $445 million; the value of the filbert crop has averaged about $10 million annually in recent years.

o U.S. production of filberts has been rising, but the poor crop in 1983/84 was significantly below average.

The average annual U.S. production of filberts during the 5-years 1979/80 to 1983/84 was 28 million pounds, orchard-run inshell weight, up 35 percent from the average annual production during the preceding 5 years (1974/75 to 1978/79). In recent years, filbert production increased from 26 million pounds in 1979/80 to a record 38 million pounds in 1982/83, before dropping, owing to a poor crop, to 16 million pounds in 1983/84. Production for the current crop year of 1984/85 is 27 million pounds. Grower optimism and plantings of new trees a decade ago are largely the reasons for recent increases in production.

- o Seasonal employment by U.S. growers has declined in recent years.

The number of seasonal workers employed on filbert farms during all months declined irregularly from 1,198 in 1982 to 862 workers in 1984. About three-fourths of the annual seasonal workers are employed during the peak months of September to November when the crop is harvested and changes in such employment relate largely to conditions in the orchards at harvest time.

- o U.S. growers deliver almost all of their filberts to a small number of processors and bargain with them for price.

Under Federal marketing order regulations for marketing filberts, only registered handlers (whether a processor or not) may ship filberts into interstate or international commerce. Nearly all such handlers process inshell filberts into filbert kernels, as well as market inshell filberts. The Filbert Growers Bargaining Association negotiates with these firms at the time of harvest for a season price to growers of delivered inshell filberts. This price is received by growers who deliver about 85 percent of the industry's tonnage. Other than for a few local sales from the farm, the growers deliver all their filberts to the handlers. The grower-negotiated price takes into account the market price for filbert kernels through the price discovery formula agreed to by the negotiators.

- o U.S. growers' average per pound receipts for filberts during recent years declined 46 percent and may be below industry average unit cost of production.

During the crop years 1979/80 to 1983/84, the average per pound payment received by growers from U.S. handlers for filberts delivered to them rose from 50 cents per pound in 1979/80 to 61 cents per pound in 1980/81, and then declined by 46 percent to 33 cents per pound in 1983/84. The principal reason for the lower grower returns per pound were the lower prices to growers that were negotiated with handlers, which in turn were based on the expected wholesale price to be received for all filberts by handlers; the handlers' average price expectations were influenced by world filbert production and inventories, expected sales of inshell filberts, and prices of U.S. imported filbert kernels. In 1984, Oregon State University reported the estimated 1982 unit production costs for filberts. The study assumed a number of capital expense items to operate a mature filbert orchard, labor rates for the operator, and other expenses. The average production cost to grow and harvest filberts ranged from 47 cents per pound on a yield of 2,600 pounds per acre, to 79 cents per pound on a yield of 1,400 pounds per acre. Although certain assumptions, such as operator labor rates, likely raised the estimated unit cost of production above the industry average experience, it is also likely that the average grower returns of 33 cents per pound in 1983/84 were below the cost of production.

- Four processors account for most of the shipments of U.S. filberts.

Ten firms, all located in the area of production of filberts, account for the total U.S. shipments of filberts. The four largest firms handle about four-fifths of the crop and compete with each other for grower patronage. Two of the four largest firms are divisions of large California fruit and nut organizations that entered the filbert industry in 1981.

- Employment in the U.S. filbert processing industry is largely of workers processing filbert kernels.

Ninety-seven percent of the wages paid to production and related workers by firms in the filbert processing industry were paid to workers handling filberts. About three-fifths of the wages paid went to workers processing filbert kernels. The months of peak seasonal employment in filbert processing are October, November, and December. During 1979-83, the annual average number of persons employed in the filbert processing industry was 140 persons.

- U.S. processors' average unit costs for handling filberts have been increasing.

During the crop years 1979/80 to 1983/84, the weighted-average unit cost to the domestic filbert processing industry to handle inshell filberts increased from 8 cents per pound in 1979/80 to 18 cents per pound in 1983/84. Although components of these unit costs are not available, it is likely that the increases are due largely to increased input costs, such as wages, supplies, and overhead, rather than any reductions of volume handled or changes in technology. The industry weighted-average unit costs of processing filbert kernels ranged between 31 cents and 40 cents per pound during 1979/80 to 1982/83, and increased to 55 cents per pound in 1983/84 as the volume of filbert kernels handled declined owing to a short supply that year.

- The Federal marketing order on filberts helps support the average of the prices received for sales of inshell filberts to the domestic market.

The Federal marketing order on filberts has an impact on the conditions of competition in the filbert industry. Under the order, the quantities made available for sale to the domestic inshell filbert market are only those filberts that are not restricted to other market outlets, such as inshell filbert exports, or filbert kernels. Each processor is required to allocate a minimum prescribed share each year of the filberts he handles to the restricted market outlets. This marketing system generally has the effect of increasing the average unit values for filberts sold in the domestic inshell filbert market above the levels for other types of outlets. For example, in 1983/84, the average unit value for domestic inshell filbert sales was 67 cents per pound, that for export inshell filbert sales was 61 cents per pound, and that for domestic filbert kernel sales (on an inshell weight basis) was 54 cents per pound.

- o The U.S. market for filberts consists of separate markets for inshell filberts and filbert kernels.

In the United States, most of the filbert kernels consumed are sold to institutional users and nut roasters for mixed nut packs, and the bulk of the inshell filberts are used in inshell nut mixtures. The two markets are separate from each other. Filbert kernels are used predominantly as ingredients in bakery or confectionery products.

- o U.S. consumption of filberts has increased, led by increased consumption of filbert kernels.

During the period 1979/80 to 1983/84, the apparent U.S. consumption of filberts (on an equivalent weight basis) increased by 39 percent; the increase in apparent consumption for filbert kernels was 50 percent, and that for inshell filberts was 12 percent. For inshell filberts, apparent consumption was nearly 10 million pounds (inshell weight) in 1983/84, of which 6 percent was supplied by imports. For filbert kernels, apparent consumption was nearly 13 million pounds (kernel weight) in 1983/84, of which 68 percent was supplied by imports. Reasons why the import-to-consumption ratio for inshell filberts is relatively low is because packers of inshell nut mixtures (who are the principal buyers of inshell filberts) prefer the domestic product over the foreign product for its generally better appearance, larger size, convenience of ordering, prompt delivery, and the generally better terms of payment accorded to the domestic product. Reasons why the import-to-consumption ratio for filbert kernels in relatively high include the preferences of major U.S. industrial users (bakeries and roaster/mixers of nut kernels are the principal users) for certain characteristics of the foreign product, such as flavor, blanched kernels, and smaller sized kernels. Another factor favoring foreign filbert kernels is the abundant available foreign supply relative to U.S. consumption requirements, and the dependability created by such large supplies. The import ratio of 68 percent in 1983/84 was notably higher than in other recent years because consumption in 1983/84 not only increased (by 12 percent or 1.7 million pounds) compared with 1982/83, but domestic supplies shipped in 1983/84 declined (by 20 percent or 1.1 million pounds), owing to a short crop. Historic supplier relationships of U.S. buyers with Turkish filbert kernel exporters also encourage filbert kernel imports. Turkey has a production cost advantage in that, because of the filbert varieties grown in Turkey and in the United States, Turkish shellers get an average of 25 percent more filbert kernels per ton of inshell filberts that are shelled than do U.S. processors. For the above reasons, it is likely that the United States will continue to be a market for imported filbert kernels even if the domestic filbert kernel industry were to significantly expand, or the grade quality standards for imports were to be reduced.

- o U.S. imports of filberts have increased in quantity and in value.

Turkey supplied 80 percent of U.S. imports of filbert kernels during 1979/80 to 1983/84 and Italy supplied the predominant share of the remainder. Italy supplied virtually all imports of inshell filberts. Over the period,

imports of all filberts increased from a low of 4 million pounds (kernel weight basis) in 1980/81 to 9 million pounds in 1983/84, and the value of the imports increased from $6.5 million in 1981/82 and 1982/83 to $9.0 million in 1983/84. Unit values of the imports declined over the period.

o U.S. exports have declined.

Over the 1979/80 to 1983/84 period, U.S. exports of filberts declined 39 percent in terms of quantity and 49 percent in terms of value. Such exports, which include both inshell filberts and filbert kernels on an inshell-weight basis, averaged more than 7 million pounds annually over the period and accounted for nearly 30 percent of all annual shipments. The declining exports are likely the result of changing dollar exchange rates. Inshell filberts have generally accounted for two-thirds of the exports and the balance were filbert kernels. West Germany has been the principal foreign market for inshell filberts and exports to that market have declined.

2. Filbert industries of major foreign suppliers.

o Turkey is the largest world producer and exporter of filberts.

The filbert industry in Turkey is centuries old and has been expanding in recent years. Turkish production, although fluctuating widely from year to year, accounts for 70 percent of the world total. In recent years, Turkish filbert production averaged 306,000 metric tons, but has ranged annually from 156,000 metric tons to 420,000 metric tons. Filbert exports from Turkey have increased over recent years; from 1979/80 to 1982/83, exports trended upward from 472 million pounds to 529 million pounds. Nearly all of these exports were filbert kernels to major markets in Europe. Turkish exports to the United States have never exceeded 1.3 percent of the average annual Turkish exports.

In Turkey, Fiskobirlik, a Turkish Government cooperative of 33 affiliated cooperatives, purchases the bulk of the filbert crop. Fiskobirlik purchases filberts from growers and grower cooperatives at announced set prices, processes them, and has sales offices throughout Turkey and foreign distribution offices in West Germany, France, and the United States. Other Turkish Government actions that influence the well-being of the filbert industry in Turkey include the national agricultural stabilization fund and international trade agreements for preferential tariff treatment. Turkey has a trade agreement with the EC on a wide range of agricultural products whereby the current EC rate of duty for Turkish inshell filberts and filbert kernels is zero (compared with 4 percent ad valorem for the United States and Spain); the trade agreement also substantially reduces the EC duty on roasted filberts from Turkey.

- o Italy is the world's second largest producer and exporter of filberts.

Italian filbert production has accounted for 20 percent of world's filbert production. In recent years, Italian filbert production has averaged 93,000 metric tons, but has ranged annually from 55,000 metric tons to 120,000 metric tons. Exports of filberts from Italy have been increasing and moved upward irregularly from 112 million pounds in 1979/80 to 180 million pounds in 1983/84. More than four-fifths of the filbert exports from Italy are filbert kernels, largely going to member countries of the EC. Italian filbert exports are eligible to apply for the export refunds on fruit and vegetables adopted in the regulations of the Commission of the European Communities.

3. Conditions of competition in U.S. markets.

- o U.S. imports of filbert kernels must meet Federally-regulated grade standards for shipments to U.S. markets. Domestic and foreign competitors differ in their views on the minimum tolerances in the grade standards for filbert kernels

U.S. imports of filbert kernels must pass Federal inspection for grade quality according to standards administered by the U.S. Department of Agriculture before they may enter the United States for consumption. The inspection requirements became effective in December 1977 under Public Law 95-113. The present (early 1985) grade standard for filbert kernels allows a 2 percent tolerance level for the four defects mold, rancidity, insect injury, and decay (providing that the three defects, mold, rancidity, and insect injury, are not more than 1 percent). Domestic handlers of filbert kernels believe that the grade standard that should apply nationally to filbert kernels should include a tolerance of not more than 1 percent (by weight) for filbert kernels affected by the four defects. Importers of filbert kernels believe that a 1 percent tolerance level is too restrictive. The importers claim that open-air drying of the foreign filberts, together with ambient-air storage temperatures and the long period of time between exportation and U.S. inspection of the filbert kernels, would make the 1 percent tolerance standard for the four defects difficult to meet, and would increase the number of U.S. rejected lots. They further claim that the higher number of lots rejected would cause exporters to halt sales to the U.S. market because the increased risk would be too costly. Domestic firms claim that the level of defects permitted for imported filbert kernels detracts from the ultimate consumer's acceptance of filberts and thus holds down the expansion of the U.S. market for filberts. Domestic firms further claim that higher grade quality filbert kernels are available from foreign sources but that they are more expensive.

- o Inshell filbert prices in the domestic market declined over the period; and the foreign product was always lower priced.

During 1980 to 1984, the average f.o.b. price for domestic inshell filberts declined 24 percent, and was $0.65 per pound in October-December 1984. The price for foreign inshell filberts averaged 15 percent lower than the price for domestic products.

- o Filbert kernel prices for both domestic and foreign products sold in the U.S. market generally declined over the period and the foreign product was usually lower priced.

In recent years, the average prices for both domestic filbert kernels and imported filbert kernels rose from 1979 to peak in 1980 and then declined significantly to 1983 before rising again in 1984. The average price of imported filbert kernels was usually, but not always, lower than the same size class domestic filbert kernels. For example, over the 21 quarterly price periods examined, the price of foreign large-size kernels was lower in 15 of them when compared with domestic large-size filbert kernels.

- o Inventories of filberts worldwide more than doubled over the period, and in 1984/85 equaled 70 percent of average world production.

World inventories of filberts have an influence on filbert kernel prices in Europe and in the United States. Annual beginning inventories in major supplying countries for filberts tend to be cyclical; a high beginning inventory year will alternate with a lower beginning inventory year. At the beginning of 1984/85, a high-cycle year, world filbert inventories were 311 million pounds, more than double the 125 million pounds in 1980/81, another high-cycle year; the 311 million pounds was equal to 70 percent of the average world production of recent years. Turkey accounted for all of the increase in inventories and during this period representative annual average Turkish export prices for filbert kernels declined from $1.91 per pound to 99 cents per pound.

- o Foreign filberts offer product characteristics different from domestic filberts

Because the filbert varieties grown in the world's major producing countries are different than the varieties grown in the United States, certain product characteristics are available more readily, or only, from foreign supplies. Imported Turkish filbert kernels are typically round varieties that are smaller diameter than most domestic filbert kernels and the Turkish filbert kernels were preferred by many buyers (in the Commission's questionnaire) over U.S. filbert kernels for flavor and oil content. Foreign blanched filbert kernels basically constitute the only supply in the United States for blanched filbert kernels because the principal domestic filbert variety grown is not commercially blanched.

- o Although the cost of transporting filbert kernels in general increases with the distance traveled, handlers on the west coast have a transportation cost advantage compared with foreign filbert kernels sold in east coast markets where most of the foreign filbert kernels are landed.

The cost of transportation varies mainly with the distance traveled, the mode of transportation used, the quantity shipped, and the availability of

transporting vehicles. The cost of transportation for filbert kernels imported from Turkey ranged from 4.5 percent to 15 percent of delivered value and averaged 9.2 percent for all shipments. For filberts imported from Italy, transportation costs ranged from 7 percent to 18 percent and averaged 11.7 percent for all shipments. For domestic filbert kernels shipped from Oregon or Washington, transportation costs to east coast locations ranged from 3.8 percent to 5.5 percent. Although the freight rates, in terms of weights, are usually the same for inshell filberts and filbert kernels, the cost of transporting inshell filberts is higher relative to the delivered value than it is for filbert kernels.

4. Major foreign markets for U.S. filberts.

- o The major world consumers of filberts are in Europe and the Middle East.

The largest importing country for filberts is West Germany, where per capita consumption is among the largest in the world. Other significant importing countries in Europe for filberts include Switzerland, Austria, and Yugoslavia. Turkey is also among the largest per capita consuming countries for filberts in the world.

- o Canada has been a major foreign market for U.S. filberts in recent years.

The market for filberts in Canada is much the same as that for filberts in the United States, that is, inshell filberts are used in inshell nut mixtures and filbert kernels are used largely by industrial consumers. Also, the per capita consumption level is similar to that in the United States. The Canadian apparent consumption of filberts remained steady over the period 1979-83. The consumption of filbert kernels and of inshell filberts each averaged about 2 million pounds annually on a product-weight basis; on the basis of kernel weight, however, the greater part of the consumption was as filbert kernels. Canadian imports of filberts account for three-fourths of consumption. Aggregate imports of filberts into Canada averaged 2.5 million pounds annually (on the basis of kernel weight) and were within 0.3 million pounds of this quantity each year during 1979-83. The United States was the dominant foreign supplier of inshell filberts, supplying 85 percent of the Canadian imports. Also the United States supplied one-third of the Canadian imports of filbert kernels; Turkey supplied 56 percent of the filbert kernels on the Canadian market during 1979-83, and European sources supplied the balance.

- o A major foreign market for U.S. filberts in recent years has been the European Community, although U.S. sales have declined.

The market for filberts in the European Community (EC) is primarily for filbert kernels used in the manufacture of candy and bakery products; approximately 80 percent of all filberts imported into Europe are sold to

major chocolate companies. The per capita consumption in the major consuming countries of Europe is about 2.1 pounds, compared with less than 0.1 pound in the United States for all filberts. Apparent EC consumption of filberts rose irregularly from 240 million pounds (on the basis of kernel weight) in 1979 to 279 million pounds in 1982, and then declined to 257 million pounds in 1983. This compares with the U.S. apparent consumption of about 15 million pounds for all filberts. EC consumption was supplied primarily by imports, predominately from Turkey. The ratio of EC imports to consumption declined from 73 percent to 60 percent over the period. Filbert imports into the EC declined irregularly from 174 million pounds to 155 million pounds, whereas EC production increased irregularly from 98 million pounds to 143 million pounds. During 1979-83, Turkey supplied over 95 percent of the annual average of all EC filbert imports, Spain supplied 3 percent, and the United States supplied 1 percent. However, for EC imports of inshell filberts, which account for only 1 percent of total EC filbert imports, the United States was the predominant supplier. Imports into the EC from the United States of inshell filberts declined from 1.7 million pounds (kernel-weight basis) in 1979 to 0.8 million pounds in 1983, and over the period accounted for 68 percent of EC's imports of inshell filberts.

- o <u>The U.S. filbert industry's competitiveness in foreign markets depends on the advantages of nearness to market and on the uniqueness of its products.</u>

Under the Federal marketing order for filberts, U.S. handlers are required to either export inshell filberts or shell the nuts to make filbert kernels (for domestic or export markets). The United States has a transportation advantage in those markets, such as Canada, in which it is significantly closer than the major competitive suppliers Turkey and Italy. Further, most U.S. exports of inshell filberts are of the large, jumbo-size inshell filberts which are not readily available from other world suppliers. Exports to West Germany, for example, consist predominently of jumbo-size inshell filberts, in spite of the abundance of filberts in the European market area. Even so, during recent years U.S. exports of inshell filberts have declined, forcing more domestic filbert kernels to be sold on the U.S. market for filbert kernels (or to be exported in competition with Turkish filbert kernels on foreign markets).

DESCRIPTION AND USES

Filberts, or hazelnuts, are round or oblong edible nuts of a deciduous shrub or small tree grown commercially primarily in the Mediterranean region and in the Pacific Northwest of the United States. Hazelnut bushes or shrubs are also native to temperate zone areas in North America and northern Europe, but only small quantities, if any, are commercially marketed from them. Most filberts grown in Europe and Turkey are small in size compared with commercially grown filberts in the United States. Different physical qualities are also characteristics of the different commercial varieties. In the United States, the predominate variety is the Barcelona, a round-type filbert of medium-to-large size, and grown in small volume is the Daviana, an oval-type filbert. 1/ Other varieties produced are Duchilly, Royal, and Ennis.

Filberts are marketed both inshell, that is, the edible nut contained inside its hard, inedible shell, and shelled, the latter called "filbert kernels." Nearly all inshell filberts sold in the United States are for home consumption, either alone or in mixtures with other nuts. Most inshell filbert sales are during October through December, the traditional holiday season. Filbert kernels are prepared by breaking (cracking) the hard and brittle nut shell, without intending to break the nut kernel inside, and separating the edible kernels from the broken shell pieces. In the United States, this is usually done by passing the inshell nuts through two steel rollers set apart at a distance smaller than the diameter of the nut, and then in a series of screens and air-flows removing the broken shells. Filbert kernels may be salted and roasted for use in nut mixes, or sliced, chopped, or ground and used by bakers, confectioners, or homemakers. Nut mixtures containing filbert kernels and other types of nuts are sold mainly in retail packages in foodstores. The principal uses for filbert kernels in the United States are as follows: incorporated into roasted nut mixtures; processed into paste and used in bakery products or confectionery products; used other than as paste in bakery or confectionery products; and sold to household consumers.

The uses of filberts vary from country to country, or the portions of total consumption used in any particular way vary from country to country. In the European Community, for example, filbert kernels are used primarily in chocolate confectionery and in pastries with chocolate, much of it during the holiday seasons. In Turkey, filbert kernels are roasted and sold by street vendors in cities and towns as well as being used in confections such as "Turkish delight." Filbert kernels may also be crushed for oil when the unit value of the nuts is very low relative to the unit value for food uses.

1/ Filbert varieties of the major producers are discussed in the respective country sections of this report.

CUSTOMS TREATMENT

U.S. Customs Treatment

The current column 1 rates of duty applicable to U.S. imports of filberts entered from most-favored-nation countries, including Turkey and Italy, are 5 cents per pound for inshell filberts (not shelled filberts) provided for under item 145.18, of the Tariff Schedules of the United States (TSUS) and 8 cents per pound for shelled, blanched, or otherwise prepared or preserved filberts provided for under TSUS item 145.46. The current column 2 rates of duty applicable to imports from designated Communist-controlled countries, which are the same as the statutory rates established under the Tariff Act of 1930, are 5 cents per pound for not shelled filberts and 10 cents per pound for shelled, blanched, or otherwise prepared or preserved filberts. These rates of duty are shown in the following tabulation: 1/ 2/

TSUS item No.	Articles	Rate of duty	
		Col. 1 rate of duty	Col. 2 rate of duty
	Other edible nuts, shelled or not shelled, blanched, or otherwise prepared or preserved:		
	Not shelled:		
145.18	Filberts	5¢ per lb	5¢ per lb.
	Shelled, blanched, or otherwise prepared or preserved:		
145.46	Filberts	8¢ per lb	10¢ per lb.

A rate of duty concession from 10 cents per pound to 8 cents per pound for shelled or blanched filberts (i.e., TSUS item 145.46) was granted in 1939 in a trade agreement with Turkey. 3/ The U.S. customs practice is that no allowance in weight shall be made for dirt or other impurities when computing duties on nuts. The rate of duty for mixtures of two or more kinds of nuts, including mixtures containing inshell or shelled filberts in any proportion, is the highest rate applicable to any of the component nuts contained in the

1/ App. C provides an excerpt from the Tariff Schedules of the United States Annotated (1985) of subpt. A. pt. 9 of schedule 1 showing the headnotes and rates of duty applicable to all edible nuts, including filberts.

2/ A bill to increase the rates of duty on certain filberts was introduced in the 98th Cong., 2d sess. (app. D).

3/ The 8-cent-per-pound rate was reaffirmed under the General Agreement on Tariffs and Trade (GATT) in 1951. From 1951 to 1956, shelled filberts were part of a continuing investigation on tree nuts conducted by the U.S. Tariff Commission (the former name of the Commission) as investigation No. 4 under section 22 of the Agricultural Adjustment Act, as amended. During parts of this period, import quota quantities were set for shelled filberts and import fees per pound in addition to the duty rate were proclaimed by the President for quantities entered for consumption in excess of the quota.

mixture (see TSUS item 145.90 in app. C). Generally, the rates of duty for filberts are the same as, or less than, the rates of duty on other nuts that are most likely to be in mixtures with filberts.

Imported filberts are not eligible for duty-free treatment under provisions of the Generalized System of Preferences (GSP). 1/ Duty-free treatment would be accorded to imports of filberts that are the product of Caribbean countries or territories designated by the Caribbean Economic Recovery Act, effective August 5, 1983. 2/ Title IV of the Trade and Tariff Act of 1984, signed into law October 30, 1984, authorizes U.S. trade negotiations with Israel for duty-free treatment of the imported products of Israel, including filberts. 3/

The ad valorem equivalents of the specific rates of duty applicable to imports of filberts entered for consumption during the most recent marketing year, October 1983 to September 1984, was 11.3 percent for inshell filberts and 7.8 percent for shelled, blanched, or otherwise prepared or preserved filberts.

Filberts imported into the customs territory of the United States are subject to quality grade requirements established pursuant to section 608(e) of the Agricultural Marketing Agreement Act of 1937, as amended, the act which authorizes the establishment of marketing agreements and orders for certain agricultural products. 4/ Under these provisions, entry of filberts into the United States is not permitted unless each shipment has been certified as passing grade requirements by officials of the Agricultural Marketing Service of the U.S. Department of Agriculture (USDA). Specific aspects of the Federal marketing order on filberts and import grade requirements are discussed under the structure of the U.S. industry in the section on U.S. production.

Customs treatment in major foreign market countries

Canadian customs treatment

Filberts are not separately provided for in the Canadian Group Tariff, however, inshell and shelled filberts are covered under the Canadian rate provision for "Nuts of all kinds, n.o.p., whether or not shelled, graded, sorted, blanched, dried, cut, chopped, or sliced, but not otherwise prepared or preserved" (tariff item 10900-1). 5/ The Canadian system provides five rate-of-duty columns depending upon the origin of product and trade agreements. The General rate applicable to inshell and shelled filberts is 3 cents per pound. Imports from the United States are free of duty under the

---

1/ The GSP under title V of the Trade Act of 1974 as extended by the Trade and Tariff Act of 1984, authorizes duty-free treatment for imports of designated eligible articles that are the product of designated beneficiary developing countries.

2/ According to title II of Public Law 98-67. There is no known commercial production of filberts in the designated beneficiary Caribbean countries.

3/ According to Public Law 98-573. Commercial production of filberts in Israel, if any, is small.

4/ 7 CFR 982 and 999.

5/ In the Canadian Customs Tariff, "n.o.p." means "not otherwise provided for."

most-favored-nation (MFN) rate column. Imports into Canada of such inshell and shelled filberts from Turkey and Italy are also free of duty. The Canadian rates of duty that apply to filberts, processed or prepared in any manner other than the above, describe nuts, such as roasted, salted, or ground filberts, are 35 percent ad valorem from countries subject to the General rate column, 10 percent ad valorem for countries subject to the MFN and British Preferential rate columns (tariff item 11400-1), and free of duty for countries subject to the G.P.T. rate column (tariff item 11400-2). Such processed filberts from the United States are subject to the 10 percent ad valorem rate.

European Community Customs treatment

Filberts are not separately provided for in the EEC's Common Customs Tariff; however, inshell and shelled filberts are covered under the EC's rate provison No. 08.05 for "nuts, other than those falling within heading No. 08.01, fresh or dried, shelled or not." The EC rate of duty for such filberts is 4 percent ad valorem. The 4-percent rate applies to imports from all nonmember countries, unless by agreement a preferential tariff treatment would apply; trade in filberts by member countries with Italy, a major filbert producer and a member country, are free of duty. Spain and Turkey, both filbert producing countries, each have preferential trade agreements with the EC. The trade agreement with Spain does not reduce the rate of duty on filberts and the applicable rate from Spain is 4 percent. The trade agreement with Turkey for preferential rates provides for a tariff quota on filberts (CCT heading No. ex 08.05G) whereby imports from Turkey have a zero rate of duty. 1/ In addition to filberts under heading No. 08.05, roasted filberts are provided for under heading No. 20.06A, the provision for "nuts (including ground nuts), roasted;" the rate of duty depends on the package size. If in immediate packages of net capacity of more than 1 kilogram (2.2 pounds), the rate of duty in 1984 for imports from the United States was 14.4 percent ad valorem, and if the package is 1 kilogram or less, the rate was 16.4 percent ad valorem. The preferential rates in 1984 when imported from Turkey were 2.2 percent and 2.6 percent, respectively.

U.S. AND MAJOR FOREIGN INDUSTRIES

World Overview of Industry and Production

The annual world production of filberts during 1981-84 ranged between 312,000 tons 2/ in 1982 and 588,000 tons in 1983 (table 1, app. F). World production of such nuts has increased over the past decade. During 1982-84, world output, at 430,000 tons, was 6 percent above the level of world output in 1975-77. The principal producers of filberts are Turkey, Italy, Spain, and the United States. During the 10-year period, Turkey's share of total world filbert output declined from 73 to 71 percent and Italy's share rose from 20 to 22 percent. Spain's share of the total decreased one percentage point

1/ Official Journal of the European Communities, C22, vol. 27, 30 Jan. 1984, Preferential Tariff Treatment Applied by the Community, pp. C22/27 and C22/271 (see app. E).

2/ Tons refers to metric tons throughout this report.

to 4 percent and that of the United States remained the same at 3 percent. Filberts generally rank second in the annual world production of major competitive tree nuts. During 1981-84, world production of the five tree nuts sold competitively inshell in the United States, on an inshell weight basis, annually averaged 605,000 tons for almonds, 441,000 tons for filberts, 254,000 tons for walnuts, 150,000 tons for pecans, and 34,000 tons for Brazil nuts. 1/ Wide fluctuations in annual output for both individual producing countries and world totals are characteristic of world tree nut production. For example, during 1981-84 the production of filberts in Turkey ranged between 156,000 tons and 420,000 tons and the production of almonds in the United States ranged between 183,000 tons and 436,000 tons.

The United States was the leading country every year during 1981-84 in the combined production of the five tree nuts shown in table 1, accounting for 41 percent of the 4-year average annual world production of 1.5 million tons 2/. Next in order of production was Turkey with 21 percent of the world output, followed by Spain and Italy each with about 11.7 percent of the 4-year average world output. The United States was the leading producer of almonds, walnuts, and pecans, but ranked fourth of the four countries in the production of filberts.

The United States

Structure of the U.S. industry

Nearly all filberts produced commercially in the United States are grown in Oregon (fig. 1). Filberts in Oregon are produced in the Northwest District of that State, 3/ a region dominated by the Willamette Valley, which is a broad valley that lies between the Coastal Range of mountains and the Cascade Range of mountains. Rainfall averages about 60 inches per year in the valley, mostly coming in the winter months which are relatively mild because of the influence of the Pacific Ocean. Agricultural enterprises in the Northwest District are diverse. In 1982, for example, the market value of crops sold was $445 million and of livestock and livestock products sold, $261 million, accounting for 48 percent and 37 percent, respectively, of the totals for the State. 4/ In 1982, there were 18,575 farms in the Northwest District, having just under 2 million acres of land, of which 40 percent of the land was irrigated by 28 percent of the farms. The following tabulation shows the average annual farm value of production for listed fruits, vegetables, and nuts produced in the Northwest District of Oregon during 1981-83, illustrating the ranking of filberts in the region's production of such crops:

1/ World production of cashew nuts during 1981-84 averaged 303,000 tons kernel weight. Cashew nuts, produced on a tropical tree, are traded only in kernel form and do not compete with U.S. filberts in the majority of uses.

2/ World supplies of Brazil nuts are gathered almost entirely in Brazil from native trees in the jungle.

3/ The Northwest District consists of 13 Counties identified as a group for crop reporting purposes by the Oregon Department of Agriculture.

4/ U.S. Census of Agriculture data, as published in the second annual Oregon Agricultural Statistics Bulletin, 1983-1984, Oregon Department of Agriculture.

Item	Farm value (1,000 dollars)
Strawberries	24,850
Sweet corn for processing	21,890
Snap beans for processing	20,302
Raspberries and blackberries	14,218
Dry onions	10,911
Filberts	1/ 9,421
Cherries	7,590
Blueberries and cranberries	6,345
Potatoes	2,562
Apples	1,342
Green peas for processing	1,338
Pears	246

1/ The 1981-82 average (excluding the short 1983 crop) was 11,916 thousand dollars.

Growers.--There were 1,081 filbert growers with 50 or more trees in 1980, according to the most recent Filbert Tree Survey in Oregon. Current information on the nature and composition of the filbert industry with respect to filbert growers is not available in written sources. However, industry sources close to the growing operations report that in 1984 there were 1,100 filbert growers, and estimate that 50 percent of them are full-time filbert operations where the grower's livelihood depends on filberts. 1/ Another 20 percent of the filbert operations are on full-time farms where other crops are grown, and filberts are only a part of their business. It is also estimated that 30 percent of the filbert operations are orchards owned by retired persons, part-time farmers, or absentee owners. Full-time filbert growers will often manage and harvest orchards owned by less active filbert owners. These sources further estimate that for four-fifths of the full-time filbert growers the size of their orchards range from 30 acres to 60 acres, for one-fifth of such growers the orchard size is more than 60 acres, and no filbert operation exceeds 200 acres.

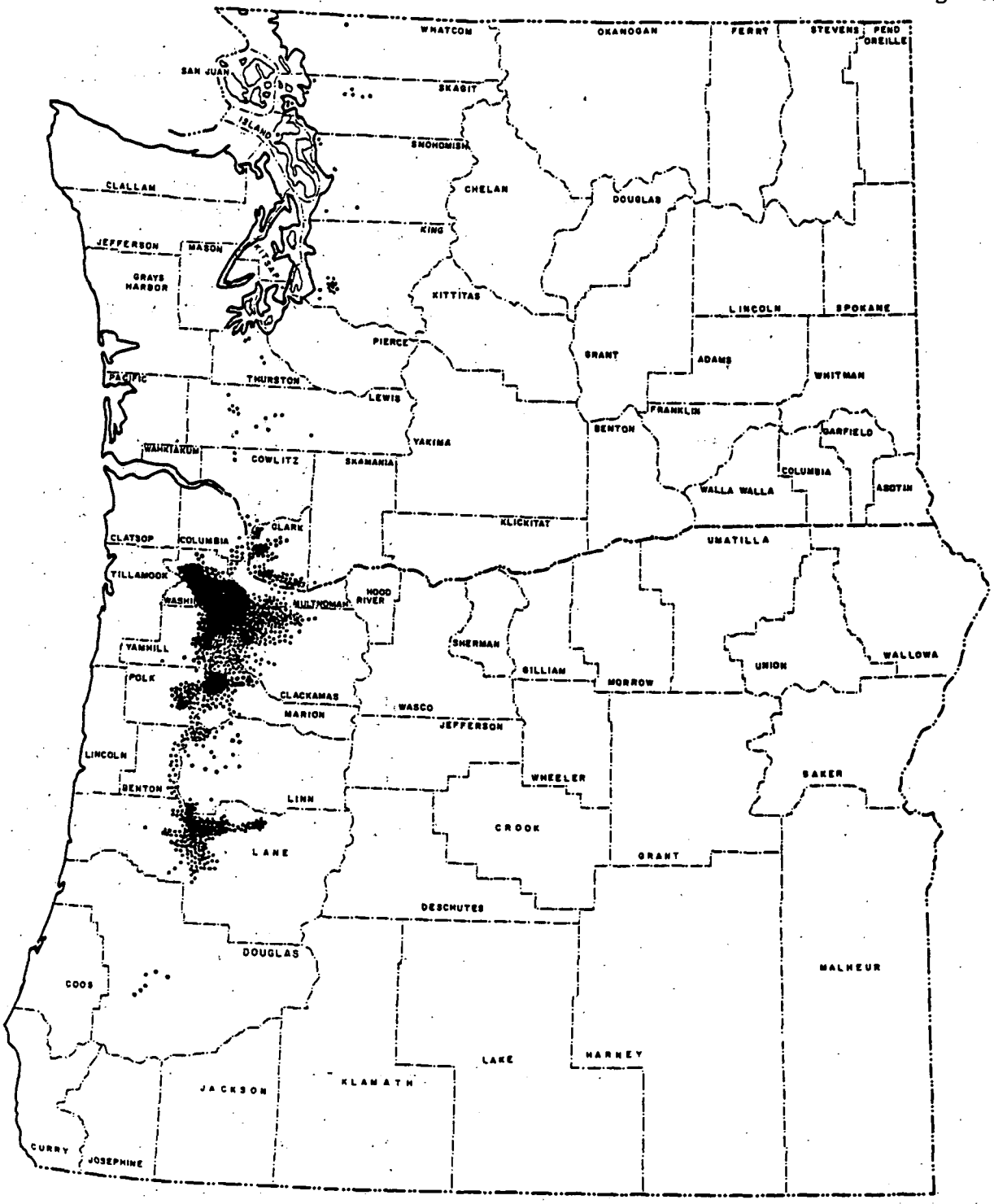
In 1980, Oregon and Washington had 2.5 million filbert trees planted on nearly 22,000 acres (table 2). Nonbearing trees accounted for 23 percent of the total trees planted, that is, 578,000 trees were planted in the 6 years from 1975 to 1980 and are considered not to have been fully bearing in 1980. 2/ A filbert tree in Oregon may begin bearing nuts in 2 or 3 years, produce an average of 5 pounds of nuts at 6 years, and be considered a "mature tree" at 10 years. Based on the number of filbert trees standing in 1980, the number of bearing trees in 1984 was 2.25 million trees and the average production per bearing tree in 1984 is calculated at 11.8 pounds. Also, the average grower had 20 acres of filbert orchards with 2,100 bearing trees and an average output in 1984 of 25,000 pounds. In 1980, acres planted to filberts were up

---

1/ Fieldwork by Commission staff in the investigation.

2/ The filbert tree survey of 1980 conducted by the Oregon State Crop and Livestock Reporting Service is the most recent data available. Another filbert tree survey in Oregon and Washington is currently in progress and the results are expected to be published in the spring of 1985.

Figure 1.--Filberts: Principal producing areas in Oregon and Washington.



Source: Oregon Crop and Livestock Reporting Service.

13 percent and total tree numbers were up 22 percent, compared with the filbert tree survey of 1976. Probably these rates of increase were not maintained from 1981 to 1984 as unit prices received by growers for filberts declined (see later sections of this report).

In the United States, nearly all filberts fall to the ground from the trees on their own accord and are harvested from the ground by mechanical sweepers and harvesters. The predominant variety grown is the Barcelona and the outer husk surrounding the hard shell for most of the nuts remains in the orchard at harvest. 1/ Virtually all of the U.S. commercial production of filberts is mechanically air dried in large bins with supplemental heat. One reason that outdoor air or sun drying, as is done in Turkey, is not practical in Oregon is that harvest in Oregon occurs just prior to the winter rainy season. Some of the filbert crop is dried on the farm but most of it is dried by filbert handlers who prepare the crop for marketing. Most filberts are delivered to the handlers' facilities by the growers in their own vehicles. Generally, the handler's facility is in the immediate area of the growers that deliver to him, however, some growers may deliver their crop to more than one handler.

In May 1984, the Oregon State University Extension Service published a report that included information on costs of production of filberts in Oregon. The costs were estimated for filbert production in 1982 and included cultural, harvest, and overhead costs. The study showed that total costs of production were estimated at about $1,140 per acre, including cash costs of $344 and noncash costs (e.g., operator's labor, interest on land and orchard, machinery depreciation) of $793. An orchard with a 1,800-pound yield per acre receiving the average price for filberts in 1982 would have lost $530 per acre. However, the grower would have received about $265 per acre above cash costs, according to the study, which is reproduced in appendix G.

Handlers.--In 1984, there were 10 filbert handlers ranging from relatively large corporate enterprises to small independent firms that grow the filberts they handle. The four largest handlers have accounted for about four-fifths of the shipments in recent years. All handlers are located in the filbert growing areas and nearly all of them are within a 50-mile radius of Portland, Oregon. The facilities used by handlers for drying, grading, and shelling filberts are not used for any other products. The larger handlers are firms that are involved in other commodities: one firm markets processed cherries, another is an independent division of an almond growers cooperative in California, and a third is associated with California dried fruit and walnut growers. During 1979-84, some firms operated as a grower cooperative for filberts, or partially cooperative, 2/ whereby growers receive their returns

---

1/ In 1980, 87 percent of the filbert trees planted were Barcelona. Since the Barcelona variety is not self-pollinating, most of the remaining 13 percent were pollinating varieties, such as the Daviana variety.

2/ The structural organization for a number of filbert handlers has changed since 1979. One firm that operated entirely as a corporate enterprise in 1983 sold its facilities to grower members to form a cooperative in 1984, although part of its' supply is still purchased outright.

after the season closes, and other handlers purchase outright, taking title at the time of delivery. All the major handlers compete with each other for the growers' supplies of filberts. The two handlers associated with other nut industries in California (almonds and walnuts) supplement their product lines with Oregon filberts, essentially the only source for U.S. grown filberts.

Employment in growing operations.--Filbert growers largely operate their filbert orchards with the owner and family members, and hired employment is for the most part a seasonal operation. The Oregon Department of Human Resources (DHR) collects data on the number of seasonal workers employed in the Oregon filbert growing industry. During 1982-84, the number of seasonal workers on filbert farms ranged from 1,198 in 1982 to 603 in 1983 and averaged 888 workers annually. About 78 percent of the workers were employed during the peak season of September-November, with October generally the month of highest employment. The level of seasonal employment fluctuates from year to year due, in part, to the size of the crop; a large crop generally requires more labor input than a small crop, especially at harvest time.

Hourly wages are usually paid to seasonal workers who are employed in pruning, spraying, and other jobs not directly related to harvesting. The DHR reports that in 1981 the average hourly wage rate for such workers was $3.65; in 1982 and 1983 the rate was $3.50 per hour. 1/ Filbert harvest workers are often paid on a piece-work basis, typically 8 to 10 cents per pound in recent years. This piece-work rate roughly translates into an hourly rate of about $3.50.

Employment in processing operations.--Domestic processors of filberts were requested by questionnaire to provide information on employment in their firms, including the number of production and related workers employed annually and seasonally, hours worked on filberts, and total wages paid to such workers. Responses were received from nearly the entire industry. 2/ During 1979-83, information from the firms responding shows that the annual average number of persons employed in the filbert processing industry was 140 persons, of which an annual average of 123 persons were reported as production and related workers. During the 5-year period, the annual average number of production and related workers rose from 118 in 1979 to 134 in 1981 and 1982 and then declined to 98 in 1983. The months of peak seasonal employment in the filbert processing industry are October, November, and December.

The annual number of hours worked by production and related workers on all products produced in filbert processing plants rose from 111,000 hours in 1979 to 127,000 hours in 1982, and then declined to 91,000 hours in 1983. During the 5-year period, 94 percent of the hours worked were devoted to filberts. The processors reported that nearly two-thirds of that time was for the production of filbert kernels.

1/ Information in letter dated Dec. 14, 1984, to the Commission's staff from Mr. Bill Pence, Assistant Administrator for Research and Statistics, Employment Division, Department of Human Resources, State of Oregon.

2/ The Commission received responses from nine firms which represented an estimated 95 percent of the volume of filberts handled by the processing industry; eight firms provided usable information on employment.

Total wages paid to production and related workers on all products produced in filbert processing plants rose from $1.3 million in 1980 to $1.7 million in 1982, and then declined to $1.2 million in 1983, as the number of hours worked dropped. Ninety-seven percent of the wages were paid to workers handling filberts. About three-fifths of those wages paid went to workers processing filbert kernels.

Federal marketing order.--Filberts from the States of Oregon and Washington are marketed under the Federal Filbert/Hazelnut Marketing Order No. 982, which became effective in 1949. 1/ Amendments in 1977 to the U.S. statutes authorizing marketing orders added filberts to the list of commodities eligible to establish requirements on imports comparable with those on domestic products under the marketing order. 2/ Further amendments to the statutes in 1983 authorized marketing promotion, including paid advertising, for filberts under any Federal marketing order for filberts/hazelnuts.

The Filbert/Hazelnut Marketing Board (Board) was established under regulations of the Filbert/Hazelnut marketing order (Order), which specifies the qualifications for membership on the Board. 3/ Nine member positions (each with an alternate) are allocated to seven categories of qualifications; six categories are for growers or handlers, depending largely on whether they represent the interests of cooperatives or independents, and one position is for a member who is neither a grower nor a handler.

The Order authorizes volume control for inshell filberts and quality control for inshell and shelled filberts, and these authorities have been used every year with the objective of maintaining orderly marketing conditions. One of the stated purposes of the Order is to limit the supply of inshell filberts available to the domestic market to the approximate quantity that can be marketed without unduly depressing prices, and divert the excess to shelling or export. 4/ This provides the domestic inshell market with limited protection from the effect of imported shelled filberts. Before the Order was implemented, handlers would oversupply the inshell market until prices fell to the level at which the filberts could be shelled and return to growers a price at the same level as imported filbert kernels. Another stated purpose of the program is to provide a high quality product to encourage increased consumption, which is accomplished through minimum standards of quality for inshell and shelled filberts.

1/ Act of June 29, 1949, 63 Stat. 282. Regulations governing this marketing order are in 7 CFR Part 982.

2/ The Agriculture Marketing Agreement Act of 1937, as amended, provides authority for Federal marketing orders. Sec. 608e sets out provisions for import prohibitions; filberts were added to the list of commodities covered under Sec. 608e by Public Law 95-113, effective Oct. 1, 1977.

3/ Formally the Filbert Control Board. Establishment and membership of the Board is in 7 CFR 982.30.

4/ 1984 marketing policy for Oregon and Washington Filberts/Hazelnuts (M.O. 982), Position Paper, Agricultural Marketing Service, U.S. Department of Agriculture.

Many terms are defined in the regulations governing the Order, some of them specific to the filbert industry. A "handler" means any person who sells, consigns, or in any way (with exceptions) puts inshell or shelled filberts into the channels of trade. "Merchantable filberts" are inshell filberts that meet inshell grade and size regulations "and are likely to be available for handling as inshell filberts," either for domestic or export sales. 1/ Handlers, under the regulations, have a "restricted obligation" whereby "no handler shall handle inshell filberts unless" he has withheld certain quantities as determined by specified rules. A "percentage allocation" for the crop is proposed by the Board before harvest each year into a free percentage and a restricted percentage; the percentage allocated "free" depends on the size prospects of the crop. The "free percentage" in any marketing policy year is "the quantity of merchantable filberts which the handler may handle in accordance with the inshell trade demand" that is, the quantity which may be sold to the domestic inshell filbert market. The "restricted percentage" determines the restricted obligation quantity that must be withheld, which may be satisfied by "sales of certified merchantable restricted filberts for shipment or export to destinations outside the continental United States," or by the equivalent inshell quantity of shelled filberts. 2/ The "inshell trade demand" means the "quantity of inshell filberts acquired by the trade from all handlers during a marketing year for distribution in the continental United States."

There are six filbert industry organizations, all of which are designed to provide a specific service for the industry. 3/ These are as follows:

1. The Filbert/Hazelnut Marketing Board (F/HMB) established to administer federal marketing order No. 982, the Filbert/Hazelnut Marketing Order.

2. The Oregon Filbert Commission operates under the State of Oregon Commodity Commissions Act. Members appointed by the State Director of Agriculture decide how funds collected from growers will be spent. The funds have been used primarily for production research and generic promotion. The Commission is also authorized to work on legislative problems.

3. The Nut Growers Society of Oregon, Washington and British Columbia is a voluntary nut industry organization funded by member dues. The Society is designed to secure information for dissemination (primarily on production questions) and publishes a yearly proceedings, or yearbook.

4. The Filbert Growers Bargaining Association is a voluntary association organized for the basic purpose of representing filbert growers in negotiations with packers concerning crop price and delivery conditions.

1/ The term "merchantable production" is not defined by regulation but means, by industry usage, total production (USDA data) less culls and other non-saleable quantities, and, therefore, is a more inclusive term than "merchantable filberts."

2/ Rules for the disposition of restricted filberts are set out in 7 CFR 982.52, which provides that export sales "shall be made only by the Board;" however, "a handler may be permitted to act as an agent of the Board," under certain conditions.

3/ Extracted from a paper written for filbert industry members by Robert J. Gelhar, Manager, Filbert/Hazelnut Marketing Board, Aug. 15, 1984.

5. Associated Nut Packers of Oregon is a voluntary organization of filbert packers, or handlers, concerned with such industry questions as size or quality regulations which affect primarily the handlers.

6. Associated Oregon Hazelnut Industries, Inc. (AOHI) was organized to succeed the United States Filbert Industry Quality Board, Inc., which was established in 1977. The AOHI, Inc., was organized in 1983. The primary purpose of the corporation, as expressed in its charter, is to conduct research, effect legislation and administer over various and sundry industry matters, including the quality of filberts.

U.S. production and allocation of production

The U.S. production of filberts is in the States of Oregon and Washington, with 98 percent of it in Oregon (table 3). The U.S. Department of Agriculture, in official statistics of the Crop Reporting Board, estimates the in-orchard production of filberts in September. These data are used by the Filbert/Hazelnut Marketing Board as an important element in determining percentage allocations for the crop. USDA data show that total U.S. filbert production increased irregularly from 26 million pounds for the crop of 1979 to an all-time record of 37.6 million pounds for the crop of 1982. Production in 1983 dropped dramatically to 16.4 million pounds owing to adverse weather and then regained in 1984 to near its previous level with a crop of 26.5 million pounds. The farm value of filbert production declined from a high of $17.7 million for the crop of 1980 to $4.6 million for the crop of 1983, and then increased to $8.1 million for the crop of 1984. The lowest average unit price, 27.9 cents per pound, was received for the crop of lowest production (1983). Foreign supplies, based on a record crop in Turkey, were unusually large in 1983.

The merchantable production of filberts is equivalent to orchard-run production less an amount for "disappearance" and represents the quantity available for marketing outside the area of production. Disappearance, as the term is used by the filbert industry, represents product not harvested, culled during processing, or not sold to a handler (e.g., farm use or local sales). 1/ During crop years 1979/80 to 1984/85, merchantable production of filberts increased irregularly from 25.1 million pounds (inshell weight) in 1979/80 to 35.6 million pounds in 1982/83, or by 42 percent, and then dropped to 14.4 million pounds in the low production year of 1983/84, and regained to a projected 20.9 million pounds for 1984/85 (table 4). During the period, the annual amount of product not marketed, or disappearance, ranged from a low of 0.9 million pounds in 1979/80 to a high of 5.6 million pounds for 1984/85.

The final percentage allocations of the crop year adopted by the industry for the "free" share to sell to domestic inshell markets were less than 50 percent of merchantable production in 5 of the 6 crop years from 1979/80 to 1984/85 (table 4). Only in 1983/84, when production was unusually low, did the "free" allocation exceed 50 percent when the F/HMB determined a rate of

1/ The quantity of "disappearance" is determined by action of the F/HMB, based on handler reports and other information.

67 percent. 1/ The percentage allocations may be, and in some years have been, changed during the course of the principal marketing season from September to the following February, as new information about supply becomes available. For example, in the 1983/84 crop year, the "free" allocation was set at 37 percent on September 15, 1983, at 42 percent on September 23, 1983, and at 67 percent on November 14, 1983. Also, in the 1981/82 crop year, the "free" allocation was set four times, rising from 19 percent on September 17, 1981, to 31 percent on February 9, 1982. After the crop year closes, the F/HMB reports an accounting of the industry's aggregate performance of quantities actually withheld from the domestic inshell market (total sold in export or shelled) compared with the quantities that handlers were obliged to withhold (determined by the restricted percentage allocation). During 1979/80 to 1982/83, the restricted filberts withheld from the domestic inshell market increased irregularly from 17.3 million pounds in 1979/80 to 25.4 million pounds in 1982/83, or by 47 percent, and then dropped to 7.3 million pounds in 1983/84. The 7.3 million pounds withheld in 1983/84 was 166 percent of the withholding obligation quantity of 4.4 million pounds, indicating a strong demand in that year for either or both the export inshell market or the filbert kernel markets for U.S. filberts relative to the domestic inshell market for U.S. filberts.

U.S. handlers' costs and shipments

Handlers average costs, as an industry, consist of average procurement costs for filberts from growers, and the per unit cost of processing inshell filberts and filbert kernels. Much of the capital equipment of handlers to process filberts is used only for filberts and then largely on a seasonal basis for 3 to 4 months of the year. Such capital needs include investments in large buildings, washing and sizing equipment, large gas-heated drying chambers, shelling and sorting machinery, trucks of various kinds, and laboratories for grading and inspecting. The Commission asked domestic handlers to report their unit processing costs for inshell filberts and filbert kernels; these unit costs would be expected to vary from year to year as the volume of the crop varied from year to year because the facilities used by any handler is a relatively fixed total cost. The results of the questionnaire responses are shown in table 5 as industry average unit costs for procurement and processing. During 1979/80 to 1983/84, average procurement costs for inshell filberts declined irregularly from 50 cents per pound to 33 cents per pound. The average unit cost of processing inshell filberts increased from 8 cents per pound in 1979/80 to 18 cents per pound in 1983/84, and that for filbert kernels fluctuated annually, reaching a peak of 5 cents per pound in 1983/84, a year of low production. In general, the per

1/ The practical application of this percentage means that for each handler, 33 pounds of every 100 pounds of merchantable filberts (inshell-weight basis) handled in 1983/84 would need to be exported inshell or made into filbert kernels in order for the handler to sell 67 pounds on the domestic inshell filbert market. Conversely, as in the preceeding year 1982/83, 71 pounds of every 100 pounds handled was restricted in order for the handler to sell 29 pounds on the domestic inshell filbert market.

unit cost of processing filbert kernels, on the basis of product weight, ranged from 3 to 4 times larger than the per unit cost of processing inshell filberts. 1/

U.S. handlers of domestically grown filberts ship to both the domestic market and the export market. During 1979/80 to 1983/84 their aggregate shipments of filberts rose irregularly from 26.9 million pounds (on the basis of inshell weight) in 1979/80 to 29.2 million pounds in 1982/83 and then declined to 24.7 million pounds in 1983/84 (table 6). The sharp drop in shipments in the latter year reflects the small filbert crop that year. The majority of the shipments of filberts went to the domestic market, as shown in the following tabulation which is compiled from data in table 6:

Crop year	Quantity shipped	Share of total				Total
		Domestic markets		Export markets		
		Inshell filberts	Filbert kernals	Inshell filberts	Filbert kernals	
	1,000 pounds in-shell weight basis	Percent				
1979/80	26,921	32	34	28	6	100
1980/81	23,178	36	28	30	6	100
1981/82	25,265	35	38	21	6	100
1982/83	29,248	32	44	16	8	100
1983/84	24,749	36	41	20	3	100
5-year average 1979/80 to 1983/84	25,872	34	38	22	6	100

During 1979/80 to 1983/84, about 72 percent of the handlers' shipments of filberts went to the domestic market and 28 percent were exported. The proportion of handlers' shipments to domestic filbert kernel sales increased at the expense of shipments to inshell filbert export market during the period. The share sold as inshell filberts to domestic markets remained relatively unchanged over the period. Filbert kernels accounted for the largest share of the domestic shipments by U.S. handlers and inshell filberts accounted for most of the export shipments. In the export market, inshell filbert shipments by U.S. handlers declined relative to total shipments and filbert kernel shipments remained mostly unchanged. During the 5-year period overall, 56 percent of the shipments were inshell filberts and 44 percent were filbert kernels.

1/ The two unit costs are not additive because some cost elements are common to both products.

U.S. exports

U.S. exports of filberts (inshell filberts and filbert kernels 1/ combined) during 1979/80 to 1983/84 declined 60 percent on a kernel weight basis, from 6.7 million pounds to 2.7 million pounds, and 55 percent (by value) from $6.8 million in 1979/80 to $3.1 million in 1983/84, as reported in official statistics of the U.S. Department of Commerce (table 7). Canada has been the principal market since 1980/81, and accounted for 40 percent of the exports (by quantity) in 1983/84. Over the 5 years covered in this report, filbert exports to Canada, which ranged from 1.0 million to 1.6 million pounds annually, have generally increased as a share of the total, as exports to the EC countries declined about 65 percent over the period. West Germany is the predominant market in the EC for the combined exports of inshell and shelled filberts; such exports to West Germany declined irregularly from 2.2 million pounds in 1979/80 to 0.7 million pounds in 1983/84 and consisted predominately of inshell filberts. Other export markets of note have included Mexico, Australia, and Venezuela.

Inshell filbert exports in most years accounted for about two-thirds (by value) of the total exports, but for less than one-half of the total on a filbert kernel weight basis (table 8). Filbert kernel exports in most years during the period accounted for about one-third of the total exports (by value) and averaged 55 percent of the quantity for the 5 years covered (table 9). Poor yields from the 1983 crop may be partly responsible for the decline in overall exports in 1983/84.

Turkey

Structure of the Turkish industry

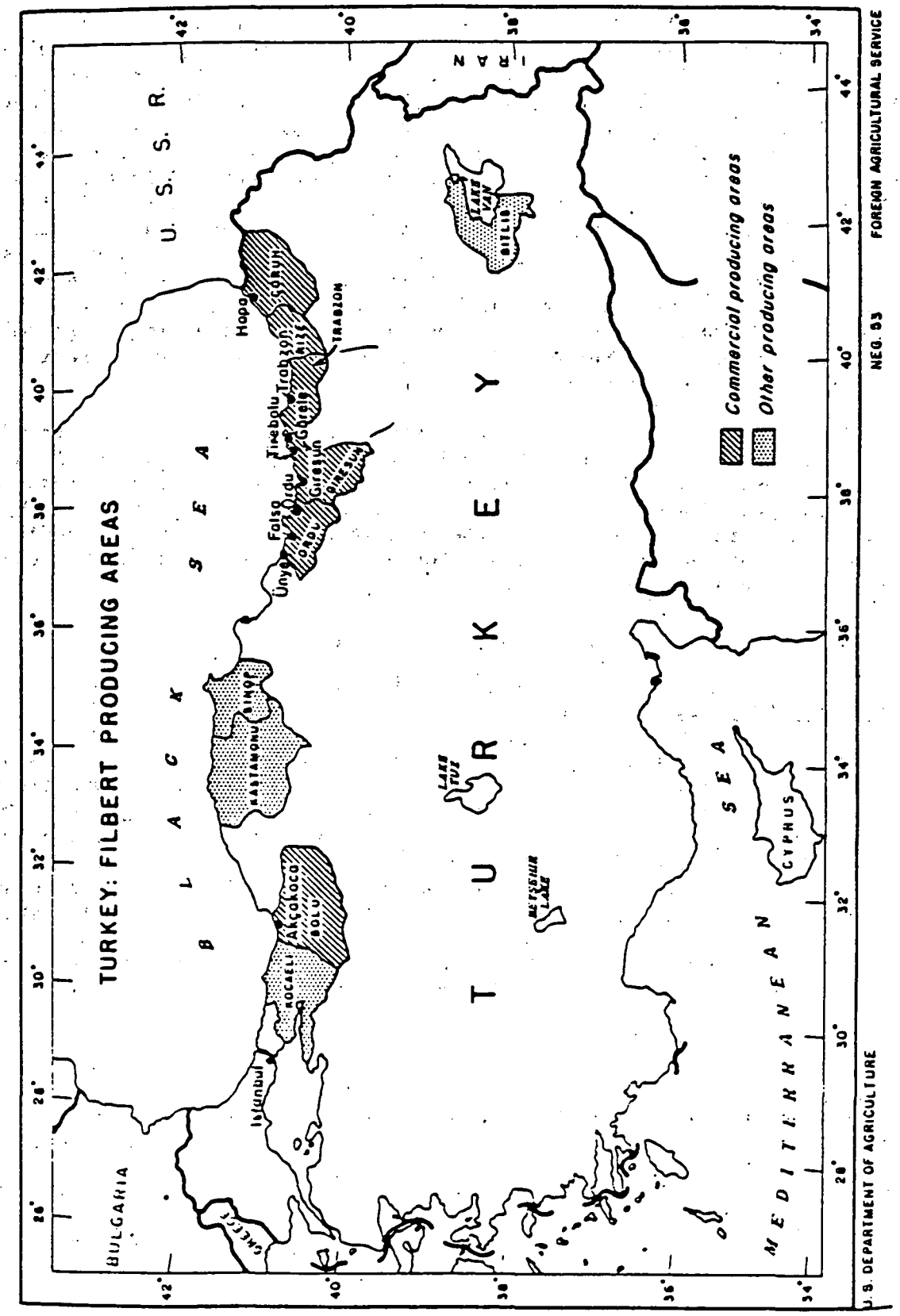
Turkey is the largest producer of filberts worldwide, supplying about 70 percent of the world production 2/ and accounting for about four-fifths of total U.S. filbert imports (by value). 3/ Filberts have been grown in Turkey for centuries. Most of the production takes place in the mountainous area along the eastern end of the north coast bordering the Black Sea. This area, extending about 15 to 20 miles inland and about 300 miles along the coast, includes the Provinces of Artvin, Giresun, Ordu, Rize, Samsun, and Trabzon (fig. 2). In 1984, this coastal region accounted for an estimated 73 percent of total annual production, with production in Ordu and Giresun together making up nearly 50 percent of total production nationwide (table 10).

1/ Export data on filbert kernels do not include blanched or otherwise prepared or preserved filberts. Such exports are believed to be negligible or nil.

2/ Based on the 1974-83 10-year average. See Gill and Duffus, Edible Nut Market Report, No.117, December 1984, p. 5.

3/ Based on the 1979/80 to 1983/84 5-year average of U.S. imports.

Figure 2.--Filberts: Producing areas in Turkey.



Source: U.S. Department of Agriculture.

Significant production also takes place in the western Black Sea coastal region extending from the Province of Kastamonu westward through Bolu, Zonguldak, Kocaeli, and Sakarya; estimated 1984 production in Sakarya and Bolu collectively accounted for 23 percent of total Turkish production. The climate of both coastal regions is described as moderate, with temperatures ranging from 20 to 90 degrees Fahrenheit and annual average rainfall of 40 to 60 inches.

Filbert plants in Turkey historically were multistem bushes, 10 to 15 feet tall, growing wild wherever the mountainous and rocky terrain permitted. New plantings were more the result of chance seedling or volunteer growth, generally occurring in irregular formations. Farmers used hand tools sparingly for tillage practices, with the vegetation around mature bushes in some areas seldom disturbed. This vegetation served both to control erosion and as a source of animal feed for browsing domesticated and wild animals. The use of irrigation was uncommon because of the hilly terrain and abundant rain and snow.

Currently, filberts of high nutritional value are described by the Turkish industry as being grown in the fertile Anatolian soils under very controlled agricultural practices. 1/ In recent years, new plantings have resulted through the use of contour farming practices in less mountainous areas as well as the establishment of filbert orchards on neighboring land. According to industry sources, 2/ such orchards have been planted over the past 20 years on land which could be used more economically for other agricultural crops. On June 18, 1983, the National Assembly of Turkey passed a law which requires filbert producers to declare their present and intended production areas, and prevents any producer from establishing new orchards or renewing older ones until a "Growers Certificate" has been issued. Violations of this law are punishable by fines of from 5,000 to 10,000 turkish liras ($12.82 to $25.64). 3/ This law had not yet been implemented, by early 1985.

Growers in Turkey.--There are no official statistics on the current number of filbert growers in Turkey; the actual number of growers is believed large, with the average acreage per grower small. 4/ According to the U.S. Department of Agriculture, Foreign Agricultural Service (FAS), there are about 500,000 filbert producers in Turkey. In 1984, FAS estimated that Turkish production was from 250 million bearing trees, compared with U.S. production from an estimated 2.5 million trees. Official estimates are available on the number of filbert trees planted in Turkey, including bearing and nonbearing trees. As shown in table 11, the total number of trees planted has risen slowly since 1979 to an estimated 273 million trees in 1984, 2 percent above the level in 1979. About nine-tenths of the trees were bearing trees.

1/ Findik Tarim Satis Koopefatifleri Birlige (Fiskobirlik).

2/ U.S. Department of Agriculture, Foreign Agricultural Service, Attache Report No. TU4029, Aug. 14, 1984.

3/ Based on a conversion rate of 390 TL (Turkish liras) = $1.00.

4/ Estimated at less than 0.5 acre per grower, based on the 400,000 hectares in filbert production reported by the Black Sea Region Hazelnut Exporters Union (app. H).

Historically, growers have had three outlets for their filberts. 1/ They can sell them to small-volume brokers which buy filberts from a number of sources and then sell either to large-volume brokers or directly to a shelling plant. They can sell directly to large-volume brokers or shelling plant operators. Or, they can join a grower cooperative, which shells the nuts and makes the final sales for the growers. In all cases, the filberts are first dried and husked, generally in the open air on the grower's premises.

Processors in Turkey.--It is believed that almost all Turkish filberts are shelled in plants. A total of 97 shelling plants were located in the growing areas of Turkey in 1984. 2/ Because the inshell filbert keeps better in storage, filberts for export in the shelled form are usually shelled just prior to shipment. In recent years, the bulk of the filbert crop in Turkey was reportedly purchased by a government cooperative called Fiskobirlik. 3/ Fiskobirlik, established in 1938 in Giresun through the affiliation of five cooperatives, currently has 33 affiliated cooperatives with over 76,000 partners, 3,000 laborers, and a staff of over 1,000 people. This organization has offices in Istanbul, Samsun, and Giresun, with sales centers throughout Turkey and foreign distribution offices (for marketing Turkish exports) in West Germany, France, and the United States. This cooperative handled the largest share of the production from the 1983/84 Turkish filbert crop. In recent years, they have accounted for 50 percent of the world's exports of filberts. The cooperative, primarily handling shelled filberts and kernels, also processes a number of other products, such as salted and roasted filberts, natural packaged filberts, sliced filberts, filbert paste and flour, chocolate bars, and similar products. 4/

In addition to Fiskobirlik's processing plants in 1984, a few private processing plants also produced filbert products. SAGRA, in Ordu province, is the largest of the private facilities, with a processing capacity of 88 million pounds annually (or about 10 percent of national production). According to USDA officials visiting this plant recently, the facility was reported in operation for three shifts per day, 7 days a week, all year long. A recent plant expansion is using new, modern manufacturing equipment. The most important products produced by this plant included roasted and blanched filberts; minced, sliced, and powdered filberts; filbert paste and puree; and filbert products with cocoa. Most of these products are believed to be sold on the domestic market, with only limited amounts exported.

1/ Walter R. Schreiber, Filberts in Turkey, U.S. Department of Agriculture, Foreign Agricultural Service, Foreign Agriculture Report No. 73, June 1953. Although this study has not been updated, it is believed that many aspects of filberts in Turkey discussed in this research report still apply.

2/ Brief submitted in the Commission's investigation by the Association of Food Industries, Inc.

3/ Testimony of Glenn Hansberry, Associated Oregon Hazelnut Industries, Inc., before the U.S. Senate Committee on Finance, Subcommittee on International Trade, Sept. 14, 1984.

4/ U.S. Department of Agriculture, Foreign Agricultural Service, Attache Report No. TU4029, Aug. 14, 1984.

Production in Turkey

Annual filbert production in Turkey has varied widely from year to year, due primarily to the alternate bearing nature of the trees. According to FAS data, filbert production during 1979/80 to 1984/85 ranged from a low of 485 million pounds in 1982/83 to an all-time record 926 million pounds in 1983/84; production was forecast by the USDA at 661 million pounds in 1984/85, a decrease of 29 percent as compared with production in 1983/84 (table 12). The wide fluctuation in annual production was due largely to the alternate bearing nature of the trees. The 5-year average production from 1979/80 to 1983/84 was 670 million pounds, up 14 percent from the preceeding 5-year average during 1974/75 to 1978/79.

During 1979/80 to 1983/84, domestic use in Turkey of filberts more than doubled from 79 million to 198 million pounds. Since 1980, an increasing share of production has been used domestically, primarily for snack food and confectionery, but also for newer products including salted and roasted filberts, filbert paste, and chocolate bars or similar products. In addition to regular uses, increasing amounts of filberts have been crushed for oil, both because of poor quality and because of large unsold stocks on hand. According to FAS reports, 25,000 metric tons of filberts were crushed during 1982/83, and an estimated 40,000 metric tons were crushed during 1983/84. The oil is used in the production of margarine and paint.

The Turkish Government policy on filberts provides for a support price to growers, updated on an annual basis according to various factors such as the prevailing world prices, the value of the Turkish lira in relation to other currencies, and the rate of inflation in Turkey. The support price of filberts, expressed in Turkish lira per kilogram, has risen steadily, from 37.5 lira in 1979/80 to an estimated 230 lira in 1984/85, as shown in the following tabulation, on the basis of Foreign Agricultural Service data:

Year	Support price in Turkish lira 1/	Exchange rate for Turkish lira per U.S. dollar 2/	Price in terms of U.S. dollars
	Per kilogram		Per pound
1979/80	TL37.5	TL35.0	$0.49
1980/81	110.0	78.8	.64
1981/82	125.0	113.8	.50
1982/83	149.0	167.7	.40
1983/84	175.0	236.4	.34
1984/85 3/	230.0	388.4	.27

1/ Prices for unshelled round filberts based on a 50 percent shelling rate.
2/ Turkish lira per U.S. dollar based on rates reported in foreign service reports of the U.S. Department of Agriculture.
3/ Estimated by the U.S. Department of Agriculture.

However, in terms of U.S. dollars, the support price has declined steadily since 1980/81. The rise in the price from 1979/80 to 1980/81, the highest recorded annual increase, was the result of high world prices and local events in Turkey. Rising costs of production, along with low production levels in certain years since 1978/79, were also responsible for the increases in support prices.

Turkish exports

Exports of filberts from Turkey trended upward from 472 million pounds in 1979/80 to 529 million pounds in 1983/84, and averaged 496 million pounds annually throughout the period (table 12). Nearly all of Turkey's exports are of shelled kernels. In recent years, West Germany has accounted for about one-half the total volume of exports, with the U.S.S.R., France, the United Kingdom, and Switzerland the other major buyers. Since 1979/80, U.S. imports of shelled filberts from Turkey have accounted for the bulk of U.S. imports of all filberts, but have never exceeded 7 million pounds, or about 1.3 percent of average annual Turkish exports.

According to Turkish sources, all Turkish filberts exported are inspected according to stipulations of "regulation for the control of exportation of filberts" published by Turkish standards institute in 1961. In recent years, the bulk of the Turkish filbert kernels exported to all markets, including the United States, were classed as "Natural," i.e., mill-run quality of all sizes (table 13).

Turkish filbert exports are governed by a mimimum export price policy and an export tax system, through which the Government attempts to prevent foreign-exchange losses, minimize competition among exporters, and stabilize domestic prices. The minimum export price, f.o.b. for 100 kilograms of shelled round filberts of mill-run quality, was to $275 in 1979 and $405 in 1980. The minimum export price policy was abolished in 1980 but reestablished in 1982; the price was estimated at $220 during 1982-84. In late 1980, an export tax system was established to help stabilize domestic prices. According to Turkish sources, exporters must deposit some of their earnings in a "Price Support and Stabilization Fund". 1/

Since most filberts in international markets are supplied by Turkey, buyers are dependent on the price of Turkish filbert exports. During 1979-84, Turkish export prices fluctuated widely. Prices almost doubled within a year, from $1.02 per pound in January-March 1979 to $2.02 per pound in January-March 1980, as shown in table 14. After January-March 1980, the price declined continuously, falling to a low of $0.86 per pound in July-September 1982, and then increasing to $1.04 in January-June 1983. In 1983, world production of filberts reached a record 603,000 metric tons. The increase in supply had a suppressing effect on Turkish export prices, which dropped to $0.87 in October-December 1983. The reduction in world production to 350,000 metric tons in 1984 doubtless contributed to the small increase in the average Turkish export price that year. Devaluations of the Turkish lira with respect to the U.S. dollar may have offset the effect of Turkish domestic inflation on

---

1/ Black Sea Region Hazelnut Exporters Union, "Hazelnut Market Report," December 1984, No. 1, p. 8; see app. H.

export prices, but this is uncertain, since this price is quoted in terms of U.S. dollars. In fact, each year during the past 6 years, the lira was devalued drastically, from 31.08 lira to a dollar in 1979 to 348.37 lira to a dollar in 1984. 1/

Italy

Structure of the Italian industry

Italy's filberts grow largely in hilly country, in areas where rainfall is adequate. The industry is centered for the most part in the State of Campania (especially around Naples, Avellino, and Salerno) and in Sicily where, together, almost 90 percent of the crop is grown. The district of Avellino in Campania, which is the most intensive filbert area, lies about 25 miles inland from the southwest sea coast; Naples (where the finest Italian inshell filberts are produced) and Salerno are located on the coast. Other areas, like Piedmont to the north and Viterbo above Rome, also produce filberts; however, production in these areas is small, amounting to 10 percent of total production. Filbert plantings in Italy extend to 3,000 feet above sea level, but the best production is reported from about 800 feet to 2,000 feet and on those exposures receiving the heaviest rainfall. Mature bushes and yields are larger than those in Turkey because of better soil, climatic conditions, and pruning and fertilizing practices. In Italy, filbert orchards are a popular investment of business and professional people and as a result there is a large amount of absentee ownership and many orchards are farmed by tenants. A common division is one-third of the crop to the tenant and two-thirds to the owner. In addition, many nontenant farmers who own their own land rent additional acreage.

In Sicily, the filbert industry differs from Campania in that it is largely of a "casual" nature, principally on the moist, northern hillsides of Mt. Aetna facing the sea. Most holdings are small, though a few have 100 to 200 acres and are cultivated. Management consists principally of occasional pruning.

Filbert varieties in Italy vary with the area and consist of "long" varieties and "round" varieties. The long varieties are sold predominately in inshell markets at premium prices. U.S. imports of the inshell filberts from Italy are chiefly round varieties. Production in the Avellino district is largely of the "San Giovanni" or "Long Naples" variety. In the Salerno district, south of Naples, the "Giffoni" variety, a round type, dominates and is said to be a favorite of U.S. shelled filbert buyers. In the Viterbo district, north of Rome, a round variety called "Romana" or "Gentile" is produced, which is also reported to have a fine shelling quality. In Sicily, most filberts are either the "Raciante" variety or are "ordinary types," which are the unclassified "filberts of commerce."

1/ These two rates are taken from the International Monetary Fund, International Financial Statistics, November 1984. The 1984 rate is an average of the first three quarters' rates of 1984. Without devaluations, the export price of filberts might have been higher than they were.

At harvest times, the bushes are beaten with canes and the nuts are picked from the ground. A few filberts are sold in the fresh or green state for local consumption. Marketing is through the usual channels--sales by growers to shellers or packers via a field agent or "accumulator" who, in turn, sells to distributors and manufacturers abroad via commission agents.

Italian production and exports

Italy is the second most important producer and exporter of filberts. During 1981-83, Italian production of filberts rose from 176 million pounds (inshell basis) to 265 million pounds and then dropped in 1984 to 121 million pounds (table 15). The smaller crop in 1984 largely reflects the normal downturn in the production cycle after an exceptionally large harvest in 1983.

Exports of filberts from Italy account for nearly all of the EC exports of such nuts. In 1983, for example, Italy's combined exports of inshell and shelled filberts accounted for 80 percent of EC's combined filbert exports. During 1979-83, EC filbert exports declined from 32 million pounds, on a kernel-weight basis, in 1979 to 16 million pounds in 1980, and then increased each year to 41 million pounds in 1983 (table 16). Filbert kernels during this period accounted for 84 percent of this amount, and inshell filberts (on a kernel-weight basis) accounted for 16 percent. In years when crops are larger this situation is reversed. Much depends on the comparative returns from the two forms of product in a given season, which in turn are dependent upon prices received for kernels and inshell filberts, and the shellout ratio. The increased exports during 1979-83 are due in part to increased plantings and improved care of the existing plantings.

Italy's primary market for inshell filberts is West Germany. Most of West Germany's inshell filberts go into direct household consumption, either separately or in nut mixes; 75 percent of the exports to that market are concentrated in the period of October to December. Other significant markets for inshell filberts are the United Kingdom, Scandinavia, and France. West Germany is also Italy's principal market for filbert kernels; over 75 percent go into industrial use, particularly to confectionery and chocolate manufacturers, but also bakeries. Switzerland, France, and Belgium are the next most important export markets for Italian filbert kernels.

Spain

Structure of the Spanish industry

Filbert production in Spain is scattered throughout the eastern coast bordering the Mediterranean Sea. Spanish production is roughly double that of the United States. The province of Tarragona, on the northern part of the east coast, produces about 85 percent, on average, of the country's total filbert crop. Barcelona is the key port of shipment, but the production and packing center of greatest importance is the city of Reus, about 15 miles inland from the coastal city of Tarragona. Wide variations in yields within the country in a given year can be attributed to two production zones. One zone is the coastal area in the province of Tarragona, where plantings are

largely irrigated, and the other zone is located in the hillside areas near Barcelona and north to Gerona. Thus, in any given season, coastal crops may be affected by damp weather during spring pollination while the higher areas may not, and conversely, dry weather might affect the higher plantings where the soil is shallow while the coastal areas are irrigated. Nearly 80 percent of total production is said to be of the "Negreta" variety, a medium-long filbert, and the remainder is largely of the "Morell" and "Grifall" varieties. Thus, most Spanish filberts are different from the round Turkish filbert. Generally, Spanish filberts for export are purchased by exporters from wholesalers (also referred to as agents or commission merchants), or through the Reus (Tarragona) Exchange.

Spanish production

Filbert production in Spain declined irregularly from 68 million pounds in 1979/80 to a low level of 31 million pounds in 1982/83, before rising again to 68 million pounds in 1983/84 (table 17). The smaller crops generally reflect a normal downturn in the production cycle after exceptionally large harvests. The production for the 1984/85 crop year is forecast at 28.6 million pounds. Trade sources estimate the filbert acreage in Spain at 92,168 acres, of which 88,462 acres are bearing trees. In the latter part of the 1970's there was a relatively sharp upward trend in acreage planted, which since appears to have leveled off. Though data on yields are scarce, it is believed that filbert yields in Spain compare well with those of competing producing countries in Europe.

Spanish exports

Exports of filberts from Spain averaged about 30 million pounds annually during 1979/80 to 1983/84, (table 17). During that period, however, annual exports ranged from 14 million pounds to 46 million pounds. Exports are forecast by the USDA to be about 13 million pounds in 1984/85. In general, Spanish exports account for about two-thirds of Spanish filbert production. The U.S.S.R. is the principal export market, accounting for 52 percent of total exports in 1983/84. France and Czechoslovakia were also significant markets, accounting for 19 percent and 10 percent of total exports, respectively. Filbert export shipments are inspected for quality and plant health purposes by the Inspection Services of the Ministry of Economy (SOIVRE) and the Phytosanitary or Plant Health Inspection Services of the Ministry of Agriculture, respectively.

THE UNITED STATES MARKET

Domestic Market Profile

Filberts are a commercially important tree nut crop utilized both in the inshell and kernel form. In recent years an average of one-third of the domestic output was sold inshell to domestic markets, one quarter was sold inshell to export markets, and the balance was shelled into kernels. In a comparison of consumption of tree nuts in the United States, the quantity of filberts consumed is generally behind that of walnuts, pecans, almonds, and cashews. Although U.S. producers supply virtually all of the domestic consumption of walnuts, pecans, and almonds, imports account for all of the cashews and a significant share of the filberts consumed in this country. Filbert kernels from foreign sources supplied 59 percent of domestic filbert kernel consumption during 1979/80 to 1983/84 and imported inshell filberts supplied 5 percent of the inshell filberts consumed. The bulk of the inshell filberts are used in inshell nut mixtures, with most of the filbert kernels sold to institutional users and nut roasters for mixed nut packs. In addition, recent filbert industry interest has focused on the development of other related filbert products including sliced or chopped nuts, snack nuts, and filbert butter.

Apparent consumption of filberts in recent years, compared with the early 1960's, has increased by 11 percent overall but has declined by 4 percent on a per capita basis. Recent annual per capita consumption was 0.05 pound.

Foreign competition in the domestic market occurs primarily from filbert kernels imported from Turkey, with additional supplies from Italy. Italy supplies virtually all of the inshell filbert imports.

U.S. Consumption

In the United States, inshell filberts and filbert kernels are sold to entirely different markets and are used by consumers in a significantly different manner one from the other. Inshell filberts are sold predominantly to inshell nut mixers--wholesale firms that frequently specialize in nuts and related unprocessed products and purchase inshell nuts of different kinds to produce inshell nut mixtures. Filbert kernels, on the other hand, are sold predominantly to industrial consumers who use them as ingredients in bakery or confectionery products. Also, significant amounts of filbert kernels are sold to nut roasters and salters--firms that generally carry a full line of shelled nuts 1/ and edible seeds and specialize in nut roasting operations and the manufacture of nut kernel mixtures therefrom. Many of the products of such firms are sold as a "snack item" to consumers; however, except as may be contained in roasted nut mixtures, filberts appear to have a very small share of the snack nut trade in the United States. Unroasted filbert kernels are also sold in retail-size units through grocery stores and nut shops for home consumption, although this trade does not appear to be large.

When viewed together, the combined U.S. apparent consumption of inshell filberts and filbert kernels, on a kernel-weight-equivalent basis, increased each year from 9.8 million pounds in 1980/81 to 16.4 million pounds in

---

1/ Including inshell nuts easily opened and suitable as a snack nut, such as peanuts and pistachios.

1983/84, or by 67 percent. Apparent consumption in crop year 1979/80, the first year of the 5-year period studied, was 11.8 million pounds, thus, the increase from 1979/80 to 1983/84 was 39 percent. Over the 5-year period, filbert kernels accounted for 72 percent of the combined consumption.

Inshell filberts

During the crop years 1979/80 to 1983/84, the apparent consumption of inshell filberts sold in domestic markets trended upward irregularly from 8.6 million pounds (inshell weight) in 1979/80 to 9.6 million pounds in 1983/84, or by 12 percent over the period (table 18). From the 8.6 million pounds consummed in 1979/80, consumption declined to 8.4 million pounds in 1980/81, increased to 9.5 million pounds in 1980/81, increased again in 1982/83 to 10.1 million pounds, and then declined to 9.6 million pounds in 1983/84. The consumption decline in 1983/84 of 5 percent from the previous year, or by 500,000 pounds, can be attributed both to a decline in imports, which fell by 296,000 pounds, and to domestic shipments, which fell by 204,000 pounds. The weather damaged 1983/84 U.S. filbert crop of 16.4 million pounds was a decline in production from the previous year of 56 percent; however, the small decline in consumption was due largely to the allocation system of the domestic marketing order and the long-term preference of domestic handlers to sell products into the domestic inshell market. Longstanding business relationships with purchasers may also have been part of the reason for a high proportion of the short 1983/84 crop going into the domestic inshell market. It is noted that the season average price received for shipments into this market during 1983/84 was changed little from the season average price received for shipments in the previous 1982/83 crop year. Industry sources contend that when the price for inshell filberts in the United States reaches a high level (and depending on foreign supplies), imports of inshell filberts will increase.

Filbert kernels

During 1979/80 to 1983/84, the U.S. apparent consumption of filbert kernels increased from 8.4 million pounds (kernel weight) in 1979/80 to 12.6 million pounds in 1983/84, or by 50 percent (table 19). Consumption declined from 8.4 million pounds in 1979/80 to 6.4 million pounds the following year (1980/81 had the highest average world price for filbert kernels of any of the 5 years), then consumption increased each succeeding year to the 12.6-million pound level in 1983/84. During that 5-year period, the share of consumption that was accounted for by imports of filbert kernels ranged from a low of 52 percent in 1982/83 (the record high domestic production year) to a high of 68 percent in 1983/84 (the low domestic production year). The share of annual consumption supplied by shipments of domestic filbert kernels ranged from 32 percent to 48 percent, and averaged 41 percent over the period.

A comparison of the composition in the U.S. market of domestically produced filbert kernels with those kernels from foreign sources reveals that the domestic product is predominantly of larger sized kernels and the imported product is principally of smaller sized kernels. During 1981/82 to 1983/84, 61 percent of the domestic filbert kernel shipments to the U.S. market were

large-size kernels or larger. During the same period, 55 percent of the imports were of medium size or smaller. Blanched filbert kernels in the domestic market are available only from foreign sources but the class of "whole and broken" kernels is supplied only from domestic sources.

U.S. Imports

During 1979/80 to 1983/84, annual U.S. imports of inshell and shelled filbert kernels ranged from 4 million to 9 million pounds (on a kernel-weight-equivalent basis) and were valued at from $6.5 million to $9.0 million (table 20). Turkey supplied 80 percent (by value) of these imports and nearly all of the remainder was supplied by the EC, predominately by Italy. More than nine-tenths of the imports were shelled or prepared or preserved filberts, and the remainder was inshell filberts.

Inshell filberts

During 1979/80 to 1983/84, Italy supplied virtually all of the U.S. imports of inshell filberts (table 21). In 1981/82, the first year of the past 5 years to have any quantity of note of inshell filbert imports, imports from Italy amounted to 781,000 pounds, then in 1982/83 they rose to 864,000 pounds, before declining to 494,000 pounds in 1983/84. Total U.S. imports of inshell filberts during 1983/84, excluding Canada as a source, 1/ amounted to 568,000 pounds, as, in addition to Italy, Spain and France together supplied 74,000 pounds. During 1981/82 to 1983/84, the average annual unit values of inshell filbert imports from Italy declined from 67 cents per pound to 52 cents, and then to 44 cents, paralleling the price movement for prices received by domestic growers of filberts in that period.

Imports of inshell filberts have been a very small part of the U.S. apparent consumption of inshell filberts. The ratio of imports to consumption during 1982/83, the year of the largest volume of imports, was less than 9 percent.

Filbert kernels

Turkey supplied 82 percent of the quantity of U.S. imports of filbert kernels during the 5 crop years 1979/80 to 1983/84, Italy supplied 14 percent, other EC countries supplied 3 percent, and about 1 percent came from all other sources. The ratios by supplier sources during 1983/84 were nearly the same as the 5-year annual average ratios. However, it is noted that the share of annual imports of filbert kernels supplied by EC countries increased from 6 percent in 1979/80 to 26 percent in 1982/83 and then declined to 18 percent in 1983/84.

During 1979/80 to 1983/84, the year-to-year changes in the volume of U.S. imports of filbert kernels, which declined from 4.7 million pounds in 1979/80 to 3.8 million pounds in 1980/81 and then increased to 8.5 million pounds in 1983/84, appear to have been associated inversely with the year-to-year

---

1/ Reported imports from Canada in 1983/84 of 166,000 pounds, valued at $22,000, with a unit value of $0.13 per pound, were articles other than filberts.

changes in the average unit values of such imports (table 22). The increase in imports over the period was 80 percent. The average unit value of the U.S. imports of filbert kernels from all sources during 1979/80 was $1.71 per pound. The average unit value increased to $1.80 per pound in 1980/81 and the volume of imports declined 18 percent to 3.8 million pounds; in 1981/82 the average unit value fell sharply to $1.17 per pound and imports increased 35 percent to 5.1 million pounds; in 1982/83 the average unit value declined further to $1.07 per pound and imports increased 11 percent to 5.7 million pounds; and in 1983/84 the average unit value again declined to $1.03 per pound and imports increased 50 percent to 8.5 million pounds. The sharp increase in the 1983/84 imports over the 1982/83 imports was due, in part, to the very small U.S. crop of filberts in 1983, which was 8 million pounds (inshell orchard-run weight) or about 12 million pounds below the most recent 5-year annual average production of domestic filberts.

During 1979/80 to 1983/84, the ratio of filbert kernel imports to the apparent U.S. consumption of filbert kernels for all uses fluctuated from 52 percent in 1982/83 to 68 percent in 1983/84. Imports supplied an unusually large share of consumption in 1983/84 because of the short domestic crop.

Factors of Competition

Grade quality

In the United States, grade standards for filberts have been issued by the Oregon Department of Agriculture and by the U.S. Department of Agriculture. Separate Oregon grade standards are in effect for "Filberts (Hazelnuts) In Shell" and for "Filbert (Hazelnut) Kernels," and "United States Standards for Grades of Filberts In The Shell" are imposed by the USDA. 1/ The two grade standards for inshell filberts are virtually the same. There is no USDA standard for grade of filbert kernels; rather, Federal grade requirements on filbert kernels for purposes of inspections of imported filbert kernels under section 8(e) in fufillment of Federal marketing order requirements are established under rule making procedures. 2/

Inshell filberts.--The U.S. and Oregon standards for inshell filberts list the requirements to meet the described grade; set out the physical dimensions for each size classification (jumbo, large, medium, and small) for both round-type and long-type filbert varieties; set tolerance levels for filbert types, sizes, and defects allowed in any lot before marketing; and define the terms used under the listed grade. Under the standards for inshell filberts, "damage" means any defect which materially detracts from the appearance, or the edible or marketing quality of the filberts. Specific defects considered as damage include stains, adhering husk, shriveling, and discoloration. The tolerance level set for defects of inshell filberts is 10 percent for filberts which are below the requirements of this grade, 3/

1/ Grade standards for filberts applicable in the United States are reproduced in app. I.

2/ Current "grade requirements for domestic and imported filberts" were published in the Federal Register Mar. 24, 1982 (47 F.R. 12609), which is reproduced in app. I.

3/ There is only one grade for inshell filberts, called "Oregon No. 1" or "U.S. No. 1."

provided that not more than one-half of this amount or 5 percent shall consist of blanks, and not more than 5 percent shall consist of filberts with rancid, decayed, moldy or insect injured kernels, including not more than 3 percent for insect injury. The term "decayed" is not defined in the standards for inshell filberts. Inspections for grade start with random samples from several bags in the lot being examined, 1/ which are then thoroughly mixed and spread across a 100-hole inspection board. Inspectors first examine the 100 nuts for external defects and then crack each nut to inspect for internal defects. The grade tolerances for inshell filberts are measured by count of the nuts examined. Grade standards or tolerances for grade of inshell filberts have not been raised as an issue in import competition.

Filbert kernels.--Initially, there were no grade standards, or very minimal grade standards, on domestic or imported filbert kernels. Then in 1959, the Federal marketing order on filberts was amended to provide authority for establishment of minimum grades for domestic filbert kernels. The Oregon grade standards for filbert kernels became accepted, by amendments to the regulations, as the minimum grade standards for domestic shelled filberts. 2/ In 1976, quality grade standards on filberts issued by the State of Oregon provided specified requirements for tolerances of defects allowed in any shipment of filbert kernels. These requirements allowed a 5-percent tolerance for serious defects, including not more than a 1-percent tolerance for kernels which have mold, rancidity, or insect injury. These same requirements were applied to imported filbert kernels in December 1977, pursuant to Public Law 95-113 amending the portions of the Agriculture Marketing Agreement Act of 1937 governing imported commodities under marketing orders. In 1980, the State of Oregon revised its standards to include decay in the 1-percent tolerance along with mold, rancidity, and insect injury, and defined decay to mean that any portion of the kernel is decomposed. 3/ The Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture stated that decay is a deterioration or decline of the plant tissues involving decomposition which is induced by fungi, bacteria, and similar organisms, and which is of a complete and progressive nature; thus, from the standpoint of wholesomeness of any commodity for human consumption, decay is as serious a defect as mold, rancidity, and insect injury. 4/ There was now (in late 1980) a difference in the grade standards for filbert kernels being applied to domestic shippers and to importers, contrary to the goals of the marketing order, namely, the defect "decay" was not being counted by Federal inspectors under the 1-percent tolerance level for imported filbert kernels but was being measured under this level for Oregon filbert kernels. Thus, rulemaking procedures by the AMS were begun, and on March 24, 1982, Final Rules were published in the Federal Register concerning the grade requirements for domestic and imported filberts, setting forth "grade requirements for shelled filberts." 5/ The grading tolerances for defects are as follows: 5 percent

---

1/ A "lot" is any quantity offered for inspection, provided the character of the filberts in the lot is uniform throughout.

2/ 7 CFR 982.101

3/ There are three grades in the current Oregon grade standards for filbert kernels revised in 1980; these are Oregon Fancy, Oregon No. 1, and Oregon No. 1 Whole and Broken.

4/ 47 F.R. 12610.

5/ The 2-percent tolerance in this Federal Register notice was to be in effect until July 31, 1983; this expiration date was dropped on July 27, 1983, in 48 F.R. 3401.

for kernels or portions of kernels which are below the requirements of this grade, including not more than 2 percent for mold, rancidity, decay, or insect injury, provided that not more than 1 percent shall be for mold, rancidity, or insect injury. The tolerance for filbert kernels is measured by weight (not count as with inshell filberts) and the usual procedure of inspectors is to analyze (for defects and moisture) a 1,000-gram sample from the lot being inspected.

All lots of filbert kernels offered for entry into the United States are required to be inspected for grade quality by the AMS. During 1979/80 to 1983/84, the number of lots inspected increased irregularly from 189 in 1979/80 to 318 in 1983/84 (table 23). Measured against the two-stage criteria for tolerances set in the Final Rule of 1 percent for three defects (mold, rancidity, and insect injury) and 2 percent for four defects (mold, rancidity, insect injury, and decay), the percentage of lots from Turkey and Italy combined failing to pass these standards were 5 percent in 1979/80; 11 percent in 1980/81; 15 percent in 1981/82; 9 percent in 1982/83; and 6 percent in 1983/84. Thus, in 1983/84, 94 percent of the filbert kernel lots offered for entry met the two-stage criteria, including a tolerance of less than 2 percent for the four defects that included decay. Had the tolerance level for the four defects been 1.5 percent in 1983/84, 75 percent of the lots would have met the criteria; and had the tolerance level been 1 percent for the four defects, 52 percent of the lots would have met the criteria. Not every importer has the same experience with respect to his lots meeting the grade quality criteria. For example, for 10 importers having filberts kernels inspected in 1983/84, the share of their total lots inspected that met the 1-percent tolerance level for four defects ranged from 38 percent to 80 percent. 1/

According to European sources, there is no difference between the filbert kernel standards in Europe (including West Germany) and Turkey. 2/ It may happen, the source states, that Turkish standards cannot always be maintained. There is no artificial drying in Turkey and the large production quantities have to dry in the sun. "If weather is rainy, the drying of the nuts is difficult. Under these circumstances the tolerance of 2 percent bad kernels is difficult to maintain. In practice under these circumstances European importers accept a slightly higher tolerance. It must be added that some shellers in Turkey take the trouble to give the kernels an extra selecting, thus producing kernels according to the standard in any event. One of these shellers is Fiskobirlik. The extra selecting may cost an additional 5 percent of the price." 2/ The European standards for hazel nuts (i.e., filberts) as excerpted from the European Standards for Dry Fruit (Nuts) Recommended by the Working Party on Standardization of Perishible Produce of the Economic Commission for Europe are shown in appendix K.

1/ Inspection results by (unnamed) importer, October 1983-September 1984, as reported by the Agricultural Marketing Service, see app. J.

2/ Pisani E. Rickertsen, Hamburg, West Germany, enclosure in the statement submitted by the Association of Food Industries, Inc., in this investigation.

Prices

Filbert prices, in general, can be measured at four levels in the United States. The first is the price paid by handlers to the grower. The second is the f.o.b. selling price, which the handler receives from filbert wholesale-lot buyers, such as manufacturers, nut packers, and wholesalers. The third level is the wholesale market price, at which the wholesale distributor (or wholesale importer) sells to manufacturers, nut-packers, jobbers, specialty nut stores, or retail stores. The fourth level is the retail price, which the home consumer pays for filberts or for products containing filberts. This report addresses primarily the second price level, that is prices received by handlers or paid by importers or wholesale purchasers for the domestic or foreign product. 1/

Prices vary according to the type of filbert (inshell or kernels), and size of nut or size of kernel (medium, large, extra large, or jumbo). Moreover, transportation costs play a role in the price of filberts. All prices are in terms of product weight. The per pound price of kernels is higher than that of inshell filberts on an inshell-weight basis. However, the shellout ratio for U.S. filberts (the weight ratio of inshell to kernels), on average, is around 40 percent; i.e., 100 pounds of inshell filberts would produce about 40 pounds of filbert kernels. Therefore, the price of filbert kernels always appears higher than that of inshell filberts, but when the shellout ratio is taken into account, the price for inshell filberts is often higher than the price for filbert kernels.

Prices for imported blanched filbert kernels were generally higher than prices reported for imported unblanched filbert kernels. No U.S. handlers indicated that they produced blanched filberts during 1979-84 in their returned questionnaires.

Export prices for inshell filberts.--U.S. exports of inshell filberts accounted for about two-thirds (by value) of the total U.S. filbert exports in recent years. Changes in the export price of U.S. inshell filberts during these years have been small, partly due to the minimum export prices established by the Filbert/Hazelnut Marketing Board under the marketing order. The minimum export prices for inshell filberts from 1979 to 1984 are shown in table 24.

According to data submitted in response to Commission questionnaires, the prices U.S. exporters received for inshell filberts were usually very close to those of the minimum export prices. The average export price of inshell filberts received by exporters has exhibited a downward trend since 1980 (table 25). In general, the export price of jumbo-size inshell filberts has averaged 5 percent higher than the price of large-size inshell filberts. Both prices on a quarterly basis were at the highest level in October-December 1980 at about 85 cents per pound, and then declined to about 60 cents per pound for the large size and about 65 cents per pound for the jumbo size in 1983. From 1983 through the last quarter of 1984, the quarterly prices remained

---

1/ The U.S. import price, which the U.S. importer pays to the foreign supplier, is comparable to the f.o.b. selling price. Since most filberts are used as intermediate goods to make other products, this price level is the most important as far as this study is concerned.

essentially unchanged. 1/ The largest decrease in export prices for both sizes was in October-December 1982, when the price of large inshell filberts dropped by 14 percent and the price of jumbo inshell filberts dropped by 12 percent compared with opening season prices a year earlier. The 1982 fall crop was an industry record.

Domestic prices for inshell filberts.--As defined by the industry, a domestic handler is a firm that ships filberts from the States of Oregon and Washington. The net selling price (f.o.b. point of shipment) is the price that such firms receive for domestic sales of the specific size or class of filberts. The pattern of price changes in inshell filbert shipments to domestic markets is similar to that of inshell filbert price changes to export markets. Based on questionnaire data available, wholesale purchasers of inshell filberts pay about 15 percent less for foreign product from Italy than they do for domestic product. Another source stated that U.S. wholesale buyers of inshell filberts would always prefer the Oregon product over the Italian inshell filbert for a number of non-price reasons, including: shorter delivery time from date of order (days or weeks versus months for Italian filberts); new crop filberts for Oregon versus old crop for Italian (because inshell filbert sales are in October to December, ordering Italian inshell filberts months in advance of the marketing season precludes receiving new crop Italian filberts); better payment terms for Oregon filberts (net 30 days after receipt for Oregon versus payment in advance for Italian inshell filberts plus interest charges on the payment funds and costs of establishing letters of credit); and generally better appearance and larger size for Oregon inshell filberts. 2/ The source further said that if the price spread between the Oregon and Italian inshell filberts is too wide, it encourages buyers to purchase the Italian filbert. The price spread ranges from 7 cents to 15 cents per pound.

Domestic sources.--The price of inshell filberts from domestic sources for domestic sales is on an f.o.b. basis. During the period 1980-84 the average f.o.b. selling price for inshell filberts to domestic markets declined 24 percent (table 26). The selling price for large-size inshell filberts decreased from $0.86 per pound in October-December 1980 to $0.65 per pound in October-December 1984.

The f.o.b. prices in domestic markets for jumbo-size inshell filberts followed a pattern similar to those of the large-size inshell filberts; however, over the 1980-84 period, the quarterly prices for the jumbos were about 13 percent higher than the prices for the large inshell filberts. It is noted, however, according to questionnaire price information, that the large filberts accounted for 79 percent of the quotations, and the jumbo size inshell filberts accounted for only 21 percent.

1/ Throughout this report the average quarterly export price is defined as the sum of quarterly export sales (in terms of value) divided by the sum of quarterly export quantities (in terms of pounds) in the period. The average import price is defined in the same way. All prices derived from data submitted in response to questionnaires are average quarterly prices.

2/ Telephone interview by the staff with a significant wholesale purchaser of inshell filberts that has purchased both Oregon and Italian inshell filberts, on Feb. 15, 1985.

Foreign sources.--The Commission requested domestic purchasers and importers to report delivered prices for inshell filberts they purchased from both domestic and foreign sources. The delivered prices include transportation and insurance costs and import duties for imported products. According to this information, nearly all imports of inshell filberts were from Italy. The delivered average quarterly price of inshell filberts from Italy ranged from $0.68 per pound to $0.54 per pound during the six quarters for which data were supplied (table 27). The delivered price of inshell filberts from Italy was always lower than that of inshell filberts from Oregon or Washington in the same quarter. For the four quarters that prices for both Italian and domestic inshell filberts were reported, the imported product averaged 15 percent lower.

Domestic prices for filbert kernels.--During the sample period, handlers charged their domestic purchasers in accordance with the size or class of the filbert kernels. Domestic filbert kernels can be divided into four categories--medium, large, extra large, and the category called whole and broken kernels, which includes small kernels and kernels chipped or broken in the shelling operations.

Domestic sources.--From the fourth quarter of 1979, the f.o.b. selling prices to domestic markets for filbert kernels generally increased to their peak in 1980 and then declined to low levels in 1983 before increasing somewhat in 1984 (table 28). For example, when the new crop was available in October-December 1980, the price of medium kernels rose to $2.24 per pound compared with $1.87 a year earlier. The price dropped sharply for the 1981 crop to $1.55 per pound in October-December 1981, and declined further for the 1982 and 1983 crops but increased for the 1984 crop to $1.49 per pound in the October-December quarter.

Over the entire 21 quarters of prices examined, the variation in the average quarterly prices for the three filbert kernel sizes was only 2 percent; whereas, as a group, the size-graded-kernel prices averaged 9 percent higher than the whole and broken class. Thus, it is not clear whether size is a main determinant of filbert kernel prices. It is further noted that during the 21-quarter period, the prices for the medium kernels were the highest of any size or class in 10 quarters; the prices for the extra large filberts were highest in 6 quarters; those for large kernels were highest in 4 quarters (one tie); and whole and broken kernels were highest in 2 quarters. One possibility for the lack of clear price leaders by size or class is that purchasers may prefer filberts in a uniform size regardless of the size.

During the period October 1979-December 1984, the delivered price for domestic large kernels approached a peak of $2.43 per pound in April-June 1981 and started its downward trend in July-September 1981 (table 29). The price dropped to its lowest level of $1.19 per pound in April-June 1983. The quarterly price then rose irregularly through 1983 and 1984 and ranged from $1.27 to $1.34 per pound in the latter year. The delivered price for broken or whole and broken kernels fluctuated widely from $2.29 per pound in April-June 1981 to $0.94 per pound in January-March 1984.

Compared with the delivered price of Turkish large kernels, the price of domestic large kernels was higher in 15 of the 21 quarters, but the price of Turkish large kernels was higher in the first 4 quarters of the period and in the first 2 quarters of 1983. A comparison of delivered prices of U.S. and

Italian large kernels shows that the domestic product was higher in 7 of 11 quarters, including each quarter of 1984, when the U.S. kernels were from 4 to 10 percent higher in price. The price of domestic medium kernels was also generally higher than the price of such kernels from Turkey or Italy.

Foreign sources.--U.S. imports of shelled filberts are mainly supplied by Turkey. According to questionnaire information, Italian filbert kernels accounted for only about 12 percent of total U.S. imports of the shelled filberts during the 21-quarter sample period. Delivered prices for imported shelled filberts are divided into three groups--medium, large, and blanched. No domestic shelled filberts are blanched. During the sample period, changes in the delivered prices for Turkish kernels to the United States mirrored those of the world prices of filberts.

During the period October 1979-December 1984, the delivered price of imported large kernels from Turkey reached a peak of $2.34 per pound in January-March 1980 and then declined to $2.11 per pound in October-December 1980 when the 1980/81 crop became available (table 30). The price continued its downward trend in 1981 and 1982, and remained at a relatively low level through 1984. In general, changes in the delivered prices of other Turkish kernels mirrored those of Turkish large-size kernels. The prices of medium kernels and blanched kernels started declining in October-December 1980 and continued until October-December 1984 when the price for blanched kernels increased. The price of large Turkish kernels was higher than that of medium kernels for 67 percent of the observations where comparisons could be made, and the price of Turkish blanched kernels was higher than both medium-size and large-size kernels in 88 percent of the comparable quarters.

The delivered price of Italian blanched kernels was always lower than that of Turkish blanched kernels. Also, the price of Italian medium kernels was always higher than that of Turkish medium kernels in the nine quarters in which the United States imported kernels from both countries. The price of large kernels imported from Italy was generally, but not always, higher than the price of large kernels imported from Turkey.

Transportation costs

Since commercial production of filberts in the United States is in the States of Oregon and Washington, in the very northwestern sector of the country, distances to major users may be substantial, particularly for those located in the Middle West and on the east coast. In the U.S. filbert market, buyers rather than suppliers are usually responsible for transportation costs, and the transportation costs are an element in the competitiveness of U.S.-produced filberts with imported filberts.

The Commission asked (through questionnaires) domestic handlers the cost of shipping filberts (as a share of price) from their plants to their markets in the United States. Responses from handlers show that about two-thirds of domestic sales of filberts were shipped by truck, and the rest were shipped by

train. 1/ In addition, the Commission asked purchasers to indicate the share of the delivered price that was accounted for by transportation costs to their place of business from the source of their filbert purchases.

The cost of transportation varies mainly with the distance traveled, the mode of transportation used, the quantity shipped, and the availability of transporting vehicles. Responses from purchasers (including importers) questionnaires show the cost of transportation for filbert kernels imported from Turkey ranged from 4.5 percent to 15 percent of delivered value and averaged for all shipments 9.2 percent; and for filberts imported from Italy, transportation costs ranged from 7 percent to 18 percent and averaged 11.7 percent for all shipments. For domestic filbert kernels shipped from Oregon or Washington, as reported by domestic handlers, transportation costs to east coast locations ranged from 3.8 percent to 5.5 percent. Although the freight rates, in terms of weights, are usually the same for inshell filberts and filbert kernels, the cost of transporting inshell filberts is higher relative to the delivered value than it is for filbert kernels. Although the cost of transporting filbert kernels in general increases with the distance traveled, handlers on the west coast have a transportation advantage compared with foreign filbert kernels sold in east coast markets where most of the foreign filbert kernels are landed.

Trucks.--Trucks are the principal mode of transporting domestic filberts for both short and long distances. Purchasers prefer using trucks to save time. According to a major purchaser in the New England area, it takes 4 days for trucks to transport filberts from Portland, Oregon to his plant, and it would take 7 to 8 days by train. Also, trucks are preferred because many purchasers are located at places where railroad service is not available, and most of their purchases are in less than truckload lots. 2/ Transportation of filberts by truck is also used between the original shipper and railroads and ocean piers.

The Interstate Commerce Commission deregulated the trucking industry in 1980. Since then, the price competition has narrowed price differences among trucking companies and lowered the average price. The freight rates of trucking between Portland, Oregon, and the cities to which most filberts are shipped are given for January 1985 in table 31.

Railroads.--Railroads are the secondary mode for filbert transportation in terms of the volume moved. Railway service has never been in short supply, even during the October-December inshell filbert marketing season, according to transportation sources. Three railroad companies -- Burlington Northern, Union Pacific, and Southern Pacific -- serve the Portland area. According to Burlington Northern, filberts and other edible nuts are usually transported in bags by boxcars.

1/ This observation is based in part on the staff's telephone interviews. Since the prices of filberts are on an f.o.b. basis, most handlers are not sure what transportation modes are used. Three of the major processors indicated in the questionnaire that truck transport was usually used. Another major processor indicated that both trucks and trains were used to move his filberts.

2/ According to a major handler, 90 percent of its kernel sales were made at amounts less than a full truckload.

In 1980, after the deregulation of the airline and trucking industries, Congress passed the Stagger Rail Act which allowed railroads to operate in a free-market system. The Interstate Commerce Commission classified filberts both inshell and shelled as an exempt commodity. Individual railroad companies can set their rates freely. Two of the railroad companies that serve the Portland area indicated that they charge the same rates per 100 pounds for inshell filberts and filbert kernels. Rates charged by Burlington Northern on edible nuts from Portland to 10 selected cities are shown in table 32.

The railroad rates for Portland-Mobile, Portland-Atlanta, and Portland-Houston are lower than those of the corresponding truck rates. The railroad rates from Portland to the other seven cities listed are higher than those for truck transport. The highest rates for both modes are those for Portland-Boston, Portland-New York, and Portland-Baltimore.

Ocean ports.--Most U.S. imports of filberts are from Turkey, and most of them pass through the Port of New York. Other filbert-importing ports include Baltimore, Philadelphia, and Norfolk.

Most U.S. filbert exports go through west coast ports. Two major U.S. exporters indicated that they use the Port of Portland as much as possible. Seattle and San Francisco are two other ports used for exportation. Very few domestic filberts were exported through east coast ports.

Other factors of competition

In the Commission's questionnaire, sent to importers and purchasers, respondents were asked to indicate their assessment of whether domestic or foreign filberts in three specified classes had the overall competitive advantage in the U.S. market for products their firms sold. For all filberts as a group, 19 of the 29 respondents that provided usable information gave Turkey the overall competitive advantage, 10 respondents the United States, 6, for Italy, and 2 respondents rated no overall competitive advantage to any individual supplier for any of the 3 filbert classes.

Respondents were given a list of 18 possible competitive factors in the questionnaire, plus options for write-in factors. Of the three countries listed, Turkey held the highest score of responses in seven of the factors, the United States had the highest score in six, Italy in one, and Turkey and the United States tied in one more. Respondents could also say that there was no difference among suppliers, and the category for "same" had the highest score for three factors, plus one more "same" tied with the United States. Shown in the following tabulation are the eighteen listed factors and the respondents' ratings:

Item	Turkey	United States	Italy	Same
Production volume	17	4	1	3
Seasonality	10	5	1	7
Availability in the market	14	8	2	2
Dependability in the market	12	8	2	3
Packaging	4	14	1	5
Quality 1/	10	12	5	4
Overall appearance	5	14	3	5
Size or shape of nut	6	12	2	6
Flavor of nut	16	5	4	2
Oil content	10	4	3	7
Supply controls	2	5	1	5
Production purchase arrangements	2	5	1	7
Loan assistance	2	3	1	8
Market entry price	10	4	2	5
Transportation costs	5	12	2	2
Financing	1	5	-	7
Historic supplier relationships	9	9	1	3
Currency exchange rates	7	4	9	2
Total count	142	133	41	83

1/ Not defined in the questionnaire.

In another section of the Commission's questionnaire sent to importers and purchasers, respondents were asked to describe any special factors (e.g., kind of product, origin, marketing practices, prices, type of customer, etc.) that they believed may make their customers more attracted to imported filberts rather than domestic filberts. The responses are listed below:

1. Price and availability of supply were reported to be the leading factors to purchasers of imported filberts.
2. Customers prefer Turkish filberts.
3. Imports are deemed necessary to stabilize price.
4. Oregon cannot produce enough filberts for domestic use.
5. Domestic filberts do not blanche well.

World inventories for filberts at the beginning of each crop year during the period 1979/80 to 1984/85 have generally risen, even though such inventories have been annually cyclical following the previous year's cyclical production. World filbert inventories at the beginning of each crop year increased from 39 million pounds (inshell weight) in 1979/80 to 109 million pounds in 1983/84, which were two low-cycle years; and from 125

million pounds in 1980/81 to 311 million pounds in 1984/85, which were two high-cycle years for inventories. World filbert inventories for 1979/80-1984/85 are shown in the following tabulation assembled from other tables in this report: 1/

Crop year	Turkey	Italy	Spain	United States	Total
	Million pounds, inshell weight				
1979/80	22	9	4	4	39
1980/81	110	9	3	3	125
1981/82	88	11	3	4	106
1982/83	220	3	11	2	236
1983/84	99	1	5	4	109
1984/85	297	1	11	2	311

Turkey generally accounted for more than 90 percent of the world inventories. U.S. annual beginning inventories fluctuated narrowly between 2 million and 4 million pounds, indicating stocks withheld from market to meet demands during the early part of the new crop year.

PRINCIPAL FOREIGN MARKETS FOR U.S. FILBERTS

The principal foreign markets for U.S. filberts are Canada and the EC. As indicated earlier, the greater part of U.S. exports are inshell filberts rather than filbert kernels. During 1979-83, the United States was the major foreign supplier of inshell filberts to the Canadian market, accounting for 85 percent of the total imported by Canada. The principal U.S. competitors were Italy and Turkey. In the EC, the United States accounted for 68 percent of that market's inshell filbert imports; Turkey supplied most of the remainder of EC's inshell imports. The United States is a secondary supplier of filbert kernels to the Canadian market and a residual supplier to the EC. During the 5-year period, the United States held one-third of the Canadian import market for filbert kernels and less than 1 percent of the EC market. Turkey was, by far, the principal supplier to both markets.

The European Community

The EC market consists of the 10 member countries of the European Community. In the EC, West Germany is by far the principal market for filberts. In recent years, the per capita consumption of filberts in that country is reported to be 2.15 pounds. 2/

1/ Tables 12, 15, and 17 for Turkey, Italy, and Spain, respectively; U.S. beginning inventories are from the Filbert/Hazelnut Marketing Board.

2/ Reported in the 1984 annual report of the Filbert/Hazalnut Marketing Board.

EC market description

In the EC, filberts are produced in Italy, Greece, and France. Italy is the largest producer, representing over 90 percent of EC's production. Italy also accounts for about one-fifth of the world production of filberts. In recent years, West Germany accounted for more than 60 percent of the total EC imports of filbert kernels. It appears that filberts are much more popular in Europe than in the United States in the manufacture of candy and bakery products. European filbert importers are principally confectioners (chocolate bar manufacturers), bakers, and nut roasters/mixers. According to information obtained in the investigation, approximately 80 percent of all filberts imported into Europe were sold to major chocolate manufacturers. 1/

EC consumption

During 1979-83, aggregate consumption of inshell filberts and filbert kernels in the EC rose irregularly from 240 million pounds (kernel-weight basis) in 1979 to 279 million pounds in 1982 and then declined to 257 million pounds in 1983 (table 33). Approximately 90 percent of the consumption was marketed as filbert kernels. The EC's filbert consumption was supplied primarily by countries outside the EC. During 1979-83, the ratio of imports (excluding trade between member countries) to consumption declined irregularly from 73 percent to 60 percent. Turkey and Spain were the primary foreign suppliers of filberts to the EC.

EC imports and exports

During 1979-83, EC imports of filberts (excluding intra-EC trade) declined irregularly, from 174 million pounds to 155 million pounds (table 33). When annual imports declined or increased, alternate changes occurred in annual production. Filbert kernels from Turkey made up the majority of imports into the EC during 1979-83 (table 34). Of all filberts imported by the EC in 1983, 95 percent were filbert kernels and 5 percent (on a kernel-weight basis) were inshell filberts. The United States was a supplier of filberts to the EC; however, in relation to the total, imports from the United States were small, amounting to less than 1 percent of the total in each year during the period. Imports from the United States were primarily inshell filberts.

EC exports of filberts are predominantly supplied by Italy. During 1979-83, exports of filberts (excluding intra-EC trade) ranged from 16 million pounds to 41 million pounds. Switzerland, European nonmarket economy countries, and Yugoslavia were the principal markets (table 16). In 1983, 88 percent of the EC exports were shelled filbert kernels and 12 percent (on a kernel-weight basis) were inshell filberts. The United States, also an export market for EC filberts, was small in relation to total exports, accounting for only 3 percent of the exports to nonmember countries in 1983. Exports to the United States were predominately filbert kernels.

The EC has general rules for the granting of refunds on exports of fruit and vegetables (filberts are included under this category) and criteria for

---

1/ Submission by J. H. Rayner (Mincing Lane) LTD., London, England, to the U.S. International Trade Commission, dated Jan. 14, 1985 (app. L).

fixing their amounts, including filberts. These export refunds are determined by taking into account: (1) Community prices and quantities available, (2) world prices, and (3) their differential as adjusted by transportation costs and considerations (Regulation (EEC) No. 2518/69 of the Council of 9 Dec. 1969, app. M).

Factors of competition in the EC

The principal market in the EC for U.S. filberts is the jumbo-sized inshell filberts sold in West Germany. One of the varieties being planted in France is the Ennis, a recently developed variety with a high proportion of filberts of the larger sizes. If present plantings are successful and more are planted (French production of filberts has doubled in recent years), French produced Ennis filberts will likely compete with U. S. inshell filberts in the West German market.

Quality considerations are a factor of competition. There are no official minimum grade requirements for imports of filbert kernels (or any other nuts) into West Germany from the United States or any other third country. 1/ Importers generally specify type, quality, and size requirements in their individual contracts under voluntary, mutually agreed upon contract terms. Filbert imports must satisfy German Food Law requirements, including labeling, packaging, and basic quality requirements (e.g., the product must meet the quality stated on the label). The product must not be deteriorated or otherwise harmful to health. The most important applicable Government ordinance for filberts is the pesticide residue ordinance for a number of active agents, primarily storage protectants. Importers are held responsible for ensuring that imported food products meet the food law requirements. Importers regularly take samples and have them analyzed by private, officially recognized, food laboratories. German food inspection authorities check the residue level, packaging, labeling, and certain quality factors by purchasing samples at random in retail shops. If the product does not satisfy the requirements, it is taken from the shelf and the store manager/importer is fined.

Canada

Canada produces filberts commercially only in the Province of British Columbia on the Pacific coast. During 1979-83, Canadian filbert production averaged 483,000 pounds annually. The production is sold fresh inshell but is not sufficient to meet national demands. In fact, the average prices received by Canadian growers for filberts in 1984 was double that which Oregon growers received for filberts, after taking into account currency exchange rates.

Market description and consumption

Filberts are used in Canada in much the same way as they are in the United States. That is, inshell filberts are used in inshell nut mixtures or

1/ Foreign Agricultural Service, U.S. Department of Agriculture, telegram dated Feb. 5, 1985.

for cracking out-of-hand. Filbert kernels are used largely by industrial consumers such as bakers and in roasted nut mixtures.

On a kernel-weight basis, the greater part of Canada's consumption of filberts is as filbert kernels, all of which are imported. During the period 1979-83, Canadian consumption of filbert kernels declined from 2.1 million pounds in 1979 to 1.7 million pounds in 1981 and then rebounded to nearly 2.1 million pounds in 1983. Canadian consumption of inshell filberts has shown no discernible trend in recent years. During 1979-83, such consumption ranged from 1.7 million to 2.3 million pounds annually and averaged 2.1 million pounds (table 35). Imported inshell filberts accounted for 71 to 86 percent of consumption during the 5-year period. Per capita consumption of filberts in Canada is below that of European countries but somewhat above that in the United States. In 1983, Canadians consumed about 0.1 pound of filberts (kernels and inshell equivalent) per person.

Canadian imports

During 1979-83, aggregate imports of filbert kernels and inshell filberts (in kernel-weight equivalent) ranged from about 2.4 million to 2.8 million pounds annually and averaged 2.5 million pounds, valued at $4.3 million (Can). About three-fourths of Canada's imports of filberts were as filbert kernels. During the 5-year period, imports of filbert kernels averaged 1.9 million pounds annually and those of inshell filberts averaged 648,000 pounds (kernel-weight equivalent). Turkey supplied 56 percent of the Canadian imports of filbert kernels and the United States accounted for 32 percent during 1979-83; nearly all of the remainder (12 percent) came from the EC and Switzerland. The United States was the dominant foreign supplier of inshell filberts to the Canadian market. During 1979-83, the U.S. share of that market was 85 percent; the remainder came from Italy (12 percent), Turkey (2 percent), and several European sources (1 percent).

Factors of competition in Canada

Canada's production of filberts is small in relation to its consumption of the nuts and, thus, must depend on foreign suppliers to meet much of its requirements. During 1979-83, U.S. producers supplied about two-thirds of the inshell filbert market in Canada and one-third of the filbert kernel market. In the inshell market, U.S. filberts face competition primarily from Canadian filberts, which accounted for 23 percent of the total, and Italian nuts, which supplied 9 percent. Although the United States dominates the Canadian inshell market, it is a strong secondary supplier (behind Turkey) in the filbert kernel market. During 1979-83, the average unit value of Canadian imports of filbert kernels from the United States was lower than that from Turkey in 3 years (1980, 1981, and 1983) and higher in 2 years (1979 and 1982); imports from other sources generally had higher average unit values than those from the United States. Canadian and U.S. producers supply most of the Western Canada filbert market, and the bulk of the nuts in Eastern Canada come from Turkey and Europe. And as in the United States, filberts in Canada face competition from other nuts, which are grown in the United States and elsewhere, for the Canadian consumer's dollar.

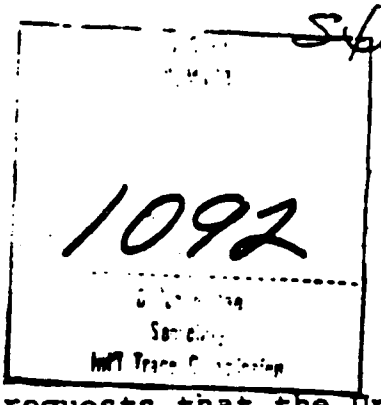
APPENDIX A

COPY OF LETTER CONCERNING FILBERTS TO CHAIRWOMAN STERN FROM SENATOR ROBERT J. DOLE, CHAIRMAN, U.S. SENATE COMMITTEE ON FINANCE, REQUESTING AN INVESTIGATION

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

August 10, 1984



Honorable Paula Stern
Chairman
U.S. International Trade Commission
701 E Street, N.W.
Washington, D.C. 20436

Dear Madam Chairman:

The Senate Committee on Finance requests that the United States International Trade Commission conduct an investigation under section 332 of the Tariff Act of 1930 on the competitive position of imported filberts in the U.S. market.

The Commission's investigation should examine the conditions of competition that have affected the U.S. filbert industry and the filbert industries of the major foreign suppliers over the last five years. It should concentrate on the competitive position of imported filberts in U.S. markets, the grading standards employed on the domestic and imported products, and U.S. producers' competitive position in foreign markets.

The products to be investigated should include in-shell filberts and shelled, blanched, or otherwise prepared or preserved filberts.

The Commission's report on this investigation should include, to the extent possible, information with respect to the following:

-- A profile of the U.S. filbert industry, including the number of growers and processors and geographic distributio

-- A comparison of U.S. and foreign tariff and nontariff trade barriers, such as grading standards and sanitary regulations.

-- International trade agreements bearing on trade in filberts

-- Factors of competition between U.S. and major foreign suppliers in the U.S. market, including a discussion of the levels and trends in consumption, production, inventories, imports, and exports.

-- A comparison of prices of U.S. and imported filberts.

-- The levels and trends in employment of U.S. growers and processors of filberts.

-- A comparison of transportation costs for domestic and imported filberts to major U.S. market areas.

-- A comparison of the marketing practices of U.S. and foreign suppliers.

The final report should be transmitted to the Committee on Finance not later than eight months after receipt of this request.

Sincerely,

BOB DOLE
Chairman

BD:tkk

APPENDIX B

FEDERAL REGISTER NOTICES FOR: NOTICE OF INSTITUTION OF INVESTIGATION NO. 332-193 (49 F.R. 35875); CORRECTION TO THE NOTICE (49 F.R. 39923); AGENCY FORM SUBMITTED FOR OMB REVIEW OF QUESTIONNAIRES (49 F.R. 39922); AND EXTENSION OF TIME FOR SUBMITTING WRITTEN STATEMENTS (49 F.R. 47580)

the Federal Register. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment. Such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why confidential treatment should be granted. The Commission will either accept the submission in confidence or return it.

FOR FURTHER INFORMATION CONTACT: Ruby J. Dionne, Office of the Secretary, U.S. International Trade Commission, telephone 202-523-0176.

Issued: September 7, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-24117 Filed 9-11-84; 8:45 am]

Billing Code 7020-02-M

[332-162]

Cancellation of Hearing on Foreign Industrial Targeting

AGENCY: United States International Trade Commission.

ACTION: Cancellation of hearing.

Background

The Commission instituted the present investigation on its own motion under section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)) on April 19, 1983, at the request of the Subcommittee on Trade of the House Committee on Ways and Means. The original notice of investigation, published in the Federal Register of May 11, 1983 (48 FR 21210), announced that the investigation would be divided into three phases: the first to consider Japanese industrial targeting, the second to consider the European Community's industrial targeting, and the third to consider industrial targeting of other major U.S. trading partners. The first and second phases of the study have been completed and reports published (USITC Publications 1437 in October 1983 and 1517 in April 1984). The third phase of the study was initiated on June 1, 1984, and a notice was published in the Federal Register of June 6, 1984 (49 FR 23463).

Public Hearing

A public hearing was scheduled to be held in the Commission Hearing Room in Washington, D.C., beginning at 10 a.m. on September 11, 1984. Because there were only three witnesses requesting an opportunity to testify, the Commission has canceled the hearing.

Written Submissions

In lieu of or in addition to appearance at the public hearing, interested persons were invited to submit written statements concerning the investigation no later than October 10, 1984. Because of the cancellation of the hearing, written submissions concerning the investigation will be received until October 31, 1984.

Issued: September 7, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-24120 Filed 9-11-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-183]

Certain Indomethacin; Hearing

Notice is hereby given that a prehearing conference in this matter will be held at 9:00 a.m. on September 17, 1984, in Hearing Room F at the Interstate Commerce Commission Building, 12th & Constitution Avenue, NW., Washington, D.C., and the hearing will commence immediately thereafter.

The Secretary shall publish this notice in the Federal Register.

Issued: September 6, 1984.

Janet D. Saxon,

Administrative Law Judge.

[FR Doc. 84-24116 Filed 9-11-84; 8:45 am]

BILLING CODE 7020-02-M

[332-192]

Conditions of Competition Between the U.S. and Major Foreign Filbert Industries

AGENCY: United States International Trade Commission.

ACTION: Institution of an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1322(g)) for the purpose of assessing the competitive position of filberts in the U.S. and major foreign markets.

EFFECTIVE DATE: September 4, 1984.

FOR FURTHER INFORMATION CONTACT: Mr. Alvin Z. Macomber, principal analyst (telephone 202-724-1765) or Mr. David L. Ingersoll, Chief, Agriculture, Fisheries, and Forest Products Division (telephone 202-724-0068), U.S. International Trade Commission, Washington, D.C. 20436.

Background and Scope of Investigation

At the request of the United States Senate Committee on Finance, the Commission has instituted investigation No. 332-192 under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) for the purpose of gathering and presenting information on the competitive and economic factors affecting the U.S. filbert nut industry in U.S. and major foreign markets and the competitive position of the major foreign suppliers in these markets. In some markets, filberts are also referred to as hazelnuts. Specifically, the Commission has been asked to:

(A) Profile the U.S. filbert industry,

(B) Compare U.S. and foreign tariff and nontariff barriers, such as grading standards and sanitary regulations,

(C) Describe international trade agreements bearing on trade in filberts,

(D) Discuss factors of competition between U.S. and major foreign suppliers in the U.S. market,

(E) Compare prices of U.S. and imported filberts,

(F) Identify the levels and trends in employment of U.S. growers and processors of filberts,

(G) Compare transportation costs for domestic and imported filberts to major U.S. market areas, and

(H) Compare marketing practices of U.S. and foreign suppliers.

The Committee specified that the products to be investigated should include in-shell filberts, and shelled, blanched, or otherwise prepared or preserved filberts. The Commission expects to complete its study by April 16, 1985.

Written Submissions

Interested persons are invited to submit written statements concerning the investigation. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of § 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. To be ensured of consideration by the Commission, written statements should be received by the Commission at the earliest practicable date, but not later than December 31, 1984. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C.

Issued: September 7, 1984.

a manner that would reveal the individual operations of a firm.

Additional Information or Comment

Copies of the proposed form and supporting documents may be obtained from Charles Ervin, the USITC agency clearance officer (Tel. No. 202-523-4463). Comments about the proposals should be directed to the Office of Information and Regulatory Affairs of OMB, Attention: Francine Picoult, Desk Officer for U.S. International Trade Commission. If you anticipate commenting on a form but find that time to prepare comments will prevent you from submitting them promptly you should advise OMB of your intent as soon as possible. Copies of any comments should be provided to Charles Ervin (United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436).

Issued: October 4, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-26894 Filed 10-10-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-149; Final]

Barium Chloride From the People's Republic of China

AGENCY: U.S. International Trade Commission.

ACTION: The Commission hereby gives notice that it will take final action in the above-referenced investigation on or before October 11, 1984.

SUPPLEMENTARY INFORMATION: In conformance with section 735(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(2)(B)), the Commission must conclude its investigation no later than 45 days after a final affirmative determination by the Department of Commerce. As Commerce had scheduled its final determination for August 20, 1984 (49 FR 22365, May 29, 1984), the Commission had scheduled its final action in this investigation for no later than October 4, 1984. However, Commerce did not take final action until August 27, 1984. Accordingly, the Commission's statutory deadline for the investigation is October 11, 1984, and the Commission will take final action by that date.

FOR FURTHER INFORMATION CONTACT: Jack Simmons, Office of the General Counsel, telephone 202-523-0493.

Authority: 19 U.S.C. 1673d(b)(2)(B).

Issued: October 4, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-26870 Filed 10-10-84; 8:45 am]

BILLING CODE 7020-02-M

Conditions of Competition Between the U.S. and Major Foreign Filbert Industries; Correction

AGENCY: United States International Trade Commission.

Correction

In Federal Register Doc. 84-24124, published in Federal Register on page 35875 in issue of Wednesday, September 12, 1984, the investigation number appeared incorrectly. It should have been 332-193 instead of 332-192. This number appeared in the heading and in the last line of the second column on page 35875.

By order of the Commission.

Issued: October 2, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-25885 Filed 10-10-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-205]

Certain Dialyzers Using Telescoping Connectors for Fluid Lines; Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Institution of investigation pursuant to 19 U.S.C. 1337.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on August 29, 1984, under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), on behalf of Baxter Travenol Laboratories, Inc., One Baxter Parkway, Deerfield, Illinois 60015. An amended complaint was filed on September 14, 1984. The complaint as amended alleges unfair methods of competition and unfair acts in the importation into the United States of certain dialyzers using telescoping connectors for fluid lines, or in their sale, by reason of alleged infringement of claims 1, 2 and 3 of U.S. Reexamined Patent B1 4,198,080. The complaint further alleges that the effect or tendency of the unfair methods of competition and unfair acts is to destroy or substantially injure an industry, efficiently and economically operated in the United States.

The complainant requests the Commission to institute an investigation and, after a full investigation, to issue a permanent exclusion order.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sulzer, Esq., Unfair Import Investigations Division, U.S. International Trade Commission, telephone 202-523-0419.

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930 and in § 210.12 of the Commission's Rules of Practice and Procedure (19 CFR 210.12).

Scope of Investigation

Having considered the complaint, the U.S. International Trade Commission, on September 25, 1984, ordered that—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, an investigation be instituted to determine whether there is a violation of subsection (a) of section 337 in the unlawful importation into the United States of certain dialyzers using telescoping connectors for fluid lines, or in their sale, by reason of alleged infringement of claims 1, 2, and 3 of U.S. Reexamined Patent B1 4,198,080, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States.

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is—Baxter Travenol Laboratories, Inc., One Baxter Parkway, Deerfield, Illinois 60015.

(b) The respondent is the following company, alleged to be in violation of section 337, and is the party upon which the complaint is to be served: Terumo, 44-1, 2-Chome, Hatagaya, Shibuya-Ku, Tokyo, Japan.

(c) Stephen L. Sulzer, Esq., Unfair Import Investigations Division, U.S. International Trade Commission, 701 E Street NW., Room 124, Washington, D.C. 20436, shall be the Commission investigation attorney, a party to this investigation; and

(3) For the investigation so instituted, Janet D. Saxon, Acting Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding officer.

Responses must be submitted by the named respondent in accordance with § 210.21 of the Commission's Rules of Practice and Procedure (19 CFR 210.21). Pursuant to §§ 201.16(d) and 210.21(a) of the rules, such responses will be considered by the Commission if received not later than 20 days after the date of service of the complaint. Extensions of time for submitting a response will not be granted unless good cause therefore is shown.

the CFR, that the Coastal Management Section/Louisiana Department of Natural Resources is reviewing the DOCD for consistency with the Louisiana Coastal Resources Program.

Revised rules governing practices and procedures under which the Minerals Management Service makes information contained in DOCDs available to affected states, executives of affected local governments, and other interested parties became effective December 13, 1979 (44 FR 53685). Those practices and procedures are set out in revised § 250.34 of Title 30 of the CFR.

Dated: September 28, 1984.

John L. Rankin,

Regional Manager, Gulf of Mexico OCS Region.

[FR Doc. 84-26803 Filed 10-10-84; 8:45 am]

BILLING CODE 4310-MR-M

National Park Service

Delaware Water Gap National Recreation Area; Cancellation of the Draft General Management Plan and the Draft Environmental Impact Statement, and the Preparation of a Revised Draft General Management Plan/Environmental Assessment

ACTION: Notice.

SUMMARY: This notice announces the cancellation of the draft General Management Plan (GMP) and the draft Environmental Impact Statement (EIS) which was released in 1980 for the management of the land at Delaware Water Gap National Recreation Area. This notice also announces to the public that a revised combined draft General Management Plan/Environmental Assessment will be prepared to evaluate alternatives for developing the National Recreation Area.

SUPPLEMENTARY INFORMATION: During the evaluation of the original draft General Management Plan and the draft Environmental Impact Statement, the National Park Service made a determination that the proposed development of the land at the Recreation Area is not a major Federal action requiring the preparation of an environmental impact statement. Therefore, based on the above determination, the National Park Service is cancelling the original draft GMP and EIS and replacing it with a revised GMP/EA. In addition, the National Park Service will also seek further input to the scoping process for the GMP/EA. The revised GMP/EA will be available for public review for no less than 60 days.

FOR FURTHER INFORMATION CONTACT: Albert A. Hawkins, Superintendent, Delaware Water Gap National Recreation Area, Bushkill, Pennsylvania 18324, Telephone (717) 588-6637.

Dated: September 26, 1984.

James W. Coleman, Jr.,

Regional Director, Mid-Atlantic Region.

[FR Doc. 84-26770 Filed 10-10-84; 8:45 am]

BILLING CODE 4310-70-M

INTERNATIONAL TRADE COMMISSION

Agency Form Submitted for OMB Review

AGENCY: United States International Trade Commission.

ACTION: In accordance with the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35), the Commission has submitted a proposal for the collection of information to the Office of Management and Budget for review.

Purpose of Information Collection

The proposed information collection is for use by the Commission in connection with investigation No. 332-193, Conditions of Competition Between the U.S. and Major Foreign Filbert Industries, instituted under the authority of section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

Summary of Proposals

(1) Number of forms submitted: two.

(2) Title of forms:

(a) Filberts—Processors' or Handlers' Questionnaire.

(b) Filberts—Importers' and Purchasers' Questionnaire.

(3) Type of request: new.

(4) Frequency of use: nonrecurring.

(5) Description of respondents: Firms in the States of Oregon and Washington will receive the Processors' of Handlers' Questionnaire while the Importers' and Purchasers' Questionnaire will be sent to firms throughout the United States, but located primarily in the New York City metropolitan area.

(6) Estimated number of respondents: 40.

(7) Estimated total number of hours to complete the forms: 840.

(8) Information obtained from the form that qualifies as confidential business information will be so treated by the Commission and not disclosed in a manner that would reveal the individual operations of a firm.

Additional Information or Comment

Copies of the proposed form and supporting documents may be obtained from Alvin Z. Macomber, USITC (tel. no. 202-724-1765). Comments about the proposals should be directed to the Office of Information and Regulatory Affairs of OMB, Attention: Francine Picoult, Desk Officer for U.S. International Trade Commission. If you anticipate commenting on a form but find that time to prepare comments will prevent you from submitting them promptly you should advise OMB of your intent as soon as possible. Copies of any comments should be provided to Charles Ervin, United States International Trade Commission, 701 E Street NW., Washington, D.C. 20430.

Issued: October 5, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-26883 Filed 10-10-84; 8:45 am]

BILLING CODE 7020-02-M

Agency Form Submitted for OMB Review

AGENCY: United States International Trade Commission.

ACTION: In accordance with the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. Chpter 35), the Commission has submitted a proposal for the collection of information to the Office of Management and Budget for review.

Purpose of Information Collection

The proposed information collection is for use by the Commission in connection with investigation No. 332-192, The Impact of Rules of Origin on U.S. Imports and Exports, instituted under the authority of section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

Summary of Proposals

(1) Number of forms submitted: Two.

(2) Title of forms: The Impact of Rules of Origin on U.S. Imports and Exports—Questionnaire for U.S. Importers; The Impact of Rules of Origin on U.S. Imports and Exports—Questionnaire for U.S. Exports.

(3) Type of request: new.

(4) Frequency of use: Nonrecurring.

(5) Description of respondents: Importers and Exporters of Products Involving the Application of Rules or Origin.

(6) Estimated number of respondents: 200.

(7) Estimated total number of hours to complete the forms: 800.

(8) Information obtained from the form that qualifies as confidential business information will be so treated by the Commission and will not be disclosed in

investigation be instituted to determine whether there is a violation of subsection (a) of section 337 in the unlawful importation of certain aluminum frame, fabric-covered luggage and components thereof into the United States, or in their sale, by reason of alleged (1) infringement of U.S. Trademark Registration No. 1,202,039; (2) infringement of a common law trademark; (3) false designation of geographic origin; and (4) passing off, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States.

(2) Pursuant to § 210.24(e) of the Commission's Rules, the motion for temporary relief under subsections (e) and (f) of section 337 of the Tariff Act of 1930, which was filed on October 26, 1984, shall be forwarded to the presiding officer for an initial determination pursuant to § 210.53(b) of the Rules.

(3) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is—Skyway Luggage Company, 10 Wall Street, Seattle, Washington 98121.

(b) The respondents are the following companies, alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Baltimore Luggage Company, 1919 Annapolis Road, Baltimore, Maryland 21230

Nan Zong Leather Products Co., Ltd., 6th Floor, Tai Feng Building, 71 Nanking East Road, Section 2, Taipei, Taiwan

Meei San Enterprise Company, First Floor, Po Tsou Building, 99 Ning Po West, Taipei, Taiwan.

(c) Patricia Ray, Esq., and Scott Fields,* Unfair Import Investigations Division, U.S. International Trade Commission, 701 E Street, NW., Room 123, Washington, DC 20436, shall be the Commission investigation attorneys, party to this investigation; and

(4) For the investigation so instituted, Janet D. Saxon, Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding officer. Pursuant to section 210.24(e) of the Commission's Rules of Practice and Procedure, the presiding officer shall determine as expeditiously as possible whether or not temporary relief proceedings should be instituted.

Responses must be submitted by the named respondents in accordance with § 210.21 of the Commission's Rules of Practice and Procedure (19 CFR 210.21). Pursuant to § 201.16(d) and 210.21(a) of the Rules, such responses will be considered by the Commission if received not later than 20 days after the date of service of the complaint. Responses to the motion for temporary relief may be submitted by the named respondents in accordance with § 210.24(e)(3) of the Commission's Rules. Any such responses must be filed within 20 days after service of the motion. Extensions of time for submitting responses to the complaint and/or the motion for temporary relief will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the presiding officer and the Commission, without further notice to respondent, to find the facts to be as alleged in the complaint and this notice and to enter both an initial determination and a final determination containing such findings.

The complaint, except for any confidential information contained therein, is available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Room 156, Washington, DC 20436, telephone 202-523-0471.

By order of the Commission.

Issued November 28, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-31777 Filed 12-4-84; 8:45 am]

BILLING CODE 7020-02-M

*Pending admission to the bar

[332-193]

Conditions of Competition Between the U.S. and Major Foreign Filbert Industries; Extension of Comment Period

AGENCY: U.S. International Trade Commission.

ACTION: Extension of time for submitting written statements.

SUMMARY: Notice is hereby given that the date for submitting written statements has been extended from December 31, 1984 to February 1, 1985.

Notice of the investigation was published in the Federal Register of September 12, 1984 (49 FR 35875).

By order of the Commission.

Issued: November 28, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-31774 Filed 12-4-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-147 (Final)]

Cut-to-Length Carbon Steel Plate From West Germany

AGENCY: United States International Trade Commission.

ACTION: Termination of investigation.

SUMMARY: On November 20, 1984, the Commission received a letter from petitioner in the subject investigation which stated "By this letter, petitioner Gilmore Steel Corporation hereby withdraws its petition in this investigation pursuant to 19 U.S.C. 1673c(a) and 19 CFR 353.41(a), and requests the termination of this investigation as being in the public interest." Accordingly, pursuant to section 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR 207.40(a)) the subject investigation is terminated.

EFFECTIVE DATE: November 29, 1984.

FOR FURTHER INFORMATION CONTACT: Lynn Featherstone (202-253-0242), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

Authority: This investigation is being terminated under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to section 207.40 of the Commission's rule (19 CFR 207.40).

By order of the Commission.

Issued: November 29, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-31773 Filed 12-4-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-210]

Certain Motor Graders With Adjustable Control Consoles and Components Thereof; Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Institution of investigation pursuant to 19 U.S.C. 1337.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on October 26, 1984, under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), on behalf of Caterpillar Tractor Co., 100 N.E. Adams Street, Peoria, Illinois 61629. The complaint alleges unfair methods of

APPENDIX C

EXPLANATION OF THE U.S. RATES OF DUTY APPLICABLE TO EDIBLE NUTS, INCLUDING FILBERTS, AND SELECTED PORTIONS OF THE TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED

Explanation of the rates of duty applicable to edible nuts, including filberts

The rates of duty in column 1 are most-favored-nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA. 1/ However, such rates do not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" column.

The rates of duty in the "LDDC" column are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging of duty reductions) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUSA which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the column 1 rate applies.

The rates of duty in column 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

The GSP is a program of nonreciprocal tariff preferences granted by the United States to developing countries to aid their economic development by encouraging greater diversification and expansion of their production and exports. The GSP, implemented by Executive Order No. 11888, of November 24, 1975, and extended by the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976, and is scheduled to remain in effect until July 4, 1993. It provides for duty-free treatment of eligible articles imported directly from designated beneficiary developing countries. Eligible articles are identified in the column marked "GSP" with an "A" or "A*." The designation "A" means that all beneficiary developing countries are eligible for the GSP, and "A*" indicates that certain developing countries, specified in general headnote 3(c) of the TSUSA, are not eligible.

1/ The only Communist countries currently eligible for MFN treatment are the People's Republic of China, Hungary, Romania, and Yugoslavia.

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			PART 9. - EDIBLE NUTS AND FRUITS				
			Part 9 headnote:				
			1. This part covers only edible products.				
			Subpart A. - Edible Nuts				
			Subpart A headnotes:				
			1. No allowance shall be made for dirt or other impurities in nuts of any kind, shelled or not shelled.				
			2. The provisions for prepared or preserved nuts include nut pastes and nut butters but do not include candied, crystallized, or glace nuts (see subpart D of this part).				
			Chestnuts, including marrons, crude, or prepared or preserved:				
	145.01	00	Crude, or peeled, dried, or baked	Lb.	Free		Free
A	145.02	00	Otherwise prepared or preserved	Lb.	3.5¢ per lb.		25¢ per lb.
	145.04	00	Coconuts	No.	Free		0.5¢ each
			Coconut meat (except copra), fresh, desiccated, or otherwise prepared or preserved:				
	145.07	00	Fresh or frozen, whether or not shredded, grated, or similarly prepared, and whether or not sweetened with not over 10 percent by weight of sugar, but not otherwise prepared or preserved	Lb.	Free		2.2¢ per lb.
	145.08	00	Shredded and desiccated, or similarly prepared	Lb.	Free		3.5¢ per lb.
A	145.09	00	Otherwise prepared or preserved	Lb.	4% ad val.		20% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS
Part 9. - Edible Nuts and Fruits

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	LDDC	2
			Other edible nuts, shelled or not shelled, blanched, or otherwise prepared or preserved:				
			Not shelled:				
	145.12	00	Almonds	Lb.	5.5¢ per lb.		5.5¢ per lb.
	145.14	00	Brazil nuts	Lb.	Free		1.5¢ per lb.
	145.16	00	Cashews	Lb.	Free		2¢ per lb.
	145.18	00	Filberts	Lb.	5¢ per lb.		5¢ per lb.
	145.20	00	Peanuts 1/	Lb.	4.25¢ per lb.		4.25¢ per lb.
	145.21		If products of Cuba 1/		3.4¢ per lb. (s)		
	145.22	00	Pecans	Lb.	5¢ per lb.		5¢ per lb.
A	145.24	00	Pignolia	Lb.	0.7¢ per lb.		2.5¢ per lb.
A	145.26	00	Pistache	Lb.	0.45¢ per lb.		2.5¢ per lb.
A	145.28	00	Walnuts	Lb.	5¢ per lb.		5¢ per lb.
A	145.30		Other		1.3¢ per lb.		2.5¢ per lb.
		10	Macadamia nuts	Lb.			
		20	Other	Lb.			
			Shelled, blanched, or otherwise prepared or preserved:				
			Almonds:				
	145.40	00	Shelled	Lb.	16.5¢ per lb.		16.5¢ per lb.
	145.41	00	Other	Lb.	16.5¢ per lb.		18.5¢ per lb.
	145.42	00	Brazil nuts	Lb.	Free		4.5¢ per lb.
	145.44	00	Cashews	Lb.	Free		2¢ per lb.
	145.46	00	Filberts	Lb.	8¢ per lb.		10¢ per lb.
	145.48		Peanuts 1/		3¢ per lb.		7¢ per lb.
		40	Peanut butter	Lb.			
			Other:				
		50	Not shelled	Lb.			
		80	Other	Lb.			
A	145.50	00	Pecans	Lb.	10¢ per lb.		10¢ per lb.
A	145.52	00	Pignolia	Lb.	1¢ per lb. 2/		5¢ per lb.
A	145.53	00	Pistache	Lb.	1¢ per lb.		5¢ per lb.
			Walnuts:				
A	145.54	00	Pickled, immature walnuts	Lb.	5¢ per lb.		15¢ per lb.
	145.55	00	Other	Lb.	15¢ per lb.		15¢ per lb.
			Other edible nuts:				
	145.58		Shelled or blanched		5¢ per lb.		5¢ per lb.
		10	Macadamia nuts	Lb.			
		20	Other	Lb.			
			Other:				
A	145.65	00	Litchi (lychee) or longan, in airtight containers	Lb.	14% ad val.		35% ad val.
A	145.70		Other		28% ad val.		35% ad val.
		10	Macadamia nuts	Lb.			
		20	Other	Lb.			
	145.90	00	Mixtures of two or more kinds of edible nuts	Lb.	The highest rate applicable to any of the component nuts		The highest rate applicable to any of the component nuts

(s) = Suspended. See general headnote 3(b).

1/ Imports of peanuts (except peanut butter) are subject to additional import restrictions. See item 951.00 in part 3, Appendix to the Tariff Schedules.

2/ Duty temporarily reduced. See item 947.07 in part 2, Appendix to the Tariff Schedules.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

APPENDIX D

COPY OF S. 2429, 98th CONGRESS, 2d SESSION, A BILL TO AMEND THE TARIFF SCHEDULES OF THE UNITED STATES TO INCREASE THE DUTY ON CERTAIN SHELLED FILBERTS

II

98TH CONGRESS
2D SESSION

S. 2429

To amend the Tariff Schedules of the United States to increase the duty on certain shelled filberts.

IN THE SENATE OF THE UNITED STATES

MARCH 1 (legislative day, MARCH 12), 1984

Mr. PACKWOOD (for himself and Mr. HATFIELD) introduced the following bill; which was read twice and referred to the Committee on Finance

---

A BILL

To amend the Tariff Schedules of the United States to increase the duty on certain shelled filberts.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part 9 of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 145.46 and inserting in lieu thereof the following items:

"		Filberts:				
	145.46	Which fail to meet decay, mold, rancidity, or insect damage standards applicable to domestically produced filberts, which the Secretary of Agriculture determines to be equivalent to standards commonly known as Oregon No. 1 Grade	Lb.	66¢ per lb.	68¢ per lb.	
	145.47	Others	Lb.	16¢ per lb.	18¢ per lb.	".

(b) The amendments made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

APPENDIX E

RATES OF DUTY APPLICABLE TO FILBERTS AND SELECTED PORTIONS OF THE EC's COMMON CUSTOMS TARIFF AND PREFERENTIAL TARIFF

60

Official Journal

of the European Communities

ISSN 0378-6978

L 320

Volume 27

10 December 1984

English edition

Legislation

Contents

Price: £ 15.60 / £ Irl 19,20

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other Acts are printed in bold type and preceded by an asterisk.

I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 3400/84

of 27 November 1984

amending Regulation (EEC) No 950/68 on the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28 and 113 thereof,

Having regard to the proposal from the Commission,

Whereas, under Agreements signed with third countries, and in particular pursuant to the 1979 Geneva Protocol and the 1979 Additional Protocol to the Geneva Protocol annexed to the General Agreement on Tariffs and Trade, and the Agreement on trade in civil aircraft signed at the end of the 1973 to 1979 Conference on Multilateral Trade Negotiations, the Community has undertaken to make graduated reductions in customs duties;

Whereas, in the framework of the Agreement on trade in civil aircraft, it has been agreed to extend the list of products admitted to a total suspension of Common Customs Tariff duties;

Whereas, on the basis of the conclusions of the Ministerial Meeting of the Organization for Economic Cooperation and Development and on the Declaration at Williamsburg of December 1983, it was agreed, subject to the successful completion of the necessary internal procedures, to bring forward by one year to the beginning of 1985 the application of the tariff reductions scheduled for 1986 according to multilateral trade negotiations, provided that the Community's main trading partners did the same;

Whereas the aforesaid conditions are not satisfied, but nevertheless, on the basis of a Commission proposal, the Council decided to implement the aforementioned Declaration for a certain number of products where the trade involves more particularly the developing countries;

Whereas it is expedient, therefore, in order to ensure uniform application of the Common Customs Tariff, to specify in Regulation (EEC) No 950/68 [1], as last amended by Regulation (EEC) No 1018/84 [2], the conventional duties applicable from 1 January 1985;

Whereas certain special autonomous duties applicable to the United States were laid down in Regulation (EEC) No 349/84 [3]; whereas those autonomous duties are calculated by adding an additional duty to the conventional duties applicable; whereas it is therefore necessary to take into consideration the reductions given above so as to determine the amount of special autonomous duties to be applied from 1 January 1985;

Whereas Regulations on the common organization of agricultural markets provide that the tariff nomenclature resulting from their application shall be included in the Common Customs Tariff and/or amend customs duties; whereas it is therefore appropriate to include in this Regulation all the amendments resulting from Regulations adopted under the common agricultural policy;

Whereas Regulation (EEC) No 289/84 [4] laid down new procedures for applying the ECU to legal acts adopted in the customs sphere; whereas it is therefore necessary to include these in the preliminary provisions of the Annex to this Regulation; whereas, in order to extend the tariff concession for products intended for floating platforms to products intended for fixed drilling or production platforms, these preliminary provisions should be amended;

Whereas the continuance of the conditions of production of films in the flat, presented in disk form,

---

[1] OJ No L 172, 22. 7. 1968, p. 1.
[2] OJ No L 107, 19. 4. 1984, p. 1.
[3] OJ No L 40, 11. 2. 1984, p. 1.
[4] OJ No L 33, 4. 2. 1984, p. 2.

justifies the retention for a further year of the layout introduced in 1983 for subheading 37.01 A;

Whereas it is necessary that the trade in starches, esterified or etherified, be suitably monitored by distinguishing them in the tariff nomenclature within heading No 39.06;

Whereas, to simplify the tariff nomenclature for cotton handkerchiefs falling under heading No 61.05, it is desirable to bring them all under a single line;

Whereas, according to the Judgment handed down by the Court of Justice of the European Communities, floor coverings of non-woven fabrics fall within heading No 59.03; whereas, to ensure continuity in the levying of customs duties, a subdivision must be created within that heading, subject to the duty applicable to products of subheading 58.02 A II b);

Whereas, for products of subheadings 69.07 A, 69.07 B II, 69.08 A, 69.08 B II and 85.25 A, in accordance with the 1979 Geneva Protocol, the minimum rates of duty will have to be abolished by 1 January 1987; whereas at the present time these minimum rates no longer correspond to economic reality; whereas it is therefore desirable to eliminate them forthwith;

Whereas certain textual amendments to the Common Customs Tariff are required in order to improve the wording;

Whereas it is appropriate, for the sake of clarity, to bring the whole of the Common Customs Tariff up to date; whereas, for these purposes, it is necessary to collect in a single text not only those parts which are amended with effect from 1 January 1985, but also those which have already been amended and those which remain unchanged;

Whereas, although temporary tariff amendments and the preferential systems resulting from the various acts adopted by the Community form an integral part of the Common Customs Tariff, it seems appropriate not to include them in this Regulation;

Whereas this Regulation does not apply to products covered by the Treaty establishing the European Coal and Steel Community; whereas the nomenclature and the conventional duties for those products should be included, for information purposes, in the schedule of customs duties in order to make it more comprehensible,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex headed 'Common Customs Tariff' to Regulation (EEC) No 950/68 is hereby replaced by the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 1 January 1985.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 27 November 1984.

For the Council

The President

P. BARRY

ANNEX

COMMON CUSTOMS TARIFF

Heading number	Description	Rate of duty	
		Autonomous % or levy (L)	Conventional %
1	2	3	4
08.04	**Grapes, fresh or dried:**		
	A. Fresh:		
	I. Table grapes:		
	a) From 1 November to 14 July:		
	1. Of the variety Emperor (Vitis vinifera c.v.) from 1 December to 31 January (a)	18 (b)	10
	2. Other	18 (b)	—
	b) From 15 July to 31 October	22 (b)	—
	II. Other:		
	a) From 1 November to 14 July	18 (b)	—
	b) From 15 July to 31 October	22 (b)	—
	B. Dried:		
	I. In immediate containers of a net capacity of 15 kg or less	9	3,3
	II. Other	9	3,1
08.05	**Nuts other than those falling within heading No 08.01, fresh or dried, shelled or not:**		
	A. Almonds:		
	I. Bitter	Free	Free
	II. Other	7	7
	B. Walnuts	8	8
	C. Chestnuts	7	—
	D. Pistachios	2	—
	E. Pecans	4	3
	F. Areca (or betel) and cola	3	1,5
	G. Other	4	—
08.06	**Apples, pears and quinces, fresh:**		
	A. Apples:		
	I. Cider apples, in bulk, from 16 September to 15 December	10 subject to a min. of 0,50 ECU per 100 kg net	9 subject to a min. of 0,45 ECU per 100 kg net
	II. Other:		
	a) From 1 August to 31 December	14 subject to a min. of 2,40 ECU per 100 kg net (b)	14 subject to a min. of 2,40 ECU per 100 kg net
	b) From 1 January to 31 March	10 subject to a min. of 2,30 ECU per 100 kg net (b)	8,3 subject to a min. of 2,23 ECU per 100 kg net

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(b) In certain conditions a countervailing tax is provided for in addition to the customs duty.

Heading number	Description	Rate of duty	
		Autonomous % or levy (L)	Conventional %
1	2	3	4
20.05 *(cont'd)*	C. I. b) Other	30 + (L)	30 + ads
	II. With a sugar content exceeding 13 % but not exceeding 30 % by weight	30 + (L)	30 + ads
	III. Other	30	30
20.06	**Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit:**		
	A. Nuts (including ground-nuts), roasted, in immediate packings of a net capacity:		
	I. Of more than 1 kg	17	14,3
	II. Of 1 kg or less	22	16,3
	B. Other:		
	I. Containing added spirit:		
	a) Ginger:		
	1. Of an actual alcoholic strength by mass not exceeding 11,85 % mas	32	23
	2. Other	32	—
	b) Pineapples, in immediate packings of a net capacity:		
	1. Of more than 1 kg:		
	aa) With a sugar content exceeding 17 % by weight	32 + (L)	—
	bb) Other	32	—
	2. Of 1 kg or less:		
	aa) With a sugar content exceeding 19 % by weight	32 + (L)	—
	bb) Other	32	—
	c) Grapes:		
	1. With a sugar content exceeding 13 % by weight	32 + (L)	—
	2. Other	32	—
	d) Peaches, pears and apricots, in immediate packings of a net capacity:		
	1. Of more than 1 kg:		
	aa) With a sugar content exceeding 13 % by weight:		
	11. Of an actual alcoholic strength by mass not exceeding 11,85 % mas	32 + (L)	30,5 + 2 ads
	22. Other	32	—
	bb) Other:		
	11. Of an actual alcoholic strength by mass not exceeding 11,85 % mas	32	30,5
	22. Other	32	—
	2. Of 1 kg or less:		
	aa) With a sugar content exceeding 15 % by weight	32 + (L)	—
	bb) Other	32	—

ISSN 0378-6986

Official Journal

of the European Communities

C 22

Volume 27

30 January 1984

EC PREFERENTIAL TARIFFS

English edition

Information and Notices

Notice No | Contents | Page

Price: £ 13.00 / £ Irl 16.00

I

(Information)

COMMISSION

PREFERENTIAL TARIFF TREATMENT APPLIED BY THE COMMUNITY (1) (2) (3)

(Position as at 1 January 1984)

(84/C 22/01)

General introduction

1. The Community has reached preferential Agreements with several countries. These Agreements contain various measures, in particular tariff measures concerning the reduction of duty rates when certain goods originating in the countries with whom these Agreements have been reached are imported into the Community.

2. The following table gives the reduced duty rates for each position of the Common Customs Tariff resulting from the measures contained in the different Agreements applied by the Community.

3. In order to simplify the presentation of the table, the Common Customs Tariff positions shown in the first column give only the alpha-numeric code. In those cases where descriptions of goods or dates appear in this column, these are exclusively due to the measures in the Agreements.

4. The following list gives the Agreements covered by this document, together with the *Official Journal of the European Communities* where the basic Regulations for the Agreements may be found:

— EEC-Spain Agreement (OJ No L 182, 16. 8. 1970),
— EEC-Austria Agreement (OJ No L 300, 31. 12. 1972),
— EEC-Switzerland Agreement (OJ No L 300, 31. 12. 1972),
— EEC-Sweden Agreement (OJ No L 300, 31. 12. 1972),
— EEC-Norway Agreement (OJ No L 171, 27. 6. 1973),
— EEC-Portugal Agreement (OJ No L 301, 31. 12. 1972),
— EEC-Iceland Agreement (OJ No L 301, 31. 12. 1972),
— EEC-Finland Agreement (OJ No L 328, 28. 11. 1973),
— EEC-Egypt Agreement (OJ No L 266, 27. 9. 1978),
— EEC-Jordan Agreement (OJ No L 268, 27. 9. 1978),

(1) Excluding Greece during the transitional period.
(2) Excluding the generalized system of preferences.
(3) Nothing in this publication overrides any legal requirements.

— EEC-Syria Agreement (OJ No L 269, 27. 9. 1978),
— EEC-Lebanon Agreement (OJ No L 267, 27. 9. 1978),
— EEC-Algeria Agreement (OJ No L 263, 27. 9. 1978),
— EEC-Morocco Agreement (OJ No L 264, 27. 9. 1978),
— EEC-Tunisia Agreement (OJ No L 265, 27. 9. 1978),
— EEC-Turkey Agreement (OJ No 217, 29. 12. 1964),
— EEC-Israel Agreement (OJ No L 136, 23. 5. 1975),
— EEC-Cyprus Agreement (OJ No L 133, 21. 5. 1973),
— EEC-Malta Agreement (OJ No L 61, 14. 3. 1971),
— EEC-Yugoslavia Agreement (OJ No L 41, 14. 2. 1983),
— Second Lomé Convention (EEC-ACP) (OJ No L 347, 22. 12. 1980).

5. In order to complete the details concerning preferential rates, the duty rates resulting from the autonomous regime applied by the Community as regards the Faroe Islands are also included in the following table.

I. **Abbreviations** (1)

ad F/M	adf	JO	Jordan
ad S/Z	ads	kg/br	kilogram gross weight
2 ad S/Z	standard rate of 2 % for ads	kg/net	kilogram net weight
agr	(L)	kg tot/alc	per kilogram of total alcohol
agr r	reduced (L)	LB	Lebanon
AT	Austria	Lomé	ACP and OCT
b/f	bottle	MA	Morocco
CCT	Common Customs Tariff	max	with a maximum
CH	Switzerland	min	with a minimum
CY	Cyprus	mob	variable component
DK	Denmark	mob r	reduced variable component
DZ	Algeria	MT	Malta
ECU	European currency unit	NO	Norway
EG	Egypt	PT	Portugal
ES	Spain	p/st	piece
FI	Finland	SE	Sweden
FO	Faroe Islands	SY	Syria
GB	United Kingdom	TN	Tunisia
hl	hectolitre	TR	Turkey
% hl	per hectolitre and per % volume of alcohol	YU	Yugoslavia
IL	Israel		
IRL	Ireland		
IS	Iceland		

II. **Rates of duty**

Columns without any figures correspond to the rates of the CCT.

III. **Rates of duty applicable to the Faroe Islands**

The rates of duty shown in the list are applied by the whole Community excluding Denmark, which applies a zero rate.

---

(1) The abbreviation used for the country names corresponds to Norm ISO 3166.

CCT heading No	CCT	ES	FO	AT	CH	SE	NO	PT	IS	FI	EC	JO	SY	LB	DZ	MA	TN	TR	IL	CY	MT	Lomé	YU
08.05 E	3	1,5						1,5										0					
08.05 F	1,5																	0				0	
08.05 G:																							
- Pignolia nuts	4							2										0					
- Hazelnuts	4																	4 (1)					
- Other	4																	0					
08.06 A I	9 min 0,45 ECU 100 kg/net																	3,6 min 0,1 ECU 100 kg/net					
08.06 A II a)	14 min 2,4 ECU 100 kg/net																	5,6 min 0,9 ECU 100 kg/net					
08.06 A II b)	8,8 min 2,08 ECU 100 kg/net																	3,5 min 0,8 ECU 100 kg/net					
08.06 A II c)	6 min 1,4 ECU 100 kg/net																	2,4 min 0,5 ECU 100 kg/net					
08.06 B I	9 min 0,45 ECU 100 kg/net																	3,6 min 0,1 ECU 100 kg/net					
08.06 B II a)	10 min 1,5 ECU 100 kg/net																	4 min 0,6 ECU 100 kg/net					

(1) See Annex II.

CCT heading No	CCT	ES	FO	AT	CH	SE	NO	PT	IS	FI	EG	JO	SY	LB	DZ	MA	TN	TR	IL	CY	MT	Israel	YU
20.05 C III *(cont'd)*																							
- In pulp	30														15	15	15	4,8				0	
- Other	30														15	15	15	12				0	
20.06 A I	14,4																	2,2				0	
20.06 A II	16,4																	2,6				0	
20.06 B I a) 1	24,5																	9,8				0	
20.06 B I a) 2	32																	10				0	
20.06 B I b) 1 aa)	32 + agr																	10 + agr				0	
20.06 B I b) 1 bb)	32																	10				0	
20.06 B I b) 2 aa)	32 + agr																	10 + agr				0	
20.06 B I b) 2 bb)	32																	10				0	
20.06 B I c) 1	32 + agr																	12,8 + agr				0 + agr	
20.06 B I c) 2	32																	12,8				0	
20.06 B I d) 1 aa) 11	30,8 + 2 and S/Z																	12,3 + 2 and S/Z				0 + 2 and S/Z	
20.06 B I d) 1 aa) 22	32 + agr																	12,8 + agr				0 + agr	
20.06 B I d) 1 bb) 11	30,8																	12,3				0	
20.06 B I d) 1 bb) 22	32																	12,8				0	
20.06 B I d) 2 aa)	32 + agr																	12,8 + agr				0 + agr	
20.06 B I d) 2 bb)	32																	12,8				0	
20.06 B I e) 1 aa):																							
- Grapefruit segments; passion fruit and guavas	30,8 + 2 and S/Z																	12,3 + 2 and S/Z				0	
- Other	30,8 + 2 and S/Z																	12,3 + 2 and S/Z				0 + 2 and S/Z	

CCT heading No	Description
ex 50.09	Handwoven fabrics of silk, of noil or other waste silk
ex 55.07	Handwoven cotton gauze
ex 55.09	Other handwoven fabrics of cotton
ex 58.04	Handwoven pile fabrics and chenille fabrics (other than terry products of cotton falling within heading No 55.08 and fabrics falling within heading No 58.05) of cotton, woven on hand looms

3. Other tariff quotas:

CCT heading No	Description	Rate of duty
ex 01.02 A II b)	Heifers and cows (other than for slaughter) of the following mountain breeds: grey, brown, yellow, spotted Simmental and Pinzgau (1)	4 %
ex 01.02 A II b)	Bulls, cows and heifers (other than for slaughter) of the following breeds: spotted Simmental, Schwyz and Fribourg (1)	4 %
ex 02.01 A II	'High quality' meat	20 %; TR: 8 %
02.01 A II b)	Frozen meat	20 %; TR: 8 %
ex 02.01 A II b) 4 bb) 33	Buffalo meat	20 %
03.01 A II	Eels	0
ex 03.01 B I a) 2	Fresh, chilled or frozen herring from 16.06 to 14.02	0
ex 03.01 B I f) 2	Redfish (Sebastes spp), frozen, whole (1)	3,7 %
ex 03.01 B I h) 2	Cod (Gadus morhua), frozen, whole (1)	3,7 %
ex 03.01 B I v)	Silver Lake (Merlutius bilinearis)	8 %; TR: 0
03.01 B II b) 1	Fillets of cod, frozen	8 %; TR: 3,2 %
ex 03.01 B II b) 1	Fillets of cod (Gadus morhua), frozen (1)	4 %

CCT heading No	Description	Rate of duty
ex 08.05 G	Hazelnuts	TR: 0
ex 16.04 C II	'Herring-flaps', prepared or preserved in vinegar, in immediate packings of a net capacity of 10 kg or more	10 %; TR: 4
16.04 D	Sardines	MA: 0, 10 %; TN: 0
ex 20.06 B I e) 2 bb)	Clear-fleshed cherries, marinated in alcohol, of a diameter not exceeding 18,9 mm, stoned, intended for the manufacture of chocolate products (1)	10 %; TR: 4 %
ex 20.06 B II c) 1 aa)	Apricot pulp	MA: 11,9 %; TN: 11,9 %; TR: 4,7 % IL: 11,9 %
ex 22.05 C I a)	Wine of fresh grapes:	
	— Jumilla, Priorato, Rioja and Valdepeñas	ES: 10,1 ECU/hl
	— Verde and Dão	PT: 10,1 ECU/hl
	— Wine of designated origin	DZ: 0; MA: 0; TN: 0; YU: 10,1 ECU/hl (2)
	— Other	CY: 3,6 ECU/hl
22.05 C II a)	Wine of fresh grapes:	
	— Jumilla, Priorato, Rioja and Valdepeñas	ES: 11,8 ECU/hl
	— Dão	PT: 11,8 ECU/hl
	— Wine of designated origin	DZ: 0; MA: 0; TN: 0; YU: 11,8 ECU/hl (2)
	— Other:	
	— Liqueur wine	CY: 5 ECU/hl
	— Other	CY: 4,2 ECU/hl
	Other:	
	— Liqueur wine	CY: 5 ECU/hl
ex 22.05 C II b)	Wine of fresh grapes:	
	— Liqueur wine	CY: 3,9 ECU/hl
	Other:	
	— Liqueur wine	CY: 3,9 ECU/hl
ex 22.05 C III a) 1	Sherry	ES: 6,5 ECU/hl
	Port, Madeira and Setubal muscatel	PT: 6,5 ECU/hl
ex 22.05 C III a) 2	Wine of fresh grapes:	
	— Jumilla, Priorato, Rioja and Valdepeñas	ES: 14,4 ECU/hl
	— Malaga	ES: 10,3 ECU/hl
	— Other:	
	— Liqueur wine	CY: 6,1 ECU/hl

APPENDIX F

STATISTICAL TABLES

Table 1.—World production of filberts and certain competitive tree nuts, by principal producing countries, 1981–84

(In thousands of metric tons, inshell-weight basis)

Year and country	Filberts 1/	Other tree nuts 2/				Total
		Almonds 3/	Pecans 4/	Walnuts	Brazil nuts	
1981:						
United States	13	307	154	204	0	678
Turkey	350	5/	5/	10	0	360
Spain	18	214	5/	5/	0	232
Italy	80	91	5/	18	0	189
Other countries	6/ 14	89	30	7/ 24	40	197
Total	475	701	184	256	40	1,656
1982:						
United States	17	262	99	211	0	589
Turkey	156	5/	5/	13	0	169
Spain	14	177	5/	5/	0	191
Italy	115	51	5/	15	0	181
Other countries	6/ 10	84	30	7/ 55	28	207
Total	312	574	129	294	28	1,337
1983:						
United States	7	183	122	163	0	475
Turkey	420	5/	5/	10	0	430
Spain	31	100	5/	5/	0	131
Italy	120	86	5/	15	0	221
Other countries	6/ 10	94	30	7/ 36	35	205
Total	588	463	152	224	35	1,462
1984: 8/						
United States	12	436	104	187	0	739
Turkey	300	5/	5/	5	0	305
Spain	13	123	5/	5/	0	136
Italy	55	34	5/	15	0	104
Other countries	6/ 10	91	30	7/ 34	32	197
Total	390	684	134	241	32	1,481
1981–84 annual average of total production	441	605	150	254	34	1,484

1/ Filbert data from the Foreign Agricultural Service.

2/ Tree nuts used with filberts in inshell nut mixtures.

3/ Reported kernel weight production of almonds has been converted to inshell weight at a 60 percent shellout ratio for U.S. production, and a 35 percent shellout ratio for all other countries.

4/ U.S. pecan production is from the U.S. Department of Agriculture. Foreign production in "other countries" is estimated and includes Mexico, Australia, and Israel.

5/ No commercial production reported.

6/ Filbert production in Greece and France, as reported in the official statistics of the European Economic Community.

7/ Walnut production in France and India. Data on production in other countries are not available; China is a significant producer of walnuts.

8/ Preliminary.

Source: Gill and Duffus Edible Nut Market Report No. 117, December 1984, London, England, except as noted.

Table 2.—Filberts: Number of growers, acres in filberts, and bearing and non-bearing trees in Oregon, by specified counties, and Washington State, 1980 1/

State and county	Filbert growers 2/	Acres	Filbert trees		
			Bearing	Non-bearing 3/	Total
	Number		1,000 trees		
Oregon:					
Washington	247	5,311	468	90	558
Yamhill	194	4,159	427	89	516
Marion	192	3,463	297	118	415
Clackamas	146	3,313	263	121	384
Lane	132	2,810	240	41	281
Polk	23	1,427	142	86	228
Linn	34	617	50	20	70
Other counties	72	480	50	8	58
Washington State	41	377	32	5	37
Two-state total	1,081	21,957	1,969	578	2,547

1/ The most recent data available.
2/ Growers with 50 or more trees.
3/ Trees planted during the 6-years 1975-80, and therefore essentially nonbearing in 1980. Of this total, about 300,000 trees were less than 6 years old in 1984, and essentially nonbearing. No data are available on filbert tree plantings in 1981 to 1984.

Source: Compiled from statistics of the Filbert Tree Survey, released May 11, 1981, Oregon Crop & Livestock Reporting Service and the U.S. Department of Agriculture.

Table 3.—Filberts: U.S. production, by specific States, and utilization by kinds, crops of 1979–84

Item	Production			Utilization		
	Oregon	Washington	Total	Sold inshell	Sold shelled	Total
	Quantity (1,000 pounds, inshell weight basis)					
Crop of—						
1979	25,400	600	26,000	15,060	10,940	26,000
1980	30,200	600	30,800	17,598	13,202	30,800
1981	28,800	600	29,400	16,800	12,600	29,400
1982	36,800	800	37,600	19,940	17,660	37,600
1983	16,000	400	16,400	12,100	4,300	16,400
1984	26,000	500	26,500	1/	1/	1/
	Value (1,000 dollars)					
1979	12,078	291	12,369	2/	2/	2/
1980	17,380	354	17,734	2/	2/	2/
1981	11,319	231	11,550	2/	2/	2/
1982	12,512	271	12,783	2/	2/	2/
1983	4,432	144	4,576	2/	2/	2/
1984	7,995	154	8,149	2/	2/	2/
	Average unit value (cents per pound)					
1979	47.6	48.5	47.6	2/	2/	2/
1980	57.6	59.1	57.6	2/	2/	2/
1981	39.3	38.5	39.3	2/	2/	2/
1982	34.0	33.9	34.0	2/	2/	2/
1983	27.7	36.0	27.9	2/	2/	2/
1984	30.8	30.8	30.8	2/	2/	2/

1/ Not available.
2/ Data not reported.

Source: Compiled from official statistics of the Crop Reporting Board, U.S. Department of Agriculture.

Table 4.—Filberts: U.S. orchard-run production, disappearance, merchantable production, final percentage allocations, and disposition to free and restricted markets, crop years 1979/80 to 1984/85

Crop year	Orchard-run production	Disappearance 1/	Merchantable production	Final percentage allocations 2/	
				Free	Restricted
	1,000 pounds, inshell weight			Percent	
1979/80	26,000	862	25,138	35	65
1980/81	30,800	2,654	28,146	29	71
1981/82	29,400	4,012	25,388	31	69
1982/83	37,600	1,976	35,624	29	71
1983/84	16,400	1,970	14,430	67	33
1984/85	26,500	3/ 5,578	3/ 20,922	40	60

Crop year	Disposition 4/		
	Inshell filberts free to sell on the domestic inshell market	Restricted filberts withheld from the domestic inshell market 5/	Total
	1,000 pounds, inshell weight		
1979/80	7,472	17,324	24,796
1980/81	7,854	19,264	27,118
1981/82	7,895	17,575	25,470
1982/83	10,364	25,440	35,804
1983/84	8,931	7,281	16,212
1984/85	6/	6/	6/

1/ Disappearance represents product not harvested, culled during processing, or not sold to a handler (e.g., farm use or local sales); this quantity is determined in order to arrive at merchantable production.

2/ Percentage allocations are formally determined under the marketing order for filberts and represent limits within which handlers must operate for the crop year. The percentages may be revised during the season. Handlers are obliged to meet the restricted percentage in order to sell the "free" percentage into the domestic inshell market.

3/ Above average disappearance was caused by rains during harvest.

4/ Final dispositons for the crop year from the Board's annual reports, Table B, entitled, Withholding Obligation, Restricted Accounting, and Disposition.

5/ Quantities "withheld" are the sum of the filberts actually exported inshell plus the equivalent inshell weight of shelled kernels. This quantity cannot be less than the "restricted obligation," as established by the percentage allocation. The ratios of actually "withheld" filberts to the "restricted obligation" quantity, and the dates that final percentage allocations were established, were as follows:

Crop year	Date	Ratio (percent)
1979/80	Sept. 17, 1979	124.8
1980/81	Sept. 12, 1980	100.2
1981/82	Feb. 2, 1982	100.0
1982/83	Nov. 12, 1982	100.3
1983/84	Nov. 14, 1983	165.6

6/ Not available.

Source: Compiled from official statistics of the Filbert/Hazelnut Marketing Board.

Table 5.—Filberts: Average unit costs for procurement and processing domestic filberts, crop years 1979/80 to 1983/84

(In cents per pound, product weight)

Crop year	Average unit costs for procurement of orchard-run inshell filberts by domestic handlers 1/	Average unit costs of domestic handlers for processing — 2/	
		Inshell filberts	Filbert kernels
1979/80	50.2	8.3	32.8
1980/81	61.0	8.9	30.6
1981/82	45.0	13.2	39.7
1982/83	36.1	11.4	31.4
1983/84	32.9	18.4	55.4

1/ Total industry procurement reported by questionnaire respondents divided by the total cost of procurement; during 1979/80 to 1983/84, an average of 3 percent of total procurement was received from other handlers.

2/ Domestic handlers' annual per unit processing costs, as reported, weighted by the annual procurement volume of each handler. The question asked was the average cost per pound (product weight) to handle or process and offer for sale inshell filberts and shelled filbert kernels. Firms were asked to include the costs of receiving (except procurement costs), cleaning, drying, sizing, shelling, grading, inspecting, packing, storage, and loading, but not to include salesmen's commissions or administrative expenses.

Source: Compiled from answers submitted in response to questionnaires of the U.S. International Trade Commission in the investigation.

Note.—There were 8 questionnaire respondents that supplied usable information on procurement and processing costs who are estimated to have accounted for more than 90 percent of the total volume of filberts handled by the industry during the period.

Table 6.—Filberts: Shipments of domestic product to domestic and export markets, by types, 1979/80 to 1983/84

Crop year	Domestic markets			Export markets 1/			Grand total or average
	Inshell filberts	Filbert kernels 2/	Total	Inshell filberts	Filbert kernels 2/	Total	
	Quantity (1,000 pounds, inshell-weight basis)						
1979/80	8,592	3/ 9,250	17,842	7,446	3/ 1,633	9,079	26,921
1980/81	8,346	6,555	14,901	6,944	1,333	8,277	23,178
1981/82	8,756	9,668	18,424	5,228	1,613	6,841	25,265
1982/83	9,186	12,888	22,074	4,782	2,393	7,175	29,248
1983/84	8,982	10,200	19,182	4,792	775	5,567	24,749
	Value (1,000 dollars)						
1979/80	6,358	6,475	12,833	5,212	1,339	6,551	19,384
1980/81	7,094	5,572	12,666	5,902	1,093	6,995	19,661
1981/82	7,005	5,801	12,806	3,607	968	4,575	17,381
1982/83	6,430	6,315	12,745	3,012	1,149	4,161	16,906
1983/84	6,018	5,508	11,526	2,923	426	3,349	14,875
	Unit value 4/ (per pound)						
1979/80	$0.74	$0.70	5/	$0.70	$0.82	5/	$0.72
1980/81	.85	.85	5/	.85	.82	5/	.85
1981/82	.80	.60	5/	.69	.60	5/	.69
1982/83	.70	.49	5/	.63	.48	5/	.58
1983/84	.67	.54	5/	.61	.55	5/	.60

1/ Exports to markets outside the continental United States.

2/ Filbert kernel shipments were converted to an inshell-weight basis by multiplying kernel weights by 2.5.

3/ Allocation between domestic and export markets is estimated.

4/ The average unit values for filbert kernels were converted to an average unit value for an equivalent quantity of inshell filberts by dividing the average unit values of the filbert kernels by 2.5. The unit values for filbert kernels used in these calculations are as follows:

Crop year	Domestic market	Export market
1979/80	$1.74	$2.04
1980/81	2.13	2.06
1981/82	1.50	1.49
1982/83	1.23	1.21
1983/84	1.35	1.37

5/ Not meaningful.

Source: Shipment quantities, compiled from Annual Reports of the Filbert/Hazelnut Marketing Board, except as noted; values (calculated) for domestic markets are based on the average unit values of purchases by domestic firms, as reported in the Commission's questionnaire, and values for export markets are based on the average unit values of exports, as reported by domestic handlers in the Commission's questionnaire.

Table 7.—Filberts: 1/ U.S. exports of domestic merchandise, by principal markets, crop years 1979/80 to 1983/84

Market	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, kernel weight basis) 2/				
Canada	953	1,445	1,559	1,248	1,052
European Community: 3/					
West Germany	2,246	1,247	518	339	778
Other	109	115	92	149	138
Total, EC	2,356	1,362	610	488	916
Mexico	264	166	275	4	149
Australia	604	654	455	559	113
Venezuela	165	194	166	193	114
Trinidad and Tobago	52	29	75	29	83
Sweden	0	34	0	0	17
All other	2,269	826	210	898	299
Total, all countries	6,663	4,710	3,350	3,419	2,743
	Value (1,000 dollars)				
Canada	926	1,261	1,385	1,349	1,200
European Community: 3/					
West Germany	3,285	2,421	817	432	967
Other	163	187	144	237	80
Total, EC	3,448	2,608	961	669	1,047
Mexico	292	247	300	4	193
Australia	731	1,296	698	710	191
Venezuela	197	212	214	286	170
Trinidad and Tobago	123	56	41	42	78
Sweden	–	96	–	–	72
All other	1,106	711	282	923	271
Total, all countries	6,823	6,487	3,881	3,983	3,222

1/ Combined exports of inshell filberts and shelled filbert kernels (data do not include blanched or otherwise prepared or preserved filberts).

2/ Inshell filbert weights were converted to a kernel weight basis by multiplying inshell weights by 0.40.

3/ The 10 member countries of the European Community are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

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

Note.—Unit values for the combined quantities of inshell and shelled filberts are not meaningful.

Table 8.—Filberts, inshell: U.S. exports of domestic merchandise, by principal markets, crop years 1979/80 to 1983/84

Market	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, inshell weight)				
Canada	952	2,507	1,511	1,332	1,371
European Community: 1/					
West Germany	4,453	3,117	811	492	1,502
Other	186	288	155	325	339
Total, EC	4,639	3,405	966	817	1,841
Venezuela	105	162	207	248	127
Sweden	0	0	0	0	43
Australia	764	412	410	109	61
Mexico	445	152	283	0	71
Brazil	10	138	16	28	45
All other	2/ 260	2/ 282	93	105	43
Total, all countries	7,175	7,058	3,486	2,639	3,602
	Value (1,000 dollars)				
Canada	554	1,005	1,088	839	952
European Community: 1/					
West Germany	2,941	2,420	599	338	848
Other	136	187	117	210	74
Total, EC	3,077	2,607	716	548	922
Venezuela	82	104	137	176	102
Sweden	—	—	—	—	72
Australia	372	313	311	51	61
Mexico	138	128	220	—	58
Brazil	8	119	12	16	25
All other	2/ 187	2/ 282	76	73	32
Total, all countries	4,418	4,558	2,560	1,703	2,224
	Unit value (per pound)				
Canada	$0.58	$0.40	$0.72	$0.63	$0.69
European Community: 1/					
West Germany	.66	.78	.74	.69	.56
Other	.73	.65	.75	.65	.22
Average, EC	.66	.77	.74	.67	.50
Venezuela	.78	.64	.66	.71	.80
Sweden	—	—	—	—	1.68
Australia	.49	.76	.76	.47	1.00
Mexico	.31	.84	.78	—	.82
Brazil	.76	.86	.75	.59	.56
All other	.72	1.00	.82	.70	.74
Average, all countries	.62	.65	.73	.65	.62

1/ The 10 member countries of the European Community are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Chile accounted for more than one-half.

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

Table 9.—Filberts, shelled, but not blanched or otherwise prepared or preserved: U.S. exports of domestic merchandise, by principal markets, crop years 1979/80 to 1983/84

Market	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, kernel weight)				
Canada	572	442	955	715	504
Mexico	86	105	162	4	121
Australia	298	489	291	515	89
European Community: 1/					
West Germany	465	0	194	142	177
Other	35	0	30	19	2
Total, EC	500	0	224	161	179
Trinidad and Tobago	52	29	75	29	83
Venezuela	123	129	83	94	63
Malaysia	15	1	0	26	32
Brazil	0	13	32	36	39
All other	2/ 2,147	3/ 679	134	4/ 783	5/ 192
Total, all countries	3,793	1,887	1,956	2,363	1,302
	Value (1,000 dollars)				
Canada	371	256	297	510	248
Mexico	154	119	80	4	135
Australia	359	983	388	659	129
European Community: 1/					
West Germany	345	–	218	95	119
Other	27	–	27	26	7
Total, EC	372	–	245	121	126
Trinidad and Tobago	123	56	40	42	78
Venezuela	115	108	77	110	68
Malaysia	20	1	–	36	53
Brazil	–	2	45	29	25
All other	2/ 892	3/ 404	149	4/ 770	5/ 136
Total, all countries	2,406	1,929	1,321	2,281	998
	Unit value (per pound)				
Canada	$0.65	$0.58	$0.31	$0.71	$0.49
Mexico	1.79	1.14	.50	.88	1.12
Australia	1.20	2.01	1.33	1.28	1.46
European Community: 1/					
West Germany	.74	–	1.12	.67	.67
Other	1.32	–	.91	1.38	2.66
Average, EC	.74	–	1.09	.75	.70
Trinidad and Tobago	2.38	1.90	.53	1.45	.94
Venezuela	.94	.84	.93	1.16	1.07
Malaysia	1.35	1.67	–	1.35	1.64
Brazil	–	.15	1.43	.82	.64
All other	2/ .42	3/ .59	1.11	4/ .98	5/ .71
Average, all countries	.63	1.02	.68	.97	.77

1/ The 10 member countries of the European Community are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Includes 1,980,000 pounds, valued at $717,000, with a unit value of $0.36 to Japan.

3/ Includes 556,000 pounds, valued at $169,000, with a unit value of $0.30 to Japan.

4/ Includes 602,000 pounds, valued at $569,000, with a unit value of $0.99 to the U.S.S.R.

5/ Includes 133,000 pounds, valued at $44,000, with a unit value of $0.33 to the French West Indies.

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

Table 10.—Filberts: Production in Turkey, by regions and provinces, 1982-84

(In metric tons, inshell weight)

Province	1982	1983	1984 1/
Eastern Black Sea coastal region:			
Ordu	53,000	90,000	74,000
Giresun	45,100	79,600	63,600
Trabzon	30,200	57,500	32,600
Samsun	12,654	38,159	29,175
Rize	2,450	3,500	3,500
Artvin	2,690	3,315	2,518
Total	146,094	272,074	205,393
Western Black Sea coastal region:			
Sakarya	30,950	55,000	33,380
Bolu	27,800	49,280	31,100
Zonguldak	8,300	8,801	8,802
Kocaeli	1,350	1,705	1,705
Kastamonu	750	785	910
Total	69,150	115,571	75,897
Grand total	215,244	387,645	281,290

1/ Preliminary estimates.

Source: Compiled by the Commission staff on the basis of data from the U.S. Department of Agriculture, Foreign Agricultural Service, Attache Reports Nos. TU3024 (Aug. 11, 1983) and TU4029 (Aug. 14, 1984).

Note.—The data shown are from the Filbert Exporters Union in Giresun. The U.S. Agricultural Attache in Turkey believes such estimates are low and thus the totals do not match production totals shown elsewhere in this report.

Table 11.—Filbert trees: 1/ Number of bearing and nonbearing trees in Turkey, by types, 1979-84

(In thousands of trees)

Year	Bearing	Non-bearing	Total
1979	245,000	23,000	268,000
1980	247,000	23,000	270,000
1981	248,000	23,200	271,200
1982	248,500	23,300	271,800
1983 2/	249,000	23,400	272,400
1984 3/	249,500	23,500	273,000

1/ In Turkey, most filbert "trees" are multistem bushes.
2/ Preliminary.
3/ Forecast.

Source: U.S. Department of Agriculture, Foreign Agricultural Service, Attache Reports Nos. TU3024 (Aug. 11, 1983) and TU4029 (Aug. 14, 1984).

Table 12.—Filberts: Turkish beginning stocks, production, total supply, exports, domestic use, and ending stocks, crop years 1979/80 to 1984/85

(In thousands of pounds, inshell-weight basis 1/)

Crop year	Beginning stocks	Production	Total supply	Exports	Domestic use	Ending stocks
1979/80	22,046	639,340	661,386	472,450	78,705	110,231
1980/81	110,231	529,109	639,340	472,230	78,925	88,185
1981/82	88,185	771,617	859,802	550,494	88,846	220,462
1982/83	220,462	485,016	705,478	453,490	152,780	99,208
1983/84 2/	99,208	925,940	1,025,148	529,109	198,415	297,624
1984/85 3/	297,624	661,000	959,000	551,000	287,000	121,000

1/ Converted from metric tons at 2,204.62 pounds per ton.
2/ Preliminary.
3/ Forecast, as of February 1985 (data rounded).

Source: Data compiled by the Foreign Agricultural Service, U.S. Department of Agriculture, except weight conversions.

Table 13.—Filbert kernels: Turkish exports by size classifications, to all markets and to the United States, 1982-84

Destination and class 1/	Quantity			Share of total		
	1982	1983	1984	1982	1983	1984
	1,000 pounds, kernel weight			Percent		
To all markets:						
Standard extra	2,537	1,821	365	1.1	0.7	0.1
Standard I	23,492	25,403	37,492	9.8	10.1	14.2
Standard II	24,744	20,825	26,873	10.3	8.3	10.2
Standard III	1,386	842	403	.6	.3	.2
Natural 2/	176,869	194,763	192,010	73.7	77.3	72.8
Other filberts	10,835	8,340	6,506	4.5	3.3	2.5
Total	239,863	251,994	263,650	100.0	100.0	100.0
To the United States:						
Standard extra	0	0	0	—	—	—
Standard I	205	815	1,283	7.0	25.1	27.8
Standard II	0	108	500	—	3.3	10.9
Standard III	0	0	0	—	—	—
Natural 2/	2,550	2,217	2,587	87.1	68.2	56.1
Other filberts	174	110	240	5.9	3.4	5.2
Total	2,929	3,251	4,610	100.0	100.0	100.0

1/ Size-class terms are those used in Turkey and range from the largest kernel-size class (Standard Extra) of 15 mm and above in diameter to the smallest kernel-size class (Standard III) of 9-11 mm in diameter. No export data are reported under Standard IV, kernels smaller than 9 mm in diameter.

2/ The class "Natural" means "mill run quality containing all sizes."

Source: American Embassy in Turkey via Foreign Agricultural Service, U.S. Department of Agriculture, telegram dated Feb. 1, 1985.

Table 14.—Filberts: Representative Turkish export prices, by quarters, 1979-84 1/

Period	1979	1980	1981	1982	1983	1984
	Price per pound					
January-March	$1.02	$2.02	$1.68	$0.94	$1.04	$0.96
April-June	1.30	1.96	1.46	.88	1.04	.93
July-September	1.45	1.88	1.17	.86	.91	.96
October-December	1.71	1.78	.93	.92	.87	1.11
Annual average	1.37	1.91	1.31	.90	.97	.99

1/ Prices for Turkish Levant filberts, f.o.b. Turkish ports, traded in dollar currency.

Source: Gill & Duffus Edible Nut Market Report, No. 117, December 1984, p. 11.

Table 15.—Filberts: Italian beginning stocks, production, imports, total supply, exports, domestic consumption, and ending stocks, crop years 1979/80 to 1984/85

(In thousands of pounds, inshell-weight basis 1/)

Crop year	Beginning stocks	Production	Imports	Total supply	Exports	Domestic consumption	Ending stocks
1979/80	8,818	176,370	24,471	209,660	112,215	88,626	8,818
1980/81	8,818	220,462	6,363	235,643	131,896	92,724	11,023
1981/82	11,023	176,370	13,605	200,998	104,387	93,304	3,307
1982/83	3,307	253,532	4,041	260,880	169,533	90,464	882
1983/84 2/	882	264,555	4,980	270,417	180,013	89,300	1,104
1984/85 3/	1,104	121,000	44,000	166,000	81,000	84,000	1,000

1/ Converted from metric tons at 2,204.62 pounds per ton.
2/ Preliminary.
3/ Forecast, as of December 1984 (data rounded).

Source: Data compiled by the Foreign Agricultural Service, U.S. Department of Agriculture, except weight conversions.

Table 16.—Filberts: Exports from Italy and other EC countries to selected markets, by types, 1979-83

(In thousands of pounds, kernel-weight basis)

Market	1979	1980	1981	1982	1983
	All filberts				
Intra EC 1/	55,250	39,500	50,436	54,446	68,077
Switzerland	5,446	4,195	7,166	8,336	14,324
European nonmarket economy countries 2/	4,804	846	2,767	3,998	10,126
Austria	229	659	2,082	1,804	3,672
Yugoslavia	9,830	4,498	4,752	4,018	1,969
Israel	512	229	421	545	1,688
United States	196	–	232	2,102	1,411
All other	11,149	5,229	8,829	7,342	7,898
Total	87,417	55,156	76,685	82,591	109,213
	Inshell filberts 3/				
Intra EC 1/	9,565	6,969	8,226	9,074	8,562
Switzerland	161	140	108	127	80
European nonmarket economy countries 2/	352	204	1,212	–	1,663
Austria	–	–	120	–	7
Yugoslavia	–	–	–	–	–
Israel	–	–	–	–	122
United States	–	–	–	761	247
All other	5,277	2,841	3,711	2,707	2,738
Total	15,355	10,154	13,377	12,669	13,419
	Shelled filberts				
Intra EC 1/	45,685	32,531	42,210	45,372	59,515
Switzerland	5,285	4,055	7,058	8,209	14,244
European nonmarket economy countries 2/	4,452	642	1,555	3,998	8,463
Austria	229	659	1,962	1,804	3,665
Yugoslavia	9,830	4,498	4,752	4,018	1,969
Israel	512	229	421	545	1,566
United States	196	–	232	1,341	1,213
All other	5,872	2,388	5,118	4,635	5,160
Total	72,062	45,002	63,308	69,922	95,794

1/ Exports from EC member countries to other EC member countries. The 10 member countries are Belgium, Denmark, France, Greece (not a member prior to 1981), Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Nonmarket economy countries (NME's) in Europe are Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, and the U.S.S.R. Exports to non-European NME's were negligible or nil.

3/ Inshell weights converted to shelled kernel weights at the rate of 50-percent shellout to all markets.

Source: Compiled by Commission staff based on official statistics of the European Community, Eurostat Analytical Tables of Foreign Trade, NIMEXE.

Note.—The totals in this table include intra EC trade and, thus, are larger than those shown for EC consumption (table 33). To determine exports to nonmember countries, subtract intra EC quantities from the above totals.

Table 17.—Filberts: Spanish beginning stocks, production, imports, total supply, exports, domestic consumption, and ending stocks, crop years 1979/80 to 1984/85

(In thousands of pounds, inshell-weight basis 1/)

Year	Beginning stocks	Production	Imports	Total supply	Exports	Domestic consumption	Ending stocks
1979/80	4,189	68,123	2/	72,312	46,297	14,551	3,086
1980/81	3,086	35,274	2/	38,360	24,251	11,023	3,086
1981/82	3,086	39,683	2/	42,770	14,330	17,637	10,803
1982/83	10,803	30,865	2/	41,667	20,944	15,432	5,291
1983/84 3/	5,291	68,343	2/	73,634	43,211	19,842	10,582
1984/85 4/	10,582	28,600	2/	39,200	13,200	19,000	7,000

1/ Converted from metric tons at 2,204.62 pounds per ton.
2/ No imports reported.
3/ Preliminary.
4/ Forecast, as of February 1985 (data rounded).

Source: Data compiled by the Foreign Agricultural Service, U.S. Department of Agriculture, except weight conversions.

Table 18.—Filberts, inshell: U.S. shipments to domestic markets, exports, imports for consumption, and apparent consumption, crop years 1979/80 to 1983/84

Crop year beginning Oct. 1	Shipments to domestic markets 1/	Exports	Imports	Apparent consumption 2/	Ratio (percent) of imports to consumption
	Quantity (1,000 pounds, inshell weight)				
1979/80	8,592	7,175	3/ 1	3/ 8,593	3/ -
1980/81	8,346	7,058	4/ 11	4/ 8,357	4/ 0.1
1981/82	8,756	3,486	781	9,537	8.2
1982/83	9,186	2,639	864	10,050	8.6
1983/84	8,982	3,602	5/ 568	9,550	5.9
	Value (1,000 dollars)				
1979/80	6,358	4,418	6/	7/	7/
1980/81	7,094	4,558	7	7/	7/
1981/82	7,005	2,560	520	7/	7/
1982/83	6,430	1,703	450	7/	7/
1983/84	6,018	2,224	5/ 251	7/	7/
	Unit value (per pound)				
1979/80	$0.74	$0.62	$0.36	7/	7/
1980/81	.85	.65	.63	7/	7/
1981/82	.80	.73	.67	7/	7/
1982/83	.70	.65	.52	7/	7/
1983/84	.67	.62	5/ .44	7/	7/

1/ Recorded shipments of new crop and old crop merchantable inshell filberts acquired by the U.S. trade during the F/HMB's crop year. Values are based on the average unit values of purchases by domestic firms, as reported in the Commission's questionnaire.

2/ Shipments to domestic markets plus imports.

3/ On the basis of imports in questionnaire responses of 110,000 pounds, apparent consumption would be 8,702,000 pounds, and the ratio of imports to consumption would be 1.3 percent.

4/ On the basis of imports in questionnaire responses of 220,000 pounds, apparent consumption would be 8,566,000 pounds, and the ratio of imports to consumption would be 2.6 percent.

5/ Excludes reported imports from Canada, which were articles other than filberts.

6/ Less than $500.

7/ Not meaningful.

Source: Shipments, compiled from official statistics of the Filbert/Hazelnut Marketing Board (F/HMB); exports and imports, compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 19.—Filbert kernels: U.S. shipments to domestic markets, exports, imports for consumption, and apparent consumption, crop years 1979/80 to 1983/84

Crop year beginning Oct. 1	Shipments to domestic markets 1/	Exports 2/	Imports	Apparent consumption 3/	Ratio (percent) of imports to consumption
	Quantity (1,000 pounds, kernel weight)				
1979/80	4/ 3,700	3,793	4,669	8,369	56
1980/81	2,622	1,887	3,806	6,428	59
1981/82	3,867	1,956	5,148	9,015	57
1982/83	5,155	2,363	5,695	10,850	52
1983/84	4,080	1,302	8,515	12,595	68
	Value (1,000 dollars)				
1979/80	6,438	2,406	7,999	5/	5/
1980/81	5,585	1,929	6,837	5/	5/
1981/82	5,801	1,321	6,023	5/	5/
1982/83	6,341	2,281	6,078	5/	5/
1983/84	5,508	998	8,730	5/	5/
	Unit value (per pound)				
1979/80	$1.74	$0.63	$1.71	5/	5/
1980/81	2.13	1.02	1.80	5/	5/
1981/82	1.50	.68	1.17	5/	5/
1982/83	1.23	.97	1.07	5/	5/
1983/84	1.35	.77	1.03	5/	5/

1/ Shipments during the F/HMB's crop year. Values are based on the average unit values of purchases by domestic firms, as reported in the Commission's questionnaire.

2/ U.S. Department of Commerce official statistics of exports of domestic merchandise; records of the F/HMB indicate exports of filbert kernels of about one-third of these quantities.

3/ Shipments to domestic markets plus imports.

4/ Estimated. Total shipments were 4,353,000 pounds and those to domestic markets were not separately reported prior to 1980.

5/ Not meaningful.

Source: Shipments, compiled from official statistics of the Filbert/Hazelnut Marketing Board (F/HMB); exports and imports compiled from official statistics of the U.S. Department of Commerce.

Table 20.—Filberts: 1/ U.S. imports for consumption, by principal sources, crop years 1979/80 to 1983/84

Source	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, kernel-weight basis) 2/				
Turkey	4,340	3,173	4,084	4,185	6,971
European Community: 3/					
Italy	95	175	1,293	1,799	1,476
Other	176	128	87	112	300
Total, EC	271	303	1,380	1,911	1,776
Brazil	0	0	0	0	22
Canada	0	5	3	0	84
Spain	11	0	33	2	25
Switzerland	4	3	6	23	4
Mexico	0	329	32	0	0
All other	43	0	0	6	0
Total, all countries	4,669	3,812	5,533	6,127	8,882
	Value (1,000 dollars)				
Turkey	7,451	5,956	4,592	4,411	7,048
European Community: 3/					
Italy	176	318	1,747	1,941	1,559
Other	267	212	120	138	311
Total, EC	443	530	1,867	2,079	1,870
Brazil	—	—	—	—	26
Canada	—	6	4	—	25
Spain	18	—	35	3	23
Switzerland	11	8	14	30	11
Mexico	—	344	32	—	—
All other	76	—	—	5	—
Total, all countries	7,999	6,844	6,543	6,528	9,003

1/ Combined imports of inshell filberts and filbert kernels, including blanched or otherwise prepared or preserved filbert kernels.

2/ Inshell filberts were converted to a kernel-weight basis by multiplying inshell weights by 0.50.

3/ The 10 member countries of the European Community are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

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

Note.—Unit values for the combined quantities of inshell and shelled filberts are not meaningful. Because of rounding, figures may not add to the totals shown.

Table 21.—Filberts, inshell: U.S. imports for consumption, by principal sources, crop years 1979/80 to 1983/84

Source	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, inshell weight)				
European Community: 1/					
Italy	0	0	781	864	494
Other 2/	0	0	0	0	28
Total, EC	0	0	781	864	522
Canada	0	10	0	0	166
Spain	0	0	0	0	46
All other	1	1	0	3/	0
Total, all countries	4/ 1	4/ 11	781	864	734
	Value (1,000 dollars)				
European Community: 1/					
Italy	—	—	520	449	218
Other 2/	—	—	—	—	13
Total, EC	—	—	520	449	231
Canada	—	6	—	—	22
Spain	—	—	—	—	20
All other	5/	1	—	1	—
Total, all countries	5/	7	520	450	273
	Unit value (per pound)				
European Community: 1/					
Italy	—	—	$0.67	$0.52	$0.44
Other 2/	—	—	—	—	.49
Average, EC	—	—	.67	.52	.44
Canada	—	$0.64	—	—	.13
Spain	—	—	—	—	.43
All other	$0.36	.50	—	2.29	—
Average, all countries	.36	.63	.67	.52	.37

1/ The 10 member countries of the European Community are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ All from France.

3/ Less than 500 pounds.

4/ Questionnaire responses indicated imports of inshell filberts in crop year 1979/80 of about 110,000 pounds and in crop year 1980/81 of about 220,000 pounds.

5/ Less than $500.

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

Note.—Imports from Canada in 1983/84 were articles other than filberts.

Table 22.—Filberts, shelled, blanched, or otherwise prepared or preserved: U.S. imports for consumption, by principal sources, crop years 1979/80 to 1983/84

Source	Crop year beginning Oct. 1—				
	1979/80	1980/81	1981/82	1982/83	1983/84
	Quantity (1,000 pounds, kernel weight)				
Turkey	4,340	3,173	4,084	4,185	6,971
European Community: 1/					
Italy	95	175	903	1,367	1,229
Other 2/	176	127	87	112	286
Total, EC	271	302	990	1,479	1,515
Brazil	0	0	0	0	22
Switzerland	4	3	6	23	5
Spain	11	0	33	2	2
Canada	0	0	3	0	1
Mexico	0	329	32	0	0
All other	43	0	0	6	0
Total, all countries	4,669	3,806	5,148	5,695	8,515
	Value (1,000 dollars)				
Turkey	7,451	5,956	4,592	4,411	7,048
European Community: 1/					
Italy	176	318	1,228	1,491	1,341
Other 2/	267	211	120	138	297
Total, EC	443	529	1,348	1,630	1,638
Brazil	—	—	—	—	26
Switzerland	11	8	14	30	11
Spain	18	—	35	3	3
Canada	—	—	4	—	3
Mexico	—	344	32	—	—
All other	76	—	—	4	—
Total, all countries	7,999	6,837	6,023	6,078	8,730
	Unit value (per pound)				
Turkey	$1.72	$1.88	$1.12	$1.05	$1.03
European Community: 1/					
Italy	1.85	1.82	1.36	1.09	1.09
Other 2/	1.52	1.67	1.38	1.23	1.04
Average, EC	1.63	1.75	1.36	1.10	1.08
Brazil	—	—	—	—	1.21
Switzerland	2.61	2.91	2.25	1.29	2.45
Spain	1.63	—	1.04	1.71	1.73
Canada	—	—	1.52	—	2.06
Mexico	—	1.05	1.01	—	—
All other	1.74	—	—	.75	—
Average, all countries	1.71	1.80	1.17	1.07	1.03

1/ The 10 member countries of the European Community (EC) are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Primarily from Belgium-Luxembourg, France, and West Germany.

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

Note.—Because of rounding, figures may not add to the totals shown.

Table 23.—Filbert kernels: U.S. inspections of foreign merchandise for grade quality; total number of lots inspected, number and share of lots that failed to pass, or passed, such inspections, crop years 1979/80 to 1983/84

Item	1979/80			1980/81			1981/82			1982/83			1983/84		
	Total	Failed	Passed	Total	Failed	Passed	Total	Failed	Passed	Total	Failed	Passed	Total	Failed	Passed
	Number of lots														
Total lots inspected	189	–	–	180	–	–	239	–	–	222	–	–	318	–	–
Lots failing or passing inspection:															
For 3 defects not over 1 percent in the sample 1/	189	8	181	180	14	166	239	24	215	222	9	213	318	4	314
For 4 defects not over 2 percent in the sample 2/	181	2	179	166	6	160	215	11	204	213	11	202	314	15	299
Of which, the passing lots having 4 defects not over 2 percent:															
Would have passed inspection for 4 defects not over 1.5 percent	181	–	159	166	–	144	215	–	182	213	–	157	314	–	238
Would have passed inspection for 4 defects not over 1 percent	181	–	92	166	–	103	215	–	110	213	–	87	314	–	166
	Percent of total lots														
Total lots inspected	100	–	–	100	–	–	100	–	–	100	–	–	100	–	–
Lots failing or passing inspection:															
For 3 defects not over 1 percent in the sample 1/	100	4	96	100	8	92	100	10	90	100	4	96	100	1	99
For 4 defects not over 2 percent in the sample 2/	96	1	95	92	3	89	90	5	85	96	5	91	99	5	94
Of which, the passing lots having 4 defects not over 2 percent:															
Would have passed inspection for 4 defects not over 1.5 percent	96	–	84	92	–	80	90	–	76	96	–	71	99	–	75
Would have passed inspection for 4 defects not over 1 percent	96	–	49	92	–	57	90	–	46	96	–	39	99	–	52

1/ To pass Federal inspection for grade, any lot of filbert kernels must, as the first criteria, have not over 1 percent of the 3 serious defects: mold, rancidity, and insect damage.

2/ To pass Federal inspection for grade, any lot of filbert kernels must, as the second criteria, have not over 2 percent of the 4 serious defects: mold, rancidity, insect damage, and decay.

Source: Special compilation of Federal records by the Agricultural Marketing Service (see app. J).

Table 24.—Filberts: Minimum export prices of U.S. inshell filberts, by destinations and by sizes, 1979-84

Year and size 1/	Destination and price 2/		
	Puerto Rico	Western Canada	All other markets
	Cents per pound		
1979:			
Medium	63	65	61
Large	67	69	65
Jumbo	70	74	70
1980:			
Medium	82	82	82
Large	84	84	84
Jumbo	86	86	86
1981:			
Medium	72	72	68
Large	74	74	70
Jumbo	78	78	74
1982:			
Medium	60	60	56
Large	64	64	60
Jumbo	70	70	66
1983:			
Medium	60	60	56
Large	64	64	60
Jumbo	70	70	66
1984:			
Medium	60	60	56
Large	64	64	60
Jumbo	70	70	66

1/ The sizes are based on diameter measurement in the following metric designations:

Medium 17.9 mm to 19.4 mm
Large 19.4 mm to 22.2 mm
Jumbo 22.2 mm and larger

2/ Minimum export prices are announced each year in September by the Filbert/Hazelnut Marketing Board. The prices are f.o.b. plant in Oregon or Washington, or f.a.s. dock at west coast ports.

Source: The Filbert/Hazelnut Marketing Board.

Table 25.—Filberts, inshell: F.o.b. export prices, by quarters and by sizes, October-December 1980 to October-December 1984

Period	Price	
	Large	Jumbo
	Cents per pound	
1980: October-December	84	86
1981:		
January-March	84	86
April-June	84	86
July-September	80	78
October-December	71	74
1982:		
January-March	70	74
April-June	70	74
July-September	71	73
October-December	61	65
1983:		
January-March	60	63
April-June	60	66
July-September	62	65
October-December	61	65
1984:		
January-March	60	66
April-June	60	66
July-September	62	66
October-December	60	66

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 26.—Filberts, inshell: F.o.b. prices to domestic markets, by quarters and by sizes, October–December 1980 to October–December 1984

Period	Price	
	Large	Jumbo
	Cents per pound	
1980: October–December	86	92
1981:		
January–March	80	92
April–June	80	96
July–September	80	–
October–December	79	83
1982:		
January–March	62	82
April–June	75	–
July–September	72	80
October–December	72	71
1983:		
January–March	62	78
April–June	61	72
July–September	63	72
October–December	64	72
1984:		
January–March	64	69
April–June	65	70
July–September	63	70
October–December	65	71

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 27.—Filberts, inshell, large: Delivered prices, by sources of supply and by quarters, April-June 1982 to April-June 1984

Period	Source of Supply	
	Italy	Oregon or Washington
	—Cents per pound—	
1982:		
April-June	68	86
July-September	–	79
October-December	68	77
1983:		
January-March	–	61
April-June	–	60
July-September	60	63
October-December	54	67
1984:		
January-March	58	–
April-June	54	–

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 28.—Filbert kernels: F.o.b. prices to domestic markets, by quarters and by sizes, or class, October–December 1979 to October–December 1984

Period	Price 1/			
	Medium size	Large size	Extra-large size	Whole and broken class
	Per pound			
1979: October–December	$1.87	$1.72	$1.82	$1.62
1980:				
January–March	1.97	1.87	1.91	2.11
April–June	2.29	2.04	1.94	1.91
July–September	1.77	2.31	2.27	1.85
October–December	2.24	2.35	2.26	1.99
1981:				
January–March	2.22	2.23	2.27	2.18
April–June	2.23	2.19	2.07	2.15
July–September	1.99	1.86	2.01	1.96
October–December	1.55	1.57	1.48	1.95
1982:				
January–March	1.59	1.60	1.64	1.45
April–June	1.56	1.60	1.68	1.29
July–September	1.56	1.56	1.54	1.44
October–December	1.49	1.36	1.45	1.17
1983:				
January–March	1.25	1.22	1.20	1.19
April–June	1.37	1.22	1.35	0.94
July–September	1.32	1.20	1.23	0.97
October–December	1.23	1.24	1.29	1.09
1984:				
January–March	1.28	1.46	1.44	1.38
April–June	1.32	1.36	1.54	1.04
July–September	1.60	1.44	1.54	1.04
October–December	1.49	1.40	1.41	1.37

1/ All filberts are Oregon No. 1 grade.

Source: Complied from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 29.—Filbert kernels: Delivered prices of domestic product, by sizes or class, and by quarters, October-December 1979 to October-December 1984

Period	Price 1/		
	Medium size	Large size	Whole and broken class
	Per pound		
1979: October-December	$1.87	$1.79	$1.85
1980:			
January-March	1.98	2.05	2.00
April-June	1.87	1.94	2.00
July-September	1.98	1.98	1.98
October-December	–	2.18	2.04
1981:			
January-March	–	2.06	2.29
April-June	2.00	2.43	2.24
July-September	–	1.90	2.17
October-December	–	1.66	1.87
1982:			
January-March	1.68	1.44	1.51
April-June	1.68	1.32	1.29
July-September	1.54	1.42	1.20
October-December	–	1.42	1.17
1983:			
January-March	–	1.23	1.36
April-June	–	1.19	0.97
July-September	–	1.22	0.98
October-December	–	1.30	1.42
1984:			
January-March	–	1.34	0.94
April-June	–	1.32	–
July-September	–	1.32	–
October-December	–	1.27	1.80

1/ All filberts are Oregon No. 1 grade.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 30.--Filbert kernels: Delivered prices of imported products, by sources and by sizes or classes, and by quarters, October-December 1979 to October-December 1984

Period	Turkey			Italy		
	Blanched class	Unblanched		Blanched class	Unblanched	
		Medium size	Large size		Medium size	Large size
	Price per pound					
1979: October-December	-	$1.72	$1.81	-	-	-
1980:						
January-March	-	1.92	2.34	-	-	-
April-June	-	2.34	2.33	-	-	$2.48
July-September	$2.71	2.14	2.31	-	-	-
October-December	2.18	2.09	2.11	-	-	-
1981:						
January-March	-	1.97	1.74	-	-	-
April-June	-	2.03	1.88	-	-	-
July-September	1.63	1.80	1.63	-	-	-
October-December	1.55	1.26	1.45	-	$1.55	1.50
1982:						
January-March	1.44	1.25	1.32	-	1.53	-
April-June	1.37	1.23	1.18	-	1.50	1.33
July-September	1.36	-	1.22	$1.12	1.30	-
October-December	1.38	1.12	1.19	1.24	-	1.51
1983:						
January-March	1.32	1.13	1.26	-	1.30	1.21
April-June	1.38	1.14	1.64	-	1.42	-
July-September	1.24	-	1.16	-	1.09	1.33
October-December	1.30	1.10	1.20	1.14	1.36	1.16
1984:						
January-March	1.35	1.16	1.19	1.14	1.18	1.22
April-June	1.27	1.16	1.14	-	1.19	1.22
July-September	1.35	1.16	1.20	-	1.18	1.22
October-December	1.55	-	1.22	-	-	1.22

Source: Compiled from data submitted in response to questionnaires of U.S. International Trade Commission.

Table 31.—Truck rates between Portland, Oregon, and 10 selected cities, January 1985

Destination from Portland	Full truckload weight	Rate 1/		
		Low	High	Average
	1,000 pounds	Per hundred-weight		
Seattle	46	$0.60	$0.60	$0.60
Los Angeles	46	2.00	2.35	2.18
Denver	46	2.85	3.25	3.05
Chicago	46	3.75	4.25	4.00
Mobile	46	5.25	6.00	5.63
Houston	46	4.75	5.25	5.00
Boston	46	5.75	6.50	6.13
New York	46	5.50	6.00	5.75
Baltimore	46	5.25	6.25	5.75
Atlanta	46	5.00	5.50	5.25

1/ During the inshell filbert marketing season (October–December) the transportation rate is usually high. Other factors affecting the rate include supply of and demand for the trucking service when purchases of the service are under negotiation. The rates are constructed in accordance with those charged during late 1984. They were used in January 1985.

Source: Continental Truck Brokers, Inc., Portland, Oregon.

Table 32.—Railroad rates between Portland, Oregon, and 10 selected cities, January 1985

Destination from Portland	Minimum carload weight	Rate 1/
	1,000 pounds	Per hundred-weight
Seattle	40	$1.45
Los Angeles	75	3.14
Denver	80	3.27
Chicago	80	4.69
Mobile	80	4.43
Houston	80	4.69
Boston	50	7.19
New York	80	6.51
Baltimore	50	7.19
Atlanta	80	4.75

1/ These transportation rates apply only to filbert kernels.

Source: Burlington Northern Railroad Co., Inc.

Table 33.—Filberts: EC production, exports, imports, and apparent consumption, 1979-83 1/

(In thousands of pounds, kernel-weight basis)

Year	Production	Exports 2/	Imports 2/	Apparent consumption 3/	Ratio (percent) of imports to consumption
1979	98,106	32,167	174,287	240,226	73
1980	121,916	15,656	167,285	273,545	61
1981	100,421	26,249	156,315	230,487	68
1982	138,340	28,145	168,868	279,063	61
1983	143,301	41,136	154,902	257,067	60

1/ The 10 member countries of the European Community (EC) are Belgium, Denmark, France, Greece, Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Data do not include exports or imports from one member country to another member country of the European Community and, thus, figures do not agree with totals shown for tables 16 and 34.

3/ Includes both filbert kernels and inshell filberts converted to a kernel-weight basis; approximately 90 percent of the apparent consumption was filbert kernels.

Source: Production in Italy as reported by the U.S. Foreign Agricultural Service plus production in Greece and France as reported in official statistics of the European Community, and imports and exports compiled by the Commission staff on the basis of official statistics of the European Community found in tables 16 and 34.

Table 34.—Filberts: Imports into the European Community, from selected sources, by types, 1979–83

(In thousands of pounds, kernel-weight basis)

Source	1979	1980	1981	1982	1983
	All filberts				
Turkey	166,406	151,529	150,495	164,346	148,576
Intra EC 1/	47,428	41,489	51,254	56,740	70,312
Spain	4,066	12,296	4,086	2,392	3,920
United States	1,705	1,828	969	534	938
All other	2,110	1,632	765	1,596	1,468
Total	221,715	208,774	207,569	225,608	225,214
	Inshell filberts 2/				
Turkey	396	356	429	305	376
Intra EC 1/	6,417	6,474	7,617	8,290	9,434
Spain	0	76	0	0	0
United States	1,705	1,596	793	534	810
All other	90	139	227	92	26
Total	8,608	8,641	9,066	9,221	10,646
	Shelled filberts				
Turkey	166,010	151,173	150,066	164,041	148,200
Intra EC 1/	41,011	35,015	43,637	48,450	60,878
Spain	4,066	12,220	4,086	2,392	3,920
United States	0	232	176	0	128
All other	2,020	1,493	538	1,504	1,442
Total	213,107	200,133	198,503	216,387	214,568

1/ Imports into EC member countries from other EC member countries. The 10 member countries are: Belgium, Denmark, France, Greece (not a member prior to 1981), Italy, Ireland, Luxembourg, the Netherlands, West Germany, and the United Kingdom.

2/ Inshell weights converted to shelled kernel weights at the rate of 40 percent shellout for supplies from the United States and 50 percent shellout for supplies from all other sources.

Source: Compiled by the Commission staff on the basis of official statistics of the European Community, Eurostat Analytical Tables of Foreign Trade, NIMEXE.

Note.—The totals in this table include intra EC trade and, thus, are larger then those shown for EC consumption (table 33). To determine imports from nonmember countries into the EC, subtract intra EC quantities from the above totals.

Table 35.—Filberts: Canadian production, imports, and apparent consumption, by types, 1979-83

Year	Inshell filberts				Filbert kernels	
	Production 1/	Imports	Apparent consumption 2/	Ratio (percent) of imports to apparent consumption	Imports 3/	Ratio (percent) of imports to apparent consumption
	Quantity (1,000 pounds) 4/					
1979	600	1,691	2,291	74	2,123	100
1980	550	1,337	1,887	71	1,859	100
1981	330	1,970	2,300	86	1,656	100
1982	522	1,804	2,326	78	1,754	100
1983	415	1,300	1,715	76	2,099	100
	Value (1,000 Canadian dollars)					
1979	324	1,110	5/	5/	2,686	100
1980	434	1,474	5/	5/	4,067	100
1981	263	1,740	5/	5/	3,345	100
1982	383	1,431	5/	5/	2,114	100
1983	314	1,036	5/	5/	2,585	100
	Unit value (per pound)					
1979	$0.54	$0.66	5/	5/	$1.27	5/
1980	.79	1.10	5/	5/	2.19	5/
1981	.80	.88	5/	5/	2.02	5/
1982	.73	.79	5/	5/	1.21	5/
1983	.76	.80	5/	5/	1.23	5/

1/ Production in British Columbia, which accounts for all of the Canadian filbert production. Data include "fresh farm sales" as well as "fresh wholesale" quantities.

2/ Production plus imports; exports, if any, are believed to be negligible.

3/ Production, and thus exports, are believed to be nil.

4/ Quantity of inshell filberts in inshell weight and quantity of filbert kernels in kernel weight.

5/ Not meaningful.

Source: Production, compiled from official statistics of the Ministry of Agriculture and Food, Province of British Columbia, Canada, and imports, compiled from official statistics of Statistics Canada.

Table 36.—Filberts: Canadian imports, by principal sources and by types, calendar years 1979–83

Year and type	United States	Turkey	Italy	All other 1/	Total
	Quantity (1,000 pounds)				
Inshell filberts (inshell weight):					
1979	1,140	0	551	0	1,691
1980	1,263	74	0	0	1,337
1981	1,811	30	108	21	1,970
1982	1,507	2/	277	20	1,804
1983	1,174	77	49	0	1,300
Inshell filberts (kernel-weight equivalent): 3/					
1979	456	0	220	0	676
1980	505	30	0	0	535
1981	725	12	43	8	788
1982	603	2/	111	8	722
1983	469	31	20	0	520
Filbert kernels 4/ (kernel weight):					
1979	723	1,095	132	173	2,123
1980	435	1,266	2	156	1,859
1981	510	1,046	18	82	1,656
1982	592	697	159	306	1,754
1983	772	1,227	0	100	2,099
Total (kernel-weight equivalent):					
1979	1,179	1,095	352	173	2,799
1980	940	1,296	2	156	2,394
1981	1,235	1,058	61	90	2,444
1982	1,195	697	270	314	2,476
1983	1,241	1,258	20	100	2,619
	Value (1,000 Canadian dollars)				
Inshell filberts:					
1979	792	–	317	–	1,110
1980	1,324	151	–	–	1,474
1981	1,538	64	90	48	1,740
1982	1,226	5/	187	17	1,431
1983	904	105	26	–	1,036
Filbert kernels: 4/					
1979	920	1,374	167	226	2,686
1980	895	2,799	2	371	4,067
1981	911	2,189	37	208	3,345
1982	708	820	116	469	2,114
1983	878	1,549	–	157	2,585
Total:					
1979	1,712	1,374	484	226	3,796
1980	2,219	2,950	2	371	5,541
1981	2,449	2,253	127	256	5,085
1982	1,934	820	303	486	3,545
1983	1,782	1,654	26	157	3,621

Table 36.—Filberts: Canadian imports, by principal sources and by types, calendar years 1979-83—Continued

Year and type	United States	Turkey	Italy	All other 1/	Total
	Average unit value (Canadian dollars per pound)				
Inshell filberts:					
1979	$0.69	-	$0.57	-	$0.66
1980	1.05	$2.04	-	-	1.10
1981	.85	2.13	.83	$2.29	.88
1982	.81	-	.67	.87	.79
1983	.77	1.36	.53	-	.80
Filbert kernels: 4/					
1979	1.27	1.26	1.26	1.30	1.27
1980	2.06	2.21	1.12	2.37	2.19
1981	1.79	2.09	2.10	2.53	2.02
1982	1.20	1.18	.73	1.53	1.21
1983	1.14	1.26	-	1.56	1.23

1/ Nearly all from West Germany, the United Kingdom, and Switzerland.
2/ Less than 500 pounds.
3/ Inshell filbert weights were converted by the Commission staff to kernel-weight equivalents by multiplying inshell weights by 0.40.
4/ The Canadian description is "shelled or roasted."
5/ Less than $500.

Source: Compiled from official statistics of Statistics Canada, annual reports of Imports by Commodities, except as noted.

Note.—Unit values for the combined quantities of inshell and shelled or roasted filberts are not meaningful. Because of rounding, figures may not add to the totals shown.

APPENDIX G

COSTS OF PRODUCING FILBERTS IN OREGON AND WASHINGTON, EXTENSION CIRCULAR 1173, OREGON STATE UNIVERSITY, MAY 1984

Filbert and Walnut Production, Returns, and Costs in Oregon and Washington

Summary and conclusions

Filberts and walnuts are the only two nut crops that are produced commercially in the Pacific Northwest. The entire U. S. *filbert* crop is grown in a small area of Oregon and Washington—about 98% of it in the Willamette Valley of Oregon. Pacific Northwest *walnuts* are grown exclusively in Oregon.

The focus of this study was on trends of the Pacific Northwest tree nut industry for the period 1950-1982. We assembled and analyzed historical data on acreage, production, value, and costs.

Filberts. Oregon's acreage decreased slightly through the early 1960's. Later surveys indicated an uptrend in acreage planted. Washington's acreage steadily declined.

Survey data on trees planted per acre showed a sharp increase for Oregon in the latter part of the period. Washington's plantings per acre increased and then appeared to decline somewhat. Oregon's total production accelerated upward while Washington's declined.

Filbert prices generally increased over the period. As a result, Oregon's value of production greatly increased. Because of declining production, Washington's total value only slightly increased.

Total costs of filbert production were estimated to be just under $1,140 an acre. At average 1982 prices, an orchard yielding 0.9 ton an acre would have lost $530 an acre. However, $265 an acre would have been returned above estimated cash costs.

Walnuts. Oregon's production has trended downward. About 6,000 tons were produced on average in the 1950's. That dropped to 1,140 tons on average in the early 1980's.

In contrast, prices have trended upward. Value of production declined in the early part of the period as production declines more than offset price increases.

But starting in the late 1970's, value of production began to increase as price increases in those years more than offset continuing production declines.

Unlike filberts, cost-of-production information was not available for walnuts.

Introduction

Oregon and Washington form the only commercial filbert production area in the U.S. In 1982, over 98% of the crop was grown in Oregon. Walnuts are the only other commercially grown nut crop in the region. All of the region's walnut crop is in Oregon, and production has been declining. Oregon winters are too severe for most walnut varieties.

Oregon's filbert and walnut production is all found in the Willamette Valley. Washington's filbert production is located entirely in Clark County, just north of the Willamette Valley.

Filbert operations typically range from 5 to 200 acres. A 50- to 80-acre orchard is considered an economical size. Irrigation is rare.

A typical walnut enterprise is only 10 to 25 acres and either a part-time operation or part of a filbert enterprise.

Purpose of the study

For a number of years, Pacific Northwest public policymakers have tried to deal with a wide range of rural community development concerns—maintaining adequate agricultural productivity, improving environmental quality, and understanding the role of agricultural production in the economy of Oregon, Washington, and Idaho.

The study reported here is part of a broad project to promote this understand The filbert and walnut crop information assembled in this report, together with the information other researchers have gathered on important crop and livestock sectors, should provide a valuable agricultural data base to help policymakers establish sound recommendations on important Pacific Northwest rural development questions.

The specific focus of this research was for the period 1950-1982, to determine the trends of the Pacific Northwest tree nut industry, a segment of horticultural production that continues to be important to nut growers, processors, and consumers.

Study objectives

Specific objectives for this study were

1. develop historical data on filbert and walnut acreage and production;
2. assemble data on filbert and walnut value of production; and
3. identify representative costs of product

Extension Circular 1173 / May 19

OREGON STATE UNIVERSITY EXTENSION SERVICE

Table 1—*Pacific Northwest filbert acreage*[a]

Year	Oregon (acres)	Washington (acres)	Total (acres)
1955	19,169	1,434	20,603
1958	18,223	1,109	19,332
1963	17,734	813	18,547
1976	18,936	501	19,437
1980	21,580	377	21,957

[a]For periodic survey years.
Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Table 2—*Pacific Northwest filbert tree numbers*[a]

Year	Oregon (trees)	Washington (trees)	Total (trees)
1955	1,527,321	125,680	1,653,001
1958	1,471,277	99,589	1,570,866
1963	1,418,507	73,102	1,491,609
1976	2,028,975	52,707	2,081,682
1980	2,510,040	36,574	2,546,614

[a]For periodic survey years.
Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Table 3—*Pacific Northwest filbert number of trees per acre*[a]

Year	Oregon trees per acre	Washington trees per acre	Total trees per acre
1955	79	88	80
1958	81	90	81
1963	80	90	80
1976	107	105	107
1980	116	97	116

[a]For period survey years.
Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Table 4—*Pacific Northwest filbert production (inshell basis), 1950-82*

Year	Oregon production (tons)	Washington production (tons)	Total production (tons)
1950	6,000	570	6,570
1951	6,100	640	6,740
1952	11,000	790	11,790
1953	4,300	600	4,900
1954	8,000	620	8,600
1955	7,400	310	7,710
1956	2,900	140	3,040
1957	11,900	610	12,510
1958	7,100	440	7,540
1959	9,500	600	10,100
1960	8,400	550	8,950
1961	11,100	600	11,760
1962	7,300	480	7,780
1963	6,600	360	6,960
1964	7,800	290	8,090
1965	7,300	440	7,740
1966	11,700	520	12,220
1967	7,000	540	7,540
1968	7,000	600	7,600
1969	7,100	300	7,400
1970	8,750	510	9,260
1971	11,000	370	11,370
1972	9,600	550	10,150
1973	11,700	550	12,250
1974	6,400	300	6,700
1975	11,800	320	12,120
1976	6,950	220	7,170
1977	11,400	350	11,750
1978	13,700	350	14,050
1979	12,700	300	13,000
1980	15,100	300	15,400
1981	14,400	300	14,700
1982	18,200	300	18,500

Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Table 5—*Pacific Northwest filbert production sold shelled (inshell basis), 1952-82*

Year	Oregon[a] tons	Oregon[a] % of total	Washington[a] tons	Washington[a] % of total	Pacific Northwest tons	Pacific Northwest % of total
1950					[b]	—
1951					[b]	—
1952					[b]	—
1953					[b]	—
1954					1,610	19
1955					1,356	18
1956					207	7
1957					3,888	31
1958					1,613	21
1959					3,545	35
1960					2,895	32
1961					5,498	47
1962					2,918	32
1963					1,759	25
1964					1,747	22
1965					931	12
1966					1,948	16
1967					513	7
1968					479	6
1969	860	12	30	10	890	12
1970	1,760	20	73	14	1,833	20
1971	4,530	41	122	33	4,652	41
1972	2,420	25	170	31	2,590	26
1973	3,400	29	123	22	3,523	29
1974	1,500	23	48	16	1,548	23
1975	4,140	35	76	24	4,216	35
1976	1,020	15	35	16	1,055	15
1977	2,030	18	65	19	2,095	18
1978	4,300	31	100	29	4,400	31
1979	5,400	43	70	23	5,470	42
1980	6,500	43	101	34	6,601	43
1981	6,200	43	100	33	6,300	43
1982	8,600	17	230	77	8,830	48

[a]Data by state first published in 1969.
[b]The 1950-53 average was 1,463 tons.
Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Method

We collected all available data from the 1950-82 period on filbert and walnut acreage, tree numbers, production, use, prices, value of production, and costs of production; and we summarized them for the Pacific Northwest.

We compiled most of the data from published reports of the U.S. Department of Agriculture and the Oregon State University Economic Information Office. Consultations with horticultural specialists and economists provided additional information.

We updated our estimated costs for Oregon filbert production to 1982 values by indexing. We included cultural, harvest, and overhead costs. Be cautious when you use this budget—it is based on a cost study for a specific area. No cost-of-production data were available for the Oregon walnut industry.

Filberts

During the period 1950-1982, five acreage surveys of the Pacific Northwest filbert industry were completed (table 1). Oregon's acreage dropped slightly through at least the late 1950's and early 1960's. In 1955, there were almost 19,200 acres in Oregon. By 1963, that number had been reduced just over 7%, to about 17,700 acres.

The next survey showed an increase in acreage, and by 1980 there were almost 21,600 acres planted to filberts in Oregon.

Washington's acreage showed a steady decline from 1,434 acres in the 1955 survey to 377 acres in the 1980 survey.

Data on tree numbers were also collected as a part of the filbert industry surveys (tables 2 and 3). The number of trees planted per acre in both states was mostly unchanged in the first three surveys, ending in 1963.

The spacing in Washington for those years was about 10 trees more per acre than in Oregon. By 1976, high-density plantings had increased the average for the two states to 107 trees an acre. The trend toward higher density plantings continued in Oregon.

By 1980, there were an average of 116 trees an acre in that state. Washington's average density declined somewhat in the 1980 survey, to less than 100 trees an acre.

Production trends for the two states have been opposite each other (table 4). While quite variable from year to year, Oregon showed a trend toward accelerating growth in production.

In the 1950's, Oregon's production averaged about 7,400 tons a year. That increased to 8,100 tons on average in the 1960's, and 10,400 tons in the 1970's.

Table 6—*Pacific Northwest filbert prices (inshell basis), 1950-82*

Year	Oregon price ($/ton)	Washington price ($/ton)	Pacific Northwest price ($/ton)
1950	350	354	350
1951	350	357	351
1952	296	330	298
1953	344	345	344
1954	320	322	320
1955	420	422	420
1956	510	513	510
1957	300	303	300
1958	380	380	380
1959	376	378	376
1960	420	422	420
1961	380	382	380
1962	440	442	440
1963	470	470	470
1964	440	442	440
1965	450	452	450
1966	390	417	391
1967	492	497	492
1968	518	520	518
1969	550	555	550
1970	570	571	570
1971	414	416	414
1972	508	509	508
1973	510	635	573
1974	560	565	560
1975	610	595	610
1976	640	635	640
1977	687	674	687
1978	805	835	806
1979	951	970	951
1980	1,151	1,181	1,152
1981	786	770	786
1982	675	670	675

Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Table 7—*Pacific Northwest value of filbert production, 1950-82*

Year	Oregon value of production (× $1,000)	Washington value of production (× $1,000)	Pacific Northwest value of production (× $1,000)
1950	1,872	156	2,028
1951	2,048	214	2,262
1952	3,191	261	3,452
1953	1,445	207	1,652
1954	2,512	200	2,712
1955	3,108	131	3,239
1956	1,479	72	1,551
1957	3,510	185	3,695
1958	2,698	167	2,865
1959	3,572	227	3,799
1960	3,528	232	3,760
1961	4,218	252	4,470
1962	3,212	212	3,424
1963	3,102	169	3,271
1964	3,432	128	3,560
1965	3,285	199	3,484
1966	4,563	217	4,780
1967	3,444	268	3,712
1968	3,626	312	3,928
1969	3,905	167	4,072
1970	4,988	291	5,279
1971	4,554	154	4,708
1972	4,877	280	5,157
1973	6,669	349	7,018
1974	3,584	170	3,754
1975	7,198	190	7,388
1976	4,448	140	4,588
1977	7,832	236	8,068
1978	11,029	292	11,321
1979	12,078	291	12,369
1980	17,380	354	17,734
1981	11,318	231	11,549
1982	12,285	201	12,486

Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

Increased acreage, much denser plantings, and improved cultural practices helped to push the production average in the early 1980's to 15,900 tons a year.

In contrast, Washington's filbert production showed an accelerating downtrend. In the 1950's, Washington produced 530 tons a year on average. By the 1960's that figure had slipped to 474 tons, and it was just 390 tons a year on average in the 1970's. Production in the early 1980's was estimated at only 300 tons a year.

The portion of the crop sold shelled was highly variable (table 5). Market conditions were the major factors affecting this amount.

Markets for shelled filberts were improving during the late 1970's and early 1980's. That was reflected in generally greater percentages of the crop being sold in that form during the latter part of the period.

Prices to filbert growers generally increased (table 6). Until the late 1970's, Oregon prices were typically higher by a few dollars a ton. That situation reversed, starting in 1975, when Oregon's price showed a tendency to be higher in some years.

Prices for the two states averaged $365 a ton in the 1950's. There was a general upward trend from that point despite some variability. The average price in the 1960's was $455 a ton, and in the 1970's it was about $630 a ton.

A record yearly average price was set in 1980, when growers received just over $1,150 a ton. Prices following that season declined in response to a worldwide oversupply situation. The overall average price for the early 1980's still showed a continuation of the uptrend, at about $870 per ton.

Because production and prices both increased, Oregon's value of production trended upward, in spite of considerable variability (table 7). The Oregon filbert

Table 8—*Filbert production costs per acre, northern Willamette Valley, 1982*[a]

Cost factor	Labor		Machinery ($)[b]	Other		Total
	Hours	Value ($)		Item	Value ($)	
Cultural operations						
Prune[c]	4.00	46.80	17.60			64.40
Brush removal	.50	5.85	10.35			16.20
Fertilizer (2@N/tree)	.20	2.35	1.10	fert.	54.90	58.35
Lime[d]	.07	.80	1.00	lime	8.00	9.80
Herbicide spray	.25	2.90	2.60	chem.	7.75	13.25
Chemical suckering (4)	1.00	11.70	9.80	chem.	2.60	24.10
Aphid control	.40	4.70	7.10	chem.	5.15	16.95
Leaf roller control	.40	4.70	7.10	chem.	5.15	16.95
Solubor spray[e]	.20	2.35	3.55	chem.	1.00	6.90
Filbert warm spray (2×)	.80	9.35	14.20	chem.	15.50	39.05
Flailing (6×)	1.50	17.55	21.95			39.50
Orchard floor maint.[f]	2.00	23.40	19.00			42.40
Harvest costs[g]						
Sweeping (1.25×)	1.60	11.05	35.40			46.45
Picking & handling	2.00	18.60	34.90			53.50
Hauling ($10/ton dry wt)				custom	12.35	12.35
Drying ($50/ton dry wt)				custom	61.65	61.65
Other charges						
Pickup	1.50	17.55	17.20			34.75
Interest on land & orchard ($4000 @ 13%)					520.00	520.00
Taxes on land[h]					16.50	16.50
Operating capital interest (14%)					13.90	13.90
Filbert Commission ($10/ton)					9.00	9.00
General overhead[i]					21.75	21.75
Total cash costs		17.95	91.28		235.20	344.43
Total noncash costs		161.70	111.57		520.00	793.27
Total costs		179.65	202.85		755.20	1,137.70
Cost per lb @ 1,400 lb yield		78.5¢				
Cost per lb @ 1,800 lb yield		63.2				
Cost per lb @ 2,220 lb yield		53.5				
Cost per lb @ 2,600 lb yield		46.7				

[a]Based on an 80-acre, mature, bearing orchard; 1,800-lb normal orchard dry-weight yield; 108 trees per acre; operator's labor @ $11.70 per hour; and hired labor @ $6.90 per hour.
[b]See table 8a for machinery and equipment cost assumptions.
[c]Based on pruning every fifth tree in a 5-year rotation pruning.
[d]Based on maintenance application of 1,000 lb per acre every third year.
[e]Optional based on leaf analysis. Assumes one application every other year.
[f]Rodent control, leveling, etc.
[g]All of the sweeping labor and one-half of the picking and handling labor is hired.
[h]Based on farm use value.
[i]Includes utilities, accounting fees, shop, liability insurance, etc.

crop amounted to an average $2.5 million a year in the 1950's. By the 1970's that had increased to $6.7 million.

Record prices and near-record production in 1980 caused Oregon's filbert crop value to set a record of almost $17.4 million. Later production increases partially offset price declines. Thus, Oregon's average value of production in the early 1980's was $13.7 million.

Rising prices in Washington offset that state's decline in production. Consequently, Washington's value of production remained on a slight increase over the period. In the 1950's it averaged just over $180,000. During the early 1980's it averaged just over $262,000.

Estimates of production costs in the northern Willamette Valley were available (tables 8 and 8a). They were divided into cultural operations, harvest costs, and other charges.

Major cultural operation costs included pruning at $64 an acre, fertilizer at $58 an acre, orchard floor maintenance at $42 an acre, and flailing at $40 an acre. We estimated total costs for cultural operations to be about $348 an acre, including $117 for chemical sprays.

Harvest costs for sweeping, picking, handling, hauling, and drying amounted to $174 a ton. (We assumed that hauling and drying would be done on a custom basis.) Interest on land and orhcard investment was the major other charge category, $520 an acre.

Total costs for production were estimated to be just under $1,140 an acre, including $344 an acre of cash costs. At the average 1982 price of filberts, an orchard with a 1,800-pound yield per acre would lose $530 an acre. However, about $265 an acre would have been returned above cash costs.

Table 8a—*Machinery and equipment cost assumptions for the "Machinery" column estimates in table 8*

Machine	Size	Initial investment ($)	Salvage value ($)	Expected life (yr)	Operating costs[a] ($/hour)	Operating costs[b] ($/hour)	Total costs ($/hour
Wheel tractor	60 hp	19,890	7,650	7	4.70	2.50	7.20
Pickup	½ ton	8,250	4,500	5	5.85	5.45	11.30
Front-end loader		5,355	2,295	20	.75	9.05	9.80
Brush rake		525	0	10	1.10	2.50	3.60
Fert. spreader		1,125	225	20	.90	4.50	5.40
Sprayer (PTO)	100 gal	1,050	150	15	1.25	1.20	2.45
Sprayer (PTO)	300 gal	10,500	3,750	15	2.65	7.75	10.40
Flail	9 ft	4,425	2,250	7	1.95	5.30	7.25
Sweeper		12,240	4,590	10	2.70	12.05	14.75
Picker		10,328	3,825	10	.65	16.50	17.15
Leveler		1,500	300	15	1.10	1.05	2.15
Other orchard equipment[c]		1,470	0	10	2.95	1.45	4.40

[a]Includes repairs, maintenance, fuel, and lubrication.
[b]Includes depreciation, interest on the average investment, taxes, and insurance.
[c]Includes such items as pruning tools, chain saw, ladders, and miscellan equipment.
Source: 1982 update from an OSU Economic Information Office en prise data sheet on filbert production costs in the northern Willamette Valley, originally prepared February 1979.

Walnuts

Oregon is the only state in the Pacific Northwest that has walnut production. In the early 1950's, Oregon accounted for almost 10% of the U. S. walnut crop. However, in 1955, a severe freeze virtually destroyed Oregon's walnut crop, and the industry never really rebounded.

In 1981, the last year that data were collected on Oregon's walnut industry, just over 1,000 tons of production were reported (table 9). By comparison, California reported 225,000 tons, 99.6% of the U.S. crop that year.

Oregon's production trended downward for most of the period. Average production in the 1950's was just over 6,000 tons a year with a high of 8,400 tons in 1954.

Data on production sold shelled were available for 1965-77. The percentage was quite variable, but it was usually at least one-third—and frequently exceeded one-half—of the production.

Only about 1,350 tons in total were being produced on average in the 1970's. That dropped to about 1,100 tons in the early 1980's.

Walnut prices trended upward over the period, in spite of considerable variability at times. Prices averaged about $375 a ton in the 1950's and $450 in the 1960's. By the 1970's, the average was in the area of $610 a ton and reached $1,170 by the early 1980's.

The value of production declined throughout most of the period on average, as production declines more than offset price advances. Walnuts were an average $2.2 million crop in the 1950's. By the 1970's, they were a $750,000 industry.

Strong price increases in the late 1970's and early 1980's offset production declines during that time. Thus, the average value of production was in the $1.3 million range in the early 1980's.

Table 9—*Oregon English walnut (inshell basis) production, percent of production sold shelled, price, and value of production, 1950-82*

Year	Production (tons)	% production sold shelled	Price ($/ton)	Value (× $1,000
1950	6,300	a	320	2,016
1951	9,100	a	340	3,094
1952	8,200	a	360	2,952
1953	4,400	a	370	1,628
1954	8,400	a	260	2,106
1955	5,400	a	470	2,397
1956	2,800	a	390	1,092
1957	5,300	a	400	2,120
1958	6,500	a	380	2,470
1959	4,200	a	450	1,890
1960	2,500	a	570	1,425
1961	6,300	a	410	2,583
1962	2,900	a	420	1,218
1963	3,800	a	450	1,710
1964	4,100	a	430	1,763
1965	1,300	35	420	546
1966	4,000	58	400	1,600
1967	2,400	45	500	1,200
1968	3,600	61	540	1,944
1969	2,500	44	364	910
1970	3,800	55	360	1,368
1971	1,400	56	290	406
1972	800	51	538	430
1973	1,000	61	550	550
1974	1,500	73	380	570
1975	1,300	50	390	507
1976	700	41	605	424
1977	500	31	710	355
1978	1,270	a	1,115	1,416
1979	1,245	a	1,160	1,444
1980	1,275	a	1,120	1,428
1981	1,005	a	1,200	1,226
1982	b	a	b	b

[a]Collection of the data series began in 1965 and ended in 1977.
[b]Collection of the data was discontinued in 1982.
Source: U. S. Department of Agriculture, *Agricultural Statistics*, selected issues; and the OSU Economic Information Office.

This publication was prepared by Larry Burt, Extension economist, and Elizabeth Woodley, educational project aide, Department of Agricultural and Resource Economics, Oregon State University.

Extension Service, Oregon State University, Corvallis, O. E. Smith, director. This publication was produced and distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U.S. Department of Agriculture, and Oregon counties.

APPENDIX H

HAZELNUT MARKET REPORT, VOL. 1, NO. 1, ECONOMIC RESEARCH INSTITUTE, BLACK SEA REGION HAZELNUT EXPORTERS' UNION, GIRESUN, TURKEY, DECEMBER 1984

HAZELNUT
MARKET REPORT

December, 1984
No 1

BLACK SEA REGION HAZELNUT EXPORTERS UNION
INSTITUTE OF ECONOMIC RESEARCH

Hazelnut Market Report : Published Ouarterly
Vol: 1, No: 1
December 1984

Publisher : **Şerafettin Turan, Chairman of the Board, Black Sea Region Hazelnut Exporters Union**

Editor : **Prof. Dr. Cem Alpar, Director, Economic Research Institute**

Address : **Karadeniz Bölgesi; Fındık İhracatçıları Birliği**
İktisadi Araştırma Enstitüsü
Arifbey Cad., No.: 18, Giresun – TURKEY

BLACK SEA REGION HAZELNUT EXPORTERS' UNION AND ITS ECONOMIC RESEARCH INSTITUTE

The Black Sea Region Hazelnut Exporters' Union was established in 1951 as a semi - official organization of the Under secretariat of the Treasury and Foreign Trade of the Prime Ministry. The Union has 360 members, 60 % of whom are directly involved in hazelnut exportation. The Union carries out studies on market and price conditions of hazelnuts and other related agricultural products, in order to provide its members with up - to - date information. The other functions of the Union are: to study any problems which might hinder its members in carrying out their activities and propose solutions to these problems: to collect statistical data on hazulnuts, and, when so authorized by the State, to approve official documentation of hazelnut exportation.

The Economic Research Institute was established in 1984 under the auspices of the Exporters' Union. The main purpose of the Institute is to foster research and publications on trade and marketing conditions in both the foreign and the domestic markets.

HAZELNUT
MARKET REPORT

MARKET REPORT

Production:

In Turkey, annual hazelnut crop estimates are made by a governmental committee composed of technicians, under the auspices of the Technical Agricultural Directorates of the hazelnut - growing provinces. Since 1964, the annual estimates - with one exception - were realized within a maximum of 5 % deviation. The one exception was in 1983, when the Technical Agricultural Directorates' estimate was 388,000 tons, whereas the actual harvest was 460,000 tons. The official 1984 crop estimate is 280,000 tons. This is slightly higher than Gill and Duffus' estimate of 260,000 tons, but is more likely to be correct.

Marketing:

In 1984, the most important decision taken by the government was to export every crop within the year of harvest and thus not carry over any stock to the following year. From now on, whenever the supply is greater than the demand, the excess will be used in the oil and fats industry. This will prevent the accumulation of stocks and a corresponding decrease in prices. It will also ensure that Turkey, which supplies most of the international market demand, will be able to provide better quality and tastier hazulnuts. It has been decided that the 140 thousand tons of hazelnuts, held in stock from 1983 and preceding years, will be utilized by the oil and fats industry in 1984.

Support price:

In 1984, the government established a 'step' price policy. According to this 'step' price system, FISKOBIRLIK's(*) price per kilo is as follows:

September	240 TL/kg
October	245 TL/kg
November	260 TL/kg
December	268 TL/kg
January	275 TL/kg

In September, 1984, it was decided that producers would be paid in cash on delivery of up to 1,500 kilos of hazelnuts to FISKOBIRLIK. It appears, however, that there have been some difficulties with cash payments, as they have usually been one or two months late. Obviously, this also has an adverse effect on prices. Instead of delivering their crops to FISKOBIRLIK, the producers prefer merchants or private exporters, even if their prices are lower, because they can guarantee cash on delivery. Even so, in the second half of October, 1984, prices in the private sector went as high as 290 TL/kg, parallel with the increase in the foreign market.

(*) Union of Hazelnut Cooperatites, a semi - official organization

Price:

The above - mentioned decision to eliminate a hazulnut stock has already shown a positive effect on prices, with shelled hazelnuts reaching $ 2.50 per kilo on the Hamburg market.

However, there have been some fears that this decision might be reversed. These fears arose because a 400 kilo sample of hazelnuts was sent to Japan. This sample, it should be noted, was taken from the stock put aside for the oil and fats industry. This matter was brought to the attention of officials of FISKOBIRLIK, who have stated that the decision definitely will not be reversed, and that the first part of the existing stock has already been delivered to the oil and fats industry.

On the other hand, it has been disclosed that, due to previous agreements with domestic firms, 2,000 tons of mashed hazelnuts (fure) will be allotted to local industries which use hazelnuts in their products. For this purpose, 16,000 tons of hazelnuts have been shelled. Officials stated that the 8,000 tons of shelled hazelnuts which accumulated in processing the mashed hazelnuts will be either consumed by the domestic market or exported to Russia, from which it is highly unlikely that they will be re - exported.

Another negative factor on the price is that some new companies have begun to export hazelnuts at below - market prices. This is happening because, according to Turkey's new export encouragement system, great advantages are gained by companies with exports worth 50 million dollars or more. In order to reach the 50 million dollar level and thus gain these advantages, some export companies whose usual dealings are in industrial products are becoming involved in the exportation of hazelnuts. These companies are willing to export hazelnuts below the market price in order to obtain the higher net gains resulting from exports worth 50 million dollars.

PRODUCTION

Between 1950 and 1965, average hazelnut production worlwide was 150,000 tons (unshelled). This figure rose to 250,000 tons in the period 1966 - 1970, and to 450,000 tons in 1971 - 1983. This rapid increase was mainly due to the increase in Turkey's production.

In the table below, the area under cultivation, production, and productivity In Turkey are shown for the 1976 - 1983 period. As can be seen from the table, productivity fluctuated from year to year while the area under cultivation increased steadily.

TABLE 1

Hazelnut Production According to Regions

Area : Hektar
Production : Ton
Productivity : %

		Akcakoca Region	Ordu Region	Giresun Region	Trabzon Region	Total
1976	Area	90.500	136.500	99.000	46.500	372.500
	Production	50.000	91.500	70.000	46.000	257.500
	Productivity	55.25	67.03	77.78	98.92	69.13
1977	Area	91.500	138.000	99.500	47.500	376.500
	Production	89.000	105.000	65.000	48.000	307.000
	Productivity	97.27	76.09 -	65.33	101.05	81.54
1978	Area	92.000	140.000	100.000	48.000	380.000
	Production	74.190	116.700	75.200	43.910	310.000
	Productivity	80.64	83.36	75.20	91.48	81.58
1979	Area	94.500	141.000	100.000	48.500	384.000
	Production	69.000	112.000	65.000	40.000	285.000
	Productivity	73.02	79.43	65.00	84.41	74.22
1980	Area	95.000	141.500	100.000	48.500	385.000
	Production	77.500	95.500	42.000	35.000	250.000
	Productivity	81.42	67.49	42.000	72.16	64.94
1981	Area	97.000	144.000	100.000	47.000	390.000
	Production	102.500	155.000	85.000	60.000	402.500
	Productivity	105.67	107.63	85.00	127.66	103.20
1982	Area	98.500	148.500	100.000	48.000	395.000
	Production	69.000	72.000	41.500	31.500	214.000
	Productivity	70.05	48.48	41.50	65.63	54.18
Avarage	Area	94.143	141.357	99.786	47.714	383.286
	Production	75.884	106.814	63.386	43.344	289.429
	Productivity	80.61	75.56	63.52	90.84	75.51
1983	Area	100.000	150.000	100.000	50.000	400.000
	Production	89.613	139.813	68.968	42.637	341.032
	Productivity	89.61	93.20	68.97	85.27	85.25

Source: Fiskobirlik

Turkey's hazelnut exports constitute about 80 % of the world's total. As may be seen from Table 3, hazelnuts account for 17.5 % of the revenues derived from the exportation of all Turkish crops and 4 % of the revenues from total Turkish exports.

TABLE 2

The Share of Hazelnut Exports in 1983 (1,000 dollars)

(1)	(2)	(3)		
Total	Export of	Hazelnut		
Exports	Crops	Exports	(3)/(2)	(3)/(1)
5.727,8	1.484,0	245.9	% 17,5	% 4,3

Source: State Planning Organization.

Hazelnuts are mainly exported from September 1 through December the months immediately following the harvest, Table 4 shows the yearly exportation of shelled hazelnuts according to exporters.

TABLE 3

Turkey's Shelled Hazelnut Export (Ton)
According to Exporters

(1st September – 31st December)

	Fiskobirlik	Black Sea Exporters	Istanbul Exporters	Turkey Total
1980	8.554	32.540	4.350	45.444
1981	3.712	35.215	1.650	40.577
1982	12.049	20.115	11.000	43.164
1983	394	44.819	14.194	59.407
1984(*)	6.363	25.295	14.000	45.658

Source: Black Sea Region Hazelnut Exporters Union

(*) as of November 15

LEGAL DEVELOPMENTS

AGRICULTURAL PRODUCTS AND STABILIZATION FUNDS

In Turkey, the most significant aspect of the government's export expansion policy is the financial encouragement given to exporters. The most important item of this encouragement policy is the tax rebate for exports. Under this scheme, the State grants exporters some stated portion of the export value as a tax rebate. On the other hand, the exact opposite of the tax rebate scheme is applied to exporters of Turkey's main agricultural products, including hazelnuts. Exporters of these products must pay to the State some portion of their export earnings in the from of premiums to the stabilization fund.

The table below shows the contributions to the stabilization funds made by exporters of the earnings in the form of premiums to the stabilization fund.

NEW LEGAL ARRANGEMENTS FOR HAZELNUT EXPORTATION HAVE REDUCED SMUGGLING CONSIDERABLY

There are no restrictions on hazelnut exporters from Turkey. Exporters must merely state the terms of sale by completing the 'Free Export Decleration' form, and then apply to the exit customs office.

As mentioned earlier, the premiums to the stabilization fund which must be paid by hazelnut exporters are very high, with the result that some exporters managed to export hazelnuts without paying the premiums. Thos who managed to avoid paying the premiums could offer lower prices to the buyers than the premium - paying exporters. This situation not only upset the market mechanism but also reduced Turkey's foreign exchange earnings.

This development was noted by the Exporters' Union as well as government officials, who decided towards the end of August, 1984, that payments to the stabilization fund could be made in the form of a letter of credit. Exporters are now obliged to give letters of credit to the Exporters' Union equal to the amount of their premiums. This new system has put an end to smuggling and established stabilitiy in both the domestic and export markets.

TABLE 4

Product	Average World Price in US $/Kg (1)	Stabilization Premiums in US $/Kg (2)	(2)/(1) %
Cotton	1.55	0.40	25.8
Hazelnuts	2.50	1.00	43.7
Raisins	0.85	0.09	10.5
Figs	0.88	0.30	34.0

As can be seen from the above table, if one dollar is equal to TL 400, for each kilo exported, the exporter of cotton pays a premium of forty cents (160 TL), the exporter of hazelnuts pays one dollar (400 TL), of raisins nine cents (40 TL), and of figs thirty cents (120 TL). In short, hazelnut exporters pay both the greatest share of their earnings and the greatest percentage as premiums to the stabilization fund.

COUNTRY REPORT

THE EUROPEAN ECONOMIC COMMUNITY (EEC) AND HAZELNUTS

Although the EEC countries constitute one of the most important markets for Turkey's hazelnut exports, they also produce one quarter of the world's hazelnut supply. Italy, for example, intends to double its hazelnut production to 200,000 tons in the next 10 to 15 years. In order to reach this production goal, Italy has instituted a project to expand the area under hazelnut cultivation by making use of less fertile land. Greece, as well, is expanding the area under hazelnut cultivation. Moreover, Greece has been designated the 'observing authority' to monitor Turkey's hazelnut exports within the EEC. With this authority, Greece may stop the exportation of Turkish hazelnuts into Greece either partially or totally.

As the table below shows, the ten EEC countries imported 97,310 tons of hazelnuts in 1983. West Germany heads the list with 59,855 tons, 42.5 % of the total imported. In the same year, Turkey exported 67,211 tons to the EEC countries, 69 % of the EEC's total imports.

TABLE 5

EEC Imports of Shelled Hazelnuts (Ton) in 1983

COUNTRY	Total Imports (1)	Imports From Turkey (2)	(2)/(1) %
West Germany	59.855	45.396	75.8
Belgium - Luxembourg	5.431	2.246	41.3
France	15.997	7.746	48.4
Holland	5.493	4.077	74.2
Italy	951	746	78.4
Denmark	1.709	1.249	73.0
England	7.702	5.721	74.2
Ireland	157	30	19.1
Greece	15	—	—
TOTAL	97.310	67.211	69.0

Source: Eurostat, Nrmexe 1983, Imports

The EEC decided (see document EEC 3590/82) that in 1983 customs duties would be eliminated on hazelnuts imported from Turkey, up to a maximum of 25,000 tons. Turkey's exports to the EEC, however, are about three times as great as the duty - free quota. The present EEC tax rates for Turkish hazelnuts beyond the quota is 4 %. For roasted hazelnuts, this rate increases by .1 %. From the Turkish exporters' point of view, however, the premiums paid per kilo to the stabilization fund for roasted hazelnuts is 68 cents, in comparison to one dollar for shelled hazelnuts.

Black Sea Region Hazelnut Exporters Union
Institute of Economic Research
Address: Arif Bey Cad., No.: 18, Giresun – TURKEY
Tel: (0511) 1338
Telex: 82199 Fin - Tr.

APPENDIX I

GRADE STANDARDS FOR FILBERTS APPLICABLE IN THE UNITED STATES:

(1) OREGON GRADE STANDARDS FOR FILBERTS (HAZELNUTS) IN SHELL

(2) OREGON GRADE STANDARDS FOR FILBERT (HAZELNUT) KERNELS;

(3) UNITED STATES STANDARDS FOR GRADES OF FILBERTS IN THE SHELL;

(4) GRADE REQUIREMENTS FOR DOMESTIC AND IMPORTED FILBERTS, FINAL RULES, IN FEDERAL REGISTER OF MARCH 24, 1982 (47 F.R. 12609)

OREGON GRADE STANDARDS

FILBERTS (HAZELNUTS) IN SHELL

(Effective August 25, 1975)

OREGON NO. 1 GRADE. "Oregon No. 1" consists of filberts in the shell which meet the following requirements:

(1) Similar type; and,
(2) Dry.
(3) Shells:
(a) Well formed; and,
(b) Clean and bright.
(c) Free from:
(i) Blanks; and,
(ii) Broken or split shells.
(d) Free from damage caused by:
(i) Stains; and,
(ii) Adhering husk; or,
(iii) Other means.
(4) Kernels:
(a) Reasonably well developed; and,
(b) Not badly misshapen.
(c) Free from:
(i) Rancidity;
(ii) Decay;
(iii) Mold; and,
(iv) Insect injury.
(d) Free from damage caused by:
(i) Shriveling; and,
(ii) Discoloration; or,
(iii) Other means.
(5) Size: The size shall be specified in connection with the grade in accordance with one of the size classifications in Table I.

TABLE I

Size Classifications	Maximum size: Will pass through a round opening of the following size	Minimum size: Will not pass through a round opening of the following size
Round type varieties:		
Giant	No maximum	23.0 m.m.
Jumbo-Giant	No maximum	22.2 m.m.
(at least 25% Giant size and balance Jumbo size)		
Jumbo	No maximum	22.2 m.m.
Large	22.2 m.m.	19.4 m.m.
Medium	19.4 m.m.	17.9 m.m.
Small	17.9 m.m.	No minimum.
Long type varieties:		
Giant	No maximum	22.2 m.m.
Jumbo-Giant	No maximum	18.6 m.m.
(at least 25% Giant size and balance Jumbo size)		
Jumbo	No maximum	18.6 m.m.
Large	19.0 m.m.	17.5 m..m
Medium	17.9 m.m.	13.5 m.m.
Small	13.9 m.m.	No minimum.

(6) Tolerances: In order to allow for variations incident to proper grading and handling, the following tolerances, by count, are permitted as specified:

(a) For mixed types. 20 percent for filberts which are of a different type.

(b) For defects. 10 percent for filberts which are below the requirements of this grade: Provided, That not more than one-half of this amount or 5 percent shall consist of blanks, and not more than 5 percent shall consist of filberts with rancid, decayed, moldy or insect injured kernels, including not more than 2 percent for insect injury.

(c) For off-size. 15 percent for filberts which fail to meet the requirements for the size specified, but not more than two-thirds of this amount, or 10 percent shall consist of undersize filberts.

APPLICATION OF STANDARDS

(1) The grade of a lot of filberts shall be determined on the basis of a composite sample drawn from containers in various locations in the lot. However, any container or group of containers in which the filberts are obviously of a quality, type or size materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

(2) In grading the sample, each filbert shall be examined for defects of the shell before being cracked for kernel examination. A filbert shall be classed as only one defective nut even though it may be defective externally and internally.

DEFINITIONS

(1) "Similar type" means that the filberts in each container are of the same general type and appearance. For example, nuts of the round type shall not be mixed with those of the long type in the same container.

(2) "Dry" means that the shell is free from surface moisture, and that the shells and kernels combined do not contain more than 10 percent moisture.

(3) "Well formed" means that the filbert shell is not materially misshapen.

(4) "Clean and bright" means that the individual filbert and the lot as a whole are practically free from adhering dirt and other foreign material, and that the shells have characteristic color.

(5) "Blank" means a filbert containing no kernel or a kernel filling less than one-fourth the capacity of the shell.

(6) "Split shell" means a shell having any crack which is open and conspicuous for a distance of more than one-fourth the circumference of the shell, measured in the direction of the crack.

(7) "Damage" means any specific defect described in this section; or an equally objectionable variation of any one of these defects, any other defect,

or any combination of defects which materially detracts from the appearance, or the edible or marketing quality of the filberts. The following specific defects shall be considered as damage:

(a) Stains which are dark and materially affect the appearance of the individual shell.

(b) Adhering husk when covering more than 5 percent of the surface of the shell in the aggregate.

(c) Shriveling when the kernel is materially shruken, wrinkled, leathery or tough.

(d) Discoloration when the appearance of the kernel is materially affected by black color.

(8) "Reasonably well developed" means that the kernel fills one-half or more of the capacity of the shell.

(9) "Badly misshapen" means that the kernel is so malformed that the appearance is materially affected.

(10) "Rancidity means that the kernel is noticeably rancid to the taste. An oily appearance of the flesh does not necessarily indicate a rancid condition.

(11) "Moldy" means that there is a visible growth of mold either on the outside or the inside of the kernel.

(12) "Insect injury" means that the insect frass or web is present inside the nut or the kernel shows definite evidence of insect feeding.

METRIC CONVERSION TABLE

Millimeters (m.m.)	Inches:	Millimeters (m.m.)	Inches:
24.6	62/64	18.6	47/64
23.4	59/64	17.9	45/64
23.0	58/64	17.5	44/64
22.2	56/64	16.7	42/64
19.4	49/64	13.9	35/64
19.0	48/64	13.5	34/64

OREGON GRADE STANDARDS

FILBERT (HAZELNUT) KERNELS
(Effective August 1, 1980)

603-51-305 APPLICATION OF STANDARDS. The grade of a lot of filbert kernels shall be determined on the basis of a composite sample drawn from containers in various locations in the lot. However, any container or group of containers in which the filberts are obviously of a quality, type, or size materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

51-310 OFFICIAL GRADES. (1) OREGON FANCY, which consists of whole filbert kernels meeting the following requirements:

(a) Similar type, well dried and clean;

(b) Free from foreign material, mold, rancidity, decay and insect injury;

(c) Free from damage caused by chafing or scraping, shriveling, deformity, internal flesh discoloration or other means;

(d) Free from serious damage caused by serious shriveling, broken kernels or other means; and

(e) The size meets, and is declared as, those specified in connection with the grade, in accordance with one of the size classifications in Table I or Table II of OAR 603-51-311.

(2) OREGON NO. 1, which consists of whole filbert kernels meeting the following requirements:

(a) Well dried and clean;

(b) Free from foreign material, mold, rancidity, decay and insect injury;

(c) Free from damage caused by chafing or scraping, shriveling, internal flesh discoloration or other means; deformity

(d) Free from serious damage caused by serious shriveling, broken kernels or other means; and

(e) The size meets, and is declared as, those specified in connection with the grade, in accordance with one of the size classifications in Table I or Table II of OAR 603-51-311, or is declared in terms of minimum diameter or minimum and maximum diameters.

(3) OREGON NO. 1 WHOLE AND BROKEN, which consists of whole filbert kernels or portions of filbert kernels meeting the following requirements:

(a) Well dried and clean;

(b) Free from foreign material, mold, rancidity, decay or insect injury;

(c) Free from serious damage caused by serious shriveling, or other means; and

(d) Does not have to meet any size requirement.

51-311 SIZE CLASSIFICATIONS. The following size classifications are established for filberts (hazelnuts) in Oregon:

TABLE I

Size classifications for kernels packed in containers holding more than 1 kilogram	Maximum Size Will pass through a round opening of the following size	Minimum Size Will not pass through a round opening of the following size
Giant	No maximum	16 m.m.
Jumbo	17 m.m.	15 m.m.
Extra Large	16 m.m.	14 m.m.
Large	15 m.m.	13 m.m.
Medium	14 m.m.	12 m.m.
Small	13 m.m.	11 m.m.
Whole & Broken	No maximum	No minimum

TABLE II

Size Classifications for kernels packed in containers holding 1 kilogram or less	Maximum size Will pass through a round opening of the following size	Minimum Size Will not pass through a round opening of the following size
Extra Large	No maximum	14 m.m.
Large	15 m.m.	13 m.m.
Medium	14 m.m.	12 m.m.
Small	13 m.m.	11 m.m.
Whole & Broken	No maximum	No minimum

51-315 TOLERANCES. In order to allow for variations incident to proper grading and handling in each of the foregoing grades, the following tolerances, by weight, are permitted as specified:

(1) For Foreign Material: 0.02 of one percent, for foreign material.

(2) For Mixed Types: In the Oregon Fancy grade, 10 percent for kernels which are of a different type.

(3) For Defects: In the Oregon Fancy and Oregon No. 1 grades, 10 percent for kernels which are below the requirements of these grades, provided that not more than one-half of this amount or 5 percent shall be allowed for serious damage caused by serious shriveling and broken kernels, including not more than one percent for moldy, rancidity, decay or insect injury.

(4) For Defects: In Oregon No. 1 Whole and Broken grade, 5 percent for kernels or portions of kernels which are below the requirements of this grade, including not more than one percent for moldy, rancidity, decay or insect injury.

(5) For Offsize: 15 percent for kernels which fail to meet the requirements for the size classifications specified, but not more than two-thirds

of this amount or 10 percent shall consist of undersize kernels.

51-320 DEFINITIONS. As used in OAR 603-51-305 to 603-51-325:

(1) "Similar type" means that the kernels are of the same general type and appearance (i.e., kernels of the round type shall not be mixed with those of the long type). Color of the kernels shall not be considered since there is often a marked difference in skin color of kernels of similar type.

(2) "Well dried" means that the kernels are firm and crisp, not containing more than 6 percent moisture.

(3) "Clean" means practically free from plainly visible adhering dirt or other foreign material.

(4) "Foreign material" means any substance other than the filbert kernel, or portions of kernels. Loose skins, pellicles, or corky tissue which have become separated from the kernel shall not be considered as foreign material, provided that this material does not exceed .02 of one percent by weight.

(5) "Damage" means any specific defect described in this section, or an equally objectionable variation of any one of these defects, or any other defect or any combination of defects, which materially detracts from the appearance of the edible or marketing quality of the individual portion of the kernel or of the lot as a whole. The following defects shall be considered as damage:

(a) "Chafing or scraping" means that more than one-eighth of the surface is affected.

(b) "Shriveling" means the kernel is materially shrunken, wrinkled, and tough.

(c) "Deformity" means that the kernel is deformed to the extent that the appearance is materially affected.

(d) "Internal flesh discoloration" means any black discoloration within the kernel. The natural brown stain which occurs within the internal

cavity of some types of kernels shall not be considered damage.

(6) "Serious damage" means any specific defects described in this section or an equally objectionable variation of any of these defects, or any other defect, or any combination of defects, which seriously detracts from the appearance or the edible marketing quality of the individual portion of kernel or of the lot as a whole. The following defects shall be considered as serious damage.

(a) "Serious shriveling" means that the kernel is seriously shrunken, wrinkled, and tough.

(b) "Broken kernels" means portions of kernels of which an estimated one-quarter or more of the original entire kernel has been broken off.

(c) "Moldy" means that there is a visible growth of mold either on the outside or inside of the kernel.

(d) "Rancidity" means that the kernel is noticeably rancid to the taste. An oily appearance of the flesh does not necessarily indicate a rancid condition.

(e) "Decay" means that any portion of the kernel is decomposed.

(f) "Insect injury" means that the insect, frass, or web is present, or the kernel or portion of kernel shows definite evidence of insect feeding.

51-325 LABELING REQUIREMENTS. (1) The principal display panel of each filbert (hazelnut) container shall state:

(a) the name of the commodity, unless it can be easily identified through the wrapper or package;

(b) the name and business address of the grower, packer, shipper, distributor, or dealer, including the zip code;

(c) the grade and size of nuts in accordance with the standards set forth in OAR 603-51-305 to 603-51-320;

(d) the net weight; and

(e) the country of origin.

(2) The crop year shall also be indicated on each filbert (hazelnut) container holding more than one kilogram.

UNITED STATES STANDARDS

FOR GRADES OF

FILBERTS IN THE SHELL

EFFECTIVE SEPTEMBER 1, 1970

U.S. DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND QUALITY SERVICE
WASHINGTON, D.C.

2

UNITED STATES STANDARDS FOR GRADES OF FILBERTS IN THE SHELL

SOURCE: 35 FR 11453, July 17, 1970, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977.

Effective September 1, 1970

AUTHORITY: The provisions of this subpart issued under secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended; 7 U.S.C. 1622, 1624.

GRADE

§ 2851.1995 U.S. No. 1.

"U.S. No. 1" consists of filberts in the shell which meet the following requirements:

(a) Similar type; and,
(b) Dry.
(c) Shells:
(1) Well formed; and,
(2) Clean and bright.
(3) Free from:
(i) Blanks; and,
(ii) Broken or split shells.
(4) Free from damage caused by:
(i) Stains; and,
(ii) Adhering husk; or,
(iii) Other means.
(d) Kernels:
(1) Reasonably well developed; and,
(2) Not badly misshapen.
(3) Free from:
(i) Rancidity;
(ii) Decay;
(iii) Mold; and,
(iv) Insect injury.
(4) Free from damage caused by:
(i) Shriveling; and,
(ii) Discoloration; or,
(iii) Other means.

(e) Size: The size shall be specified in connection with the grade in terms of minimum diameter, minimum and maximum diameters, or in accordance with one of the size classifications in Table I.

TABLE 1

Size Classifications	Maximum size: Will pass through a round opening of the following size	Minimum size: Will not pass through a round opening of the following size
Round type varieties:		
Jumbo	No maximum	$^{15}/_{64}$ inch.
Large	$^{15}/_{64}$ inch	$^{13}/_{64}$ inch.
Medium	$^{13}/_{64}$ inch	$^{11}/_{64}$ inch.
Small	$^{11}/_{64}$ inch	No minimum.
Long type varieties:		
Jumbo	No maximum	$^{13}/_{64}$ inch.
Large	$^{13}/_{64}$ inch	$^{11}/_{64}$ inch.
Medium	$^{11}/_{64}$ inch	$^{9}/_{64}$ inch.
Small	$^{9}/_{64}$ inch	No minimum.

[1] Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug and Cosmetic Act, or with applicable State laws and regulations.

(f) Tolerances: In order to allow for variations incident to proper grading and handling, the following tolerances, by count, are permitted as specified:

(1) *For mixed types.* 20 percent for filberts which are of a different type.

(2) *For defects.* 10 percent for filberts which are below the requirements of this grade: *Provided,* That not more than one-half of this amount or 5 percent shall consist of blanks, and not more than 5 percent shall consist of filberts with rancid, decayed, moldy or insect injured kernels, including not more than 3 percent for insect injury.

(3) *For off-size.* 15 percent for filberts which fail to meet the requirements for the size specified, but not more than two-thirds of this amount, or 10 percent shall consist of undersize filberts.

Application of Standards

§ 2851.1996 Application of standards.

(a) The grade of a lot of filberts shall be determined on the basis of a composite sample drawn from containers in various locations in the lot. However, any container or group of cantainers in which the filberts are obviously of a quality, type or size materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

(b) In grading the sample, each filbert shall be examined for defects of the shell before being cracked for kernel examination. A filbert shall be classed as only one defective nut even though it may be defective externally and internally.

Definitions

§ 2851.1997 Similar type.

"Similar type" means that the filberts in each container are of the same general type and appearance. For example, nuts of the round type shall not be mixed with those of the long type in the same container.

§ 2851.1998 Dry.

"Dry" means that the shell is free from surface moisture, and that the shells and kernels combined do not contain more than 10 percent moisture.

§ 2851.1999 Well formed.

"Well formed" means that the filbert shell is not materially misshapen.

§ 2851.2000 Clean and bright.

"Clean and bright" means that the individual filbert and the lot as a whole are practically free from adhering dirt and other foreign material, and that the shells have characteristic color.

§ 2851.2001 Blank.

"Blank" means a filbert containing no kernel or a kernel filling less than one-fourth the capacity of the shell.

§ 2851.2002 Split shell.

"Split shell" means a shell having any crack which is open and conspicuous for a distance of more than one-fourth the circumference of the shell, measured in the direction of the crack.

§ 2851.2003 Damage.

"Damage" means any specific defect described in this section; or an equally objectionable variation of any one of these defects, any other defect, or any combination of defects which materially detracts from the appearance, or the edible or marketing quality of the filberts. The following specific defects shall be considered as damage:

(a) Stains which are dark and materially affect the appearance of the individual shell.

(b) Adhering husk when covering more than 5 percent of the surface of the shell in the aggregate.

(c) Shriveling when the kernel is materially shrunken, wrinkled, leathery or tough.

(d) Discoloration when the appearance of the kernel is materially affected by black color.

§ 2851.2004 Reasonably well developed.

"Reasonably well developed" means that the kernel fills one-half or more of the capacity of the shell.

§ 2851.2005 Badly misshapen.

"Badly misshapen" means that the kernel is so malformed that the appearance is materially affected.

§ 2851.2006 Rancidity.

"Rancidity" means that the kernel is noticeably rancid to the tate. An oily appearance of the flesh does not necessarily indicate a rancid condition.

§ 2851.2007 Moldy.

"Moldy" means that there is a visible growth of mold either on the outside or the inside of the kernel.

§ 2851.2008 Insect injury.

"Insect injury" means that tl: insect, frass or web is present inside the nut or the kernel shows definite evidence of insect feeding.

METRIC CONVERSION TABLE

§ 2851.2009 Metric conversion table.

Inches:	*Millimeters (mm)*
[illegible]/64	24.6
[illegible]/64	23.4
[illegible]/64	22.2
[illegible]/64	19.4
[illegible]/64	19.0
[illegible]/64	18.6
[illegible]/64	17.9
[illegible]/64	17.5
[illegible]/64	16.7
[illegible]/64	13.9
[illegible]/64	13.5

Dated: July 14, 1970.

G. R. GRANGE,
Deputy Administrator,
Marketing Services.

[F.R. Doc. 70-9216; Filed, July 16, 1970; 8:52 a.m.]

(b) Financial disclosure reports required under this section shall be submitted to the Designated Agency Ethics Official at USDA (the Director of Personnel) or his or her designee. Reports are due as follows:

(1) Within 30 days of assuming a position or office described in paragraphs (a) of this section—unless the employee has already filed a current Standard Form 278 either for a similarly covered position which he or she has left within 30 days of assuming the duties of the new one, or has filed as a nominee for the position assumed;

(2) Within 30 days of termination of employment from a position or office described in paragraph (a) of this section, unless the employee enters a similarly covered position within 30 days of such termination; and

(3) On or before May 15 of each calendar year during the incumbency of an employee in a covered position, when he or she has served more than 60 days in such position during the previous calendar year.

(c) Instructions covering the types of information to be provided on a Standard Form 278 are included with the form. The basic categories of information required are: income from and interests in property; purchases, sales and exchanges; gifts and reimbursements; liabilities; positions held; and relations with other employers.

(d) Financial disclosure reports submitted under the provisions of this section shall be reviewed by the Director of Personnel as the Designated Agency Ethics Official, or by those individuals delegated authority for that purpose as Deputy Ethics Officials (subject to the restrictions of 5 CFR 738.204).

(e) The official responsible for reviewing the disclosure statement shall either approve it, or make an initial determination that a conflict or appearance thereof exists, or may determine that additional information is needed to resolve potential problems. The reporting individual shall be afforded the opportunity for written or oral response to any initial determinations other than approval, and should a final determination of a conflict be made, shall be afforded the opportunity for a personal consultation where practicable. If after these steps have been taken the reviewing official determines that a conflict or appearance of a conflict continues to exist, the reporting individual shall be notified in writing of what steps must be taken to resolve the problems. Failure to take any required remedial actions will result in appropriate disciplinary action against the individual involved in accordance with the provisions of 5 CFR 734.604(b)(6).

(f) Financial disclosure reports filed under the Ethics in Government Act of 1978 shall be made available for public inspection within 15 days of their receipt within the parameters established in 5 CFR 734.603.

(g) The Ethics in Government Act of 1978 provides that the Office of Government Ethics, Office of Personnel Management, shall be responsible for developing rules and regulations affecting financial disclosure procedures under the Act. These regulations are found in 5 CFR Part 734. Employees with questions concerning this section may consult the complete regulations in 5 CFR Part 734, ask their servicing personnel office, or address their inquiries directly to the Designated Agency Ethics Official, Director of Personnel, Room 16-W, U.S. Department of Agriculture, Washington, D.C. 20250.

(5 U.S.C. 301; Title II of Pub. L. 95-521, 92 Stat. 1836, as amended, 5 U.S.C. app.; E.O. 11222 of May 8, 1965, 30 FR 6469, 3 CFR, 1965 Supp.; 5 CFR 734.103)

Dated: March 18, 1982.

John R. Block,

Secretary of Agriculture.

[FR Doc. 82-7809 Filed 3-23-82; 0:45 am]

BILLING CODE 3410-01-M

Agricultural Marketing Service

7 CFR Parts 982 and 999

Filberts Grown in Oregon and Washington and Filbert Imports; Grade Requirements for Domestic and Imported Filberts

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rules.

SUMMARY: These rules amend the grade requirements under Marketing Order No. 982 for domestic shelled filberts, and the grade requirements for imported shelled filberts under § 999.400. These amendments are to assure the quality of shelled filberts consumed in the United States.

EFFECTIVE DATE: May 24, 1982.

FOR FURTHER INFORMATION CONTACT: J. S. Miller, Chief, Specialty Crops Branch, Fruit and Vegetable Division, AMS, USDA, Washington, D.C. 20250 (202) 447-5697.

SUPPLEMENTARY INFORMATION: These final rules have been reviewed under USDA guidelines implementing Executive Order 12291 and Secretary's Memorandum 1512-1 and has been classified "designated non-major" rules.

William T. Manley, Deputy Administrator, Agricultural Marketing Service, has determined that this action will not have a significant economic impact on a substantial number of small entities because it would result in only minimal costs being incurred by the regulated nine handlers and approximately 20 importers.

Notice was published in the April 8, 1981, issue of the Federal Register (46 FR 21017) to change the grade requirements for domestic shelled filberts by amending § 982.101 of Subpart—Grade and Size Regulation (7 CFR 982.101; 45 FR 73634). This subpart is issued under the marketing agreement and Order No. 982, both as amended (7 CFR Part 982; 46 FR 26037), regulating the handling of filberts grown in Oregon and Washington. The marketing ageement and order are referred to collectively in this document as the "order". The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "act". The order is locally administered by the Filbert/Hazelnut Marketing Board (hereinafter referred to as the "Board").

That notice also contained a proposal to change the grade requirements for imported shelled filberts by amending § 999.400(b)(2) and (Exhibit A) of § 999.400. That section is authorized by section 8e (7 U.S.C. 608e-1) of the act.

The notice contained proposals submitted by the Board and an association representing filbert importers (hereinafter referred to as the "association"), and the Department. In response to a request by the association, the comment period was extended from May 15 to July 15, 1981, by notice published in the May 8, 1981, issue of the Federal Register (46 FR 25626).

The April 8 notice contained a detailed chronology of the events in this rulemaking action, beginning with the amendment of section 8e September 29, 1977, to include filberts in that section, and culminating with that notice. The chronology also concluded an explanation of the various authorities in the order and the act for the issuance of grade regulations on domestic and imported shelled filberts.

Comments were received from the Board, filbert importers, the association, the Office of Management and Budget, members of Congress, the Embassy of Turkey, Commercial users of filberts, producers and handlers of domestic filberts, organizations representing them, consumers and consumer groups.

Section 982.101 was issued pursuant to § 982.45(a) and establishes the minimum grade standards for domestic

shelled filberts as Oregon No. 1 whole and broken under the Oregon Grade Standards for Filbert/Hazelnut Kernels. The standards currently effective pursuant to § 982.101 were issued by the State of Oregon in 1976 as an amendment of previous standards, and have been applied continuously under that section to domestic shelled filberts since October 4, 1976. These requirements allow a five percent tolerance for serious defects including not more than a one percent tolerance for kernels which have mold, rancidity or insect injury. These same requirements were applied to imported shelled filberts December 29, 1977. Effective August 1, 1980, the State of Oregon revised its standards to include decay in the one percent tolerance along with mold, rancidity and insect injury, and defined decay to mean that any portion of the kernel is decomposed.

A number of commentators noted that earlier Oregon standards for shelled filberts included specific reference to decay, and the August 1980 action merely restored the term which was inadvertently omitted in an amendment prior to 1976. Under earlier standards, Oregon No. 1 Grade consisted of filbert kernels which, among other requirements, were free from "bitter flavor and decay". Oregon Broken Grade was defined to consist of filbert kernels which met the requirements of Oregon No. 1 Grade, except that they could be broken or mechanically damaged, and there were no variety or size requirements.

One commentator contended that decay is evidence of serious damage, and the strictest tolerance level should apply, and must be associated with mold, rancidity, and insect injury. The commentator cited a study by the U.S. Department of Agriculture involving another tree nut and showing that high moisture levels can attract toxic fungi.

The Board and several other commentators favored a tolerance of one percent for the four defects because any higher tolerance would ultimately affect sales and be detrimental to both the industry and the American consumer. Unlike numerous other commentators who expressed the need for high quality shelled filberts for the U.S. market without recommending a specific tolerance level, the Board and others said the tolerance should be one percent, which could be achieved by the domestic industry.

Comments in opposition to the Board's recommendation for that tolerance for domestic shelled filberts under the marketing order grade standard came from the association and others who supported one of the two proposals submitted by the association and published in the April 8 notice. The association previously had proposed that the tolerance for decay be established as follows: (1)(a) For shelled filberts which are mechanically dried and held in refrigerated storage, one percent for mold, rancidity, decay and insect injury, and (b) for shelled filberts which are solar dried and/or held in non-refrigerated storage, three percent for mold, rancidity, decay and insect injury; or in the alternative, (2) a one percent tolerance for mold, rancidity and insect injury and two percent for decay.

In its comment, the association indicated that it "favored" the second of its two proposals. Because the association and other commentators failed to support the establishment of the association's first alternative, it will not be considered further in this document.

The association and other commentators opposing the Board's proposal argue that its primary objective is to exclude foreign competition. They stated that the Board's proposal can be met by the domestic filbert industry without difficulty, but that it would permit entry of only about half of the current level of the imported foreign shelled filberts (primarily from Turkey). The significance of proposed domestic standards to importers and users of imported shelled filberts is that, once established, these or comparable standards also should apply to imported shelled filberts pursuant to section 8e of the act.

These commentators also contend that the Board's proposal would result in a shortage of shelled filberts in U.S. markets because the U.S. industry can supply only half of the current U.S. needs for shelled filberts. This would promote higher prices, benefiting U.S. growers and shippers and penalizing U.S. consumers. The association contends that the Board's recommendation would remove the freedom of U.S. consumers to select shelled filberts of the type, flavor, origin, quality, and corresponding price level they may desire.

The association and others state that the association's proposal would "strengthen and tighten" quality standards. Also, since the association's proposed standards are stricter than those currently in effect, U.S. consumers should not be displeased with the quality of imported filberts meeting those standards and stop buying them. On the other hand it was also contended that the quality of imported filberts currently is high enough to satisfy the needs of U.S. users of imported shelled filberts, some of whom prefer imported filberts for their special characteristics. In addition, some of the commentators indicated that they were satisfied with the quality level of imported shelled filberts, and that there should be no change in the grade standards for them. The association contends that this lack of any problem should be given paramount consideration in determining whether or not the standards for imported shelled filberts should be changed.

Finally, the association contends that the Board's proposal is unnecessary because the decay level of domestic filberts is so low that it would not result in the elimination of any domestic shelled filberts from the markets. Thus, it questions whether the Board's recommendation would result in greater U.S. consumption of shelled filberts.

Decay is a deterioration or decline of the plant tissues involving decomposition which is induced by fungi, bacteria, and similar organisms, and which is of a complete and progressive nature. Thus, from the standpoint of wholesomeness of any commodity for human consumption, decay is as serious a defect as mold, rancidity, and insect injury.

Among other nuts for which U.S. Standards exist—e.g., almonds, peanuts, pecans, and walnuts—decay is included with mold, rancidity, and insect injury (other highly objectionable defects). These standards include decay in the definitions of "very serious damage" or "serious damage".

The need to improve the quality of shelled filberts in order to expand consumption has long been recognized by the domestic industry. In 1959, the order was amended to provide authority for establishment of minimum grades for domestic shelled filberts. The recommended decision issued on this amendment stated, in part, as follows: "It was testified that the grade as now written was so liberal that it would not be effective in eliminating low-grade shelled filberts from the market if it were used as a required minimum standard in its present form and that the expense of inspecting all shelled filberts against such grade would be disproportionate to the very small benefits that would be realized. Despite the lack of a satisfactory standard at this time, the industry recognizes the growing importance of the shelled filbert market and favors authority to put a minimum quality requirement into operation at such time as the details of the requirement can be agreed upon and established. * * * Establishment of an appropriate minimum standard of

quality for shelled filberts would tend to promote orderly marketing of shelled filberts since it would require that only acceptable quality filberts would be permitted to be handled and consumers and users could depend on the quality of each shipment." (24 FR 4169). The standard referred to in that decision was the standard cited earlier in this document as "earlier Oregon standards for shelled filberts".

While the standard proposed by the Board is consistent with the findings of the 1959 recommended decision, insufficient evidence was presented to justify, specifically or precisely, a one percent tolerance for the four defects for domestic shelled filberts, or that such one percent tolerance was in fact, necessary to achieve the domestic industry's stated objective of expanding consumption. Nor did it justify need for an abrupt adjustment of this magnitude; the proposed level would require an immediate reduction of as much as 80 percent in the tolerance for decay, without documented support for such urgency. However, there is a need to establish a tighter standard than currently in effect. Imposition of a two percent tolerance for the four defects appears to be a reasonable new tolerance level so long as it includes the current one percent tolerance for mold, rancidity and insect damage. This achieves the domestic industry's objective of providing overall improved quality to the consumer by tightening the tolerance for decay, albeit not as abruptly as proposed by the Board. Also, this standard would not result in any disruption in trade and would present minimal, if any, difficulties to the importation of shelled filberts. At the same time, it retains the current quality level for the remaining three defects (mold, rancidity, and insect damage) which has been in effect for domestic shelled filberts since October 1976, and for imported shelled filberts since December 1977. Also, this one percent tolerance for the three defects was contained in both the Board's and the association's proposals. The association's proposal is not realistic in that it seeks to separate decay from mold, rancidity, and insect injury, and it has failed to justify that decay is any less serious a defect than the other three defects, either for domestic or imported shelled filberts.

Under section 8e of the act, the same or comparable standards must apply to imported filberts as are applicable to domestic filberts regulated under the order. Comments were offered that stated that Turkish shelled filberts differ sufficiently from Oregon shelled filberts to warrant a comparable standard because Turkish filberts (1) have a distinct taste and flavor, (2) are higher in oil and moisture, (3) are smaller and have darker pellicles, and (4) are not inspected until seven weeks to four months after shelling.

Under the act, the criteria for establishing a standard for imports which is different than the domestic standard for reasons of comparability are limited to variations in characteristics between the domestic and the imported commodity. The fact that imported shelled filberts are not inspected until seven weeks to four months after shelling would not warrant a comparable standard. With respect to other stated differences, no conclusive information was submitted that any of these attributes would cause variations in characteristics between domestic and imported shelled filberts. Thus, there is no basis warranting the establishment of a different standard for imported shelled filberts because of comparability.

The information and data available in this rulemaking proceeding justify and support the tolerances hereinafter set forth. It is recognized that the shelled filbert industry, as are most agricultural commodity industries, is subject to continual change. Accordingly, the tolerances hereinafter set forth will be effective May 24, 1982, and continue in effect until July 31, 1983. During this period, interested parties may review and evaluate the effects of this regulation on quality improvement, trade, and consumption, and such material will be reviewed to determine whether further reduction of the tolerance levels is justified.

One commentator stated that the USDA should stay the rulemaking proceedings to complete the necessary economic cost benefit analysis required by Executive Order 12291. The Department is not required to complete such analysis under this Executive Order.

As a conforming change, § 999.400(b)(2) should be revised by deleting the second sentence. That sentence cites the requirements for Oregon No. 1 whole and broken grade for shelled filberts, but is no longer needed since this action deletes such references in § 982.101.

After consideration of all relevant matter presented, including that in the notice, the recommendations of the Board, and the petition of the association, the comments received, and other available information, it is found that to amend the grade and size regulation for shelled filberts grown in Oregon and Washington, and the regulation for imported shelled filberts, shall be as hereinafter set forth.

Therefore, §§ 982.101 and 999.400, for domestic and imported filberts, respectively, are amended as follows:

PART 982—FILBERTS GROWN IN OREGON AND WASHINGTON

1. Section 982.101 of Subpart—Grade and Size Regulation (7 CFR 982.101) is revised to read as follows:

§ 982.101 Grade requirements for shelled filberts.

(a) Pursuant to § 982.45(a), no handler shall handle any shelled filberts unless such filberts meet the grade requirements for shelled filberts as contained in Exhibit A of this section.

(b) Pursuant to §§ 982.50(a) and 982.51(b), a handler may declare and withhold shelled filberts in lieu of merchantable filberts in satisfaction of the handler's restricted obligation. Shelled filberts so declared and withheld shall, in lieu of the standards prescribed in § 982.50(a)(3), meet the grade requirements contained in Exhibit A of this section.

Exhibit A

Grade Requirements for Shelled Filberts

Filbert kernels or portions of filbert kernels shall meet the following requirements:

(1) Well dried and clean;

(2) Free from foreign material, mold, rancidity, decay or insect injury; and

(3) Free from serious damage caused by serious shriveling, or other means.

Tolerances

In order to allow for variations incident to proper grading and handling the following tolerances, by weight, are permitted as specified:

(1) For Foreign Material: 0.02 of one percent, for foreign material.

(2) For Defects: Five percent for kernels or portions of kernels which are below the requirements of this grade, including not more than the following: Two percent for mold, rancidity, decay or insect injury: *Provided*, That not more than one percent shall be for mold, rancidity, or insect injury. The two percent tolerance shall be in effect until July 31, 1983.

Definitions

(1) "Well dried" means that the kernels are firm and crisp, not containing more than 6 percent moisture.

(2) "Clean" means practically free from plainly visible adhering dirt or other foreign material.

(3) "Foreign material" means any substance other than the filbert kernels, or portions of kernels. (Loose skins, pellicles or corky tissue which have become separated from the kernels shall not be considered as foreign material, provided that this material does not exceed .02 of one percent by weight.)

(4) "Serious damage" means any specific defect described in this section, or any equally objectionable variation of any one of these defects, or any other defects, or any combination of defects, which seriously detracts from the appearance or the edible or marketing quality of the individual portion of the kernel or of the lot as a whole. The following defects shall be considered as serious damage.

(i) "Serious shriveling" means when the kernel is seriously shrunken, wrinkled and tough.

(ii) "Mold" means that there is a visible growth of mold either on the outside or inside of the kernel.

(iii) "Rancidity" means that the kernel is noticeably rancid to the taste. An oily appearance of the flesh does not necessarily indicate a rancid condition.

(iv) "Decay" means that any portion of the kernel is decomposed.

(v) "Insect injury" means that the insect, frass or web is present, or the kernel or portion of kernel show definite evidence of insect feeding.

Part 999 - Specialty Crops
Branch - Import Regulations

§ 999.400 [Amended]

2. Section 999.400(b)(2) is amended by removing the second sentence.

3. Exhibit A of § 999.400 is revised to read as follows:

Exhibit A

Grade Requirements for Shelled Filberts

Filbert kernels or portions of filbert kernels shall meet the following requirements:

(1) Well dried and clean;

(2) Free from foreign material, mold, rancidity, decay or insect injury; and

(3) Free from serious damage caused by serious shriveling, or other means.

Tolerances

In order to allow for variations incident to proper grading and handling the following tolerances, by weight, are permitted as specified:

(1) For Foreign Material: 0.02 of one percent, for foreign material.

(2) For Defects: Five percent for kernels or portions of kernels which are below the requirements of this grade, including not more than the following: Two percent for mold, rancidity, decay or insect injury: *Provided*, That not more than one percent shall be for mold, rancidity, or insect injury. The two percent tolerance shall be in effect until July 31, 1983.

Definitions

(1) "Well dried" means that the kernels are firm and crisp, not containing more than 6 percent moisture.

(2) "Clean" means practically free from plainly visible adhering dirt or other foreign material.

(3) "Foreign material" means any substance other than the filbert kernels, or portions of kernels. (Loose skins, pellicles or corky tissue which have become separated from the kernels shall not be considered as foreign material, provided that this material does not exceed .02 of one percent by weight.)

(4) "Serious damage" means any specific defect described in this section, or any equally objectionable variation of any one of these defects, or any other defects, or any combination of defects, which seriously detracts from the appearance or the edible or marketing quality of the individual portion of the kernel or of the lot as a whole. The following defects shall be considered as serious damage.

(i) "Serious shriveling" means when the kernel is seriously shrunken, wrinkled and tough.

(ii) "Mold" means that there is a visible growth of mold either on the outside or inside of the kernel.

(iii) "Rancidity" means that the kernel is noticeably rancid to the taste. An oily appearance of the flesh does not necessarily indicate a rancid condition.

(iv) "Decay" means that any portion of the kernel is decomposed.

(v) "Insect injury" means that the insect, frass or web is present, or the kernel or portion of kernel show definite evidence of insect feeding.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: March 18, 1982 to become effective May 24, 1982.

Charles R. Brader,

Director, Fruit and Vegetable Division.

March 18, 1982.

[FR Doc. 82-7917 Filed 3-23-82; 8:45 am]

BILLING CODE 3410-02-M

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. 82-031]

Change in Disease Status of Denmark Because of Foot-and-Mouth Disease

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule.

SUMMARY: This document removes Denmark from the list of countries declared to be free of rinderpest and foot-and-mouth disease. This action which prohibits the importation of cattle, sheep, or other ruminants, or swine or fresh, chilled, or frozen meats of such animals into the United States from Denmark is necessary because the existence of foot-and-mouth disease has been confirmed in that country. This action is necessary as an emergency measure in order to protect the livestock of the United States from the threat of introduction or dissemination of foot-and-mouth disease into the United States.

DATES: Effective date: March 18, 1982. Comments on or before: May 24, 1982.

ADDRESS: Written comments should be submitted to the Deputy Administrator, Veterinary Services, APHIS, Room 870, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782.

FOR FURTHER INFORMATION CONTACT: Dr. D. E. Herrick, USDA, APHIS, VS, Room 821, 6505 Belcrest Road, Hyattsville, MD 20782, 301–436–8530.

SUPPLEMENTARY INFORMATION:

Executive Order 12291 and Emergency Action

This final action is issued in conformance with Executive Order 12291 and has been determined to be "not major."

The Department has determined that this rule will have an annual effect on the country of less than $100 million, will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions, and will not have any significant adverse effects on competition, employment, investment, productivity, or innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this rulemaking action, the Office of Management and Budget has waived their review process required by Executive Order 12291.

Further, pursuant to the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to this interim rule are impracticable and contrary to the public interest and good cause is found for making this interim rule effective less than 30 days after publication of this document in the Federal Register.

The emergency, discussed above, makes compliance with section 603 and timely compliance with section 604 of the Regulatory Flexibility Act impracticable. Since this action may have a significant economic impact on a substantial number of small entities, a final regulatory flexibility analysis addressing the issues required by section 604 of Pub. L. 354, the Regulatory Flexibility Act, will be prepared.

On March 18, 1982, the Department was notified that foot-and-mouth disease was confirmed on the Isle of Fyn (part of Denmark). Foot-and-mouth disease, Type O, was confirmed on a farm which contained 66 cattle and no swine.

Foot-and-mouth disease is a dangerous and destructive communicable disease of ruminants and

APPENDIX J

IMPORTED FILBERT INSPECTION TABLES

Note.--This table, and the following two tables in this appendix, are data from special compilations of Federal records supplied by the Agricultural Marketing Service to the investigation.

Imported Filbert Inspections
October 1979-September 1983

Item and Unit	1979-80			1980-81			1981-82			1982-83		
	Turkey	Italy	Total	Turkey	Italy	Total	Turkey	Italy	Total	Turkey	Italy	Total
Total Lots Inspected	189	0	189	172	6	180	215	23	239	177	45	222
Failing Lots (3 defects over 1%) /1	8	0	8	13	0	14	24	0	24	6	3	9
Passing Lots (3 defects not over 1%) /1												
Number	181	0	181	159	6	166	191	23	215	171	42	213
Percent of Total	96	0	96	92	100	92	89	100	90	97	93	96
Passing Lots With												
Not Over 1% 4 defects /2												
Number	92	0	92	98	5	103	103	6	110	82	5	87
Percent of Total	49	0	49	57	83	57	48	26	46	46	11	39
Percent of Passing	51	0	51	62	83	62	54	26	51	48	12	41
Not Over 1.5% 4 defects												
Number	159	0	159	137	6	144	166	15	182	142	15	157
Percent of Total	84	0	84	80	100	80	77	65	76	80	33	71
Percent of Passing	88	0	88	86	100	87	87	65	85	83	36	74
Not Over 2% 4 defects												
Number	179	0	179	153	6	160	185	18	204	169	33	202
Percent of Total	95	0	95	89	100	89	86	78	85	95	73	91
Percent of Passing	99	0	99	96	100	96	97	78	95	99	79	95

/1 Mold, rancidity and insect damage.
/2 Mold, rancidity, insect damage and decay.

AMS:FVD:Specialty Crops Branch 12/18/84

Imported Filbert Inspections
October 1983-September 1984

Item and Unit	Total	Turkey	Italy
Total Lots Inspected	318	283	34
Failing Lots (3 defects over 1%) /1	4	3	1
Passing Lots (3 defects not over 1%) /1			
Number	314	280	33
Percent of Total	99	99	97
Passing Lots With			
Not Over 1% 4 defects /2			
Number	166	162	4
Percent of Total	52	57	12
Percent of Passing	53	58	12
Not Over 1.5% 4 defects			
Number	238	228	10
Percent of Total	75	81	29
Percent of Passing	76	81	30
Not Over 2% 4 defects			
Number	299	274	24
Percent of Total	94	97	71
Percent of Passing	95	98	73

/1 Mold, rancidity and insect damage.
/2 Mold, rancidity, insect damage and decay.

AMS:FVD:Specialty Crops Branch 11/30/84

Imported Shelled Filberts: Inspection Results
By Importer October 1983-September 1984

Item and Unit	Importer A	Importer B	Importer C	Importer D	Importer E	Importer F	Importer G	Importer H	Importer I	Importer J	Others	Total
	- - - percent - - -											
Passing Lots (Old Standard) 1/	98	100	100	100	100	100	98	100	97	100	97	99
Passing Lots With Not Over 1 Percent; 4 Defects 2/ Percent of Total Inspected	80	52	56	48	64	50	40	43	47	38	44	52
Percent of Passing	81	52	56	48	64	50	41	43	48	38	45	53
Not Over 1.5 Percent; 4 Defects Percent of Total Inspected	93	91	89	83	73	71	64	64	59	50	66	75
Percent of Passing	94	91	89	83	73	71	65	64	61	50	68	76
Not Over 2 Percent; 4 Defects Percent of Total Inspected	96	96	100	100	100	93	96	93	91	88	78	94
Percent of Passing	98	96	100	100	100	93	98	93	94	88	81	95

NOTE: Each importer imported at least 8 lots.

1/ Mold, rancidity and insect damage not over one percent.
2/ Mold, rancidity, insect damage and decay.

AMS:FVD:Specialty Crops Branch 11/30/84

APPENDIX K

EUROPEAN STANDARDS FOR DRY FRUIT (NUTS) RECOMMENDED BY THE WORKING PARTY ON STANDARDIZATION OF PERISHABLE PRODUCE OF THE ECONOMIC COMMISSION FOR EUROPE—SELECTED PAGES FOR HAZELNUTS

ECONOMIC COMMISSION FOR EUROPE

UN-ECE STANDARDS

For

DRY FRUIT

(Nuts)

European Standards for Dry Fruit
Recommended by the Working Party on Standardization of Perishable Produce
of the Economic Commission for Europe

UNITED NATIONS

Contents

Note by the secretariat

1. In October 1949 the Committee on Agricultural Problems of the Economic Commission for Europe established the Working Party on Standardization of Perishable Foodstuffs. 1/ The Working Party was entrusted with the task of "determining common standards for perishable foodstuffs" and "studying steps to be taken on the international level in order to secure the general adoption of standards and control systems".

2. The standards elaborated by the Working Party have been drawn up within the framework of the Geneva Protocol on the Standardization of Fruits and Vegetables, adopted by the Working Party in 1958, and amended in 1964. The standards apply to produce moving in international trade between and to European countries and are intended for application at the point of despatch by the control authorities of the exporting countries.

3. The standard for Unshelled Walnuts contained in this document is a revision of the former standard AGRI/WP.1/EUR. STAN/34, first published in 1970. This revision and the standard for Walnut Kernels were adopted by the Working Party at its thirty-ninth session in October 1983. The other standards contained herein were published in 1969 and 1970 and are now reprinted.

4. The secretariat has been instructed to transmit the revised standards to member countries of the Economic Commission for Europe for official acceptance. In considering their acceptance of these standards Governments should note the reservations expressed by member countries. Governments should also be aware of the existing legislation in certain countries which prevents the full acceptance of the standard at this stage.

1/ At its twenty-fifth session in 1974, the Committee extended the responsibility of the Working Party to cover non-edible horticultural produce and agreed to change the name of the Working Party to "Working Party on Standardization of Perishable Produce" in order to reflect the greater scope of its activities.

UN/ECE STANDARD DF-03

concerning the marketing and commercial quality control of

UNSHELLED HAZEL NUTS

moving in trade between and to European countries

I. DEFINITION OF PRODUCE

This standard applies to unshelled hazel nuts which are the fruit of Corylus avellana L and Corylus maxima Mill and their hybrids without involucre or husk and which are intended for direct consumption.

II. QUALITY REQUIREMENTS

A. General

The purpose of the standard is to define the quality requirements at the dispatching stage after preparation and packaging.

B. Minimum requirements 1/

(i) External characteristics of the fruit

The shells must be:

- intact
- sound
- clean and, in particular, free from visible foreign matter

(ii) Internal characteristics of the fruit

Hazel nuts must not be empty.

The kernels must be:

- sound and, in particular, free from mould, rot, visible damage by insects or pests and free from living or dead insects or any other living or dead animal pests
- normally developed
- free from any rancidity or foreign smell or taste
- free from blemishes rendering them unfit for consumption 2/

1/ Reservation of the Federal Republic of Germany, which is of the opinion that the standard should be applicable at all stages of marketing.

2/ This requirement does not apply to internal or external blemishes consisting of an alteration of the odour or taste of the hazel nuts, always provided that the hazel nuts remain fit for consumption.

(iii) Unshelled hazel nuts must be harvested when fully ripe. They must be dry and must not contain more than 12 per cent of moisture. The moisture content 3/ of the kernel alone must not be more than 7 per cent.

C. Classification

Unshelled hazel nuts are classified into three classes: "Extra", Class I and Class II - defined below:

(i) "Extra" Class

The unshelled hazel nuts in this class must be of superior quality and carefully prepared, in the light of the requirements concerning sizing, tolerances and uniformity.

(ii) Class I

The unshelled hazel nuts in this class must be of good quality and well prepared in the light of the requirements concerning sizing tolerances and uniformity.

(iii) Class II

This class comprises unshelled hazel nuts of marketable quality which do not qualify for inclusion in the higher classes but satisfy the minimum requirements specified above.

III. SIZING

Sizing is compulsory for produce in classes "Extra" and "I" but optional for produce in Class "II". The sizing of unshelled hazel nuts is based on the maximum diameter of the equatorial section, which is determined by means of a screen with circular perforation. The following classification is laid down:

Type	Reference	Diameter of fruit
"Very large"	V.L.	18 mm and over
"Large"	L.	16 mm and over
"Medium"	M.	13-16 mm
"Small"	S.	Under 13 mm
"Unselected"	U.	

Only "very large" and "large" hazel nuts may be included in the "Extra" class and only "very large", "large" and "medium" hazel nuts in class "I".

IV. TOLERANCES

In each package the following tolerances in respect of quality and size are allowed for produce not satisfying the requirements of its class.

3/ The moisture content is determined by the method given in the Annex to this document.

A. Quality tolerances

The tolerances, by number of fruits, are as follows:

	"EXTRA" %	"I" %	"II" %
External defects	1	2	3
Internal defects	4	8 4/	10 4/
Foreign matter (by weight)	0.25	0.25	0.25 5/

There may be a maximum of 12 per cent of hazel nuts belonging to different varieties, commercial types, or shapes, from the same local production area.

Within the tolerances of 4, 8 and 10 per cent for internal defects in the "Extra" class and in classes "I" and "II", maximum tolerances of only 3, 5 and 6 per cent respectively are allowed for empty nuts and a maximum tolerance of 0.2 per cent for living or dead insects.

B. Size tolerance

For all classes, a total tolerance of 5 per cent for rounded nuts and 10 per cent for pointed and oblong nuts, by number, is permitted per package for produce conforming to the size immediately above and/or below that identified.

V. PRESENTATION

A. Uniformity

The contents of each package must be uniform and contain only hazel nuts of the same quality, origin, commercial type or variety.

"Camouflage" is prohibited, i.e. the visible part of the package must be representative of the entire contents of the package.

B. Packaging

Hazel nuts must be packed in such a way as to protect the produce properly.

The materials, and particularly the paper used inside the package must be new, clean and of a quality such as to avoid causing any external or internal damage to the products. When printed matter is used, the printing must not come into contact with the produce.

Packages must be free of all foreign matter.

VI. MARKING

Each package must bear the following particulars, in letters grouped on the same side, legibly and indelibly marked, and visible from the outside.

4/ In calculating these percentages, a slight deformation of the kernel is not considered to be a defect.

5/ Reservations of Italy and Spain who wish to raise the tolerance to 12 per cent.

A. Identification

Packer) and/or) Dispatcher) Name and address or officially issued or accepted code mark 6/

Shipping mark (where applicable). The shipping mark must correspond with the shipping mark shown on the Bill of Lading.

B. Nature of produce

Unshelled hazel nuts, when the produce is not visible from outside.

C. Origin of produce

Country of origin, and optionally district where grown, or national, regional or local place name.

D. Commercial specifications

- class
- commercial type or variety
- size, either - by the minimum and maximum diameters, or
  by the minimum diameter followed by the words "and over", or
  by type as indicated in Chapter III
- weight (gross or net) 7/

If the gross weight is indicated, the tare must not in any circumstances exceed 2.5 per cent for sacks of 50 kg and above, 3 per cent for sacks of 25 kg to 50 kg, and 3.5 per cent for sacks of lesser weight.

E. Official control mark (optional)

This standard was first issued in 1970 as
AGRI/WP.1/EUR.STAN.35

Reprinted 1983

6/ The national legislation of Federal Republic of Germany requires the compulsory declaration of the name and address.

7/ At the request of the importer.

UN/ECE STANDARD OF-04

concerning the marketing and commercial quality control of

DECORTICATED HAZEL NUTS

moving in trade between and to European countries

I. DEFINITION OF PRODUCE

This standard applies only to whole decorticated hazel nuts from varieties of Corylus avellana L. and Corylus maxima Mill. and their hybrids from which the protective ligneous epicarp has been removed. 1/

II. QUALITY REQUIREMENTS

A. General

The purpose of the standard is to define the quality requirements for decorticated hazel nuts at the despatching stage after preparation and packaging. 2/

B. Minimum requirements

Decorticated hazel nuts must be in all classes:

- dry, not containing more than 6 per cent of moisture; 3/
- clean, and in particular, free from visible foreign matter;
- free of blemishes rendering them unfit for consumption; 4/
- sound, and in particular, free from mould, rot, visible damage by insects and free from living or dead insects or any other living or dead animal pests;
- free of any rancidity or foreign smell or taste;
- whole; the absence of part of the outer skin or a scratch less than 2 mm. in diameter and 1 mm. in depth shall not be regarded as a defect. Kernels which are not whole and in which more than one third of the fruit is missing are known as "pieces". Pieces should not pass through a 5 mm. round meshed sieve.

1/ Special standards will be established for the marketing of non-regulated qualities such as shrivelled, broken, spoiled, injured and mechanically damaged kernels, as well as twins and processed kernels.

2/ Reservation of the Federal Republic of Germany which is of the opinion that the standard should be applicable at all stages of marketing.

3/ The moisture content is determined by the method given in the Annex to this document.

4/ This requirement does not apply to internal or external blemishes consisting of an alteration of the odour or taste of the hazel nuts, always provided that the hazel nuts remain fit for consumption.

C. Classification

Decorticated hazel nuts are classified into the following three classes on the basis of quality:

(i) "Extra" Class

Hazel nuts in this class must be:

- of superior quality;
- screened or sized;
- of normal shape and appearance for the commercial type or the variety.

A maximum of 1 per cent by weight of twins is allowed.

(ii) Class I

Hazel nuts in this class must be:

- of good quality;
- screened or sized.

Slight defects in shape are allowed.

A maximum of 5 per cent by weight of twins is allowed.

(iii) Class II

This class comprises hazel nuts which do not qualify for inclusion in the higher classes but satisfy the minimum requirements specified above.

Screening or sizing are optional.

A maximum of 8 per cent by weight of twins is allowed.

III. SIZING

The size of decorticated hazel nuts is determined by the maximum diameter of the mid section, the sizing being done by means of round-holed screens.

The minimum size is 9 mm. for hazel nuts in the Extra Class and Class I, with the exception of hazel nuts of the piccolo type or hazel nuts having a similar designation for which a diameter of from 6 mm. to 9 mm. is allowed.

Decorticated hazel nuts are either sized or screened.

(i) Sized hazel nuts

For sized hazel nuts, the difference in diameter between the minimum and maximum size must not exceed 2 mm. All sizes are allowed, subject to observance of the minimum size fixed above for the Extra Class and Class I.

(ii) Screened hazel nuts

By screened hazel nuts is meant hazel nuts whose maximum diameter is over or under a stated figure, subject to observance of the minimum size fixed above for the Extra Class and Class I.

IV. TOLERANCES

For each package, certain quality, presentation and size tolerances are allowed for hazel nuts not satisfying the requirements of their class. The tolerances, by weight, are as follows:

(i) Quality and presentation tolerances

	"Extra" %	I %	II %
Not fully developed, shrivelled, stained and yellowish kernels	2	4 5/	8
Rancid, rotten, mouldy, having a bad smell or taste, damaged by insects or attacked by rodents 6/ 7/	1	1.5	3
Mechanically deteriorated and pieces 8/	3	7	10
Unshelled hazel nuts, shell or skin fragments, dust	0.2	0.2	0.2
Extraneous matter	0.05	0.05	0.05

There may be a maximum of 10 per cent of kernels belonging to different varieties, commercial types, or shapes from the same local production area.

5/ Reservation made by the Federal Republic of Germany which requests a lower tolerance of 2 per cent.

6/ For hazel nuts of an old crop, these tolerances are increased to 1.5 per cent, 2.5 per cent and 4 per cent respectively in the Extra Class, Class I and Class II, provided that the marking indicates the crop year or "old crop".

7/ The national legislation of the Federal Republic of Germany and Switzerland do not permit tolerances for produce affected by mould or rot, nor the presence of insects, dead or alive (1983).

8/ The percentage of pieces may not exceed 1 per cent, 2 per cent and 4 per cent respectively in the Extra Class, Class I and Class II.

(ii) Size tolerances

For all classes, 5 per cent by weight of hazel nuts may be of a size different from the sizes laid down. The presence of hazel nuts 0.2 mm. above or below the sizes laid down shall not be regarded as a defect.

V. PRESENTATION

A. Uniformity

The contents of each package must be uniform and contain only hazel nuts of the same quality, origin, commercial type or variety.

"Camouflage" is prohibited, i.e. the visible part of the package must be representative of the entire contents of the package.

B. Packaging

Hazel nuts must be packed in such a way as to protect the produce properly.

The materials, and particularly the paper used inside the package must be new, clean and of a quality such as to avoid causing any external or internal damage to the products. When printed matter is used, the printing must not come into contact with the produce.

Packages must be free of all foreign matter.

VI. MARKING

Each package must bear the following particulars, in letters grouped on the same side, legibly and indelibly marked, and visible from the outside.

A. Identification

Packer and/or Dispatcher	Name and address or officially issued or accepted code mark 9/

B. Nature of produce

Decorticated hazel nuts.

C. Origin of produce

Country of origin and, optionally, district where produced or national, regional or local place name.

9/ Reservation of the Federal Republic of Germany as their present legislation requires the compulsory declaration of the name and address.

D. Commercial specifications

- Class.

- Commercial type or variety.

- Size: by the minimum and maximum diameters for sized hazel nuts and, by the minimum diameter preceded by the word "above", or by the maximum diameter preceded by the word "below" for screened hazel nuts.

- Weight (net or gross). If the gross weight is indicated, the tare must not exceed 2.5 per cent for sacks of 50 kg. and above, and 3.5 per cent for sacks of lesser weight. If the nuts are presented in double sacks other than paper or polythene, the net weight must be indicated.

- Crop year, at the request of the importer. 10/

E. Official control mark (optional).

This standard was first issued in 1970 as
AGRI/WP.1/EUR.STAN.36

Reprinted 1983

10/ Reservations made by Italy and Spain who wish this specification to be deleted.

APPENDIX L

LETTER FROM J. H. RAYNER (MINCING LANE) LTD., LONDON, ENGLAND

TELEGRAPHIC ADDRESS
RAYMAR, LONDON, TELEX

TELEPHONE
01-481 9144

rec'd
1-24-85
azm

ALL CODES
TELEX LONDON 883461-2-3

Registered Office
Co. No. 704098

Registered in England
VAT No. 243-1985-61

J. H. RAYNER (MINCING LANE) LTD.

50 MARK LANE
LONDON, EC3R 7RJ

DIRECTORS:
E. S. MARGULIES (CHAIRMAN MANAGING)
H. P. WILTSHIRE, F.A.C.C.A. (JOINT MANAGING)
D. J. ALLEN
T. H. EDWARDS
F. V. NOLAN (U.S.A.)
B. R. LAW, M.Sc.(Econ.), C.B.I.M.
G. E. PERCIVAL

DIRECTORS:
R. T. BURGESS, F.C.A.
D. G. CHAMBERS
F. G. DAVIES
B. ELLIOTT
M. C. MAXWELL
W. MOSS

698715

14th January 1985

Mr. Alvin Z.Macomber
Principal Analyst
Agriculture, Fisheries & Forest
Products Division.
International Trade Commission
Washington, D.C. 20436

RE: Filberts Investigation (No. 332-192)

RECEIVED
1985 JAN 24 PM 3:40
OFFICE OF THE SECRETARY
DOCKET/USITC

Dear Mr. Macomber:

In response to your request for information concerning international trade in hazelnuts, we J.H.Rayner (Mincing Lane)Ltd provide the following information.

J.H.Rayner,based in London, England, is the major importer of hazelnuts into Europe. During the past marketing year, Rayner imported approximately 30,000 tonnes of shelled hazelnuts into Europe. The majority of these nuts were grown in Turkey.

J.H. Rayner's customers for hazelnuts in Europe are principally confectioners (chocolate bar manufacturers), bakers, and nut roasters/mixers. Approximately 80% of all hazelnuts imported into Europe by Rayner are sold to the major chocolate manufacturers including world renowned companies such as Cadbury, Rowntree, and Mars in the United Kingdom; Van houten in West Germany; Lindt, Souchard, Cailler, and Nestle in Switzerland, and Ferrero in Italy. These companies demand the Turkish hazelnut for the following reasons. First, it consistent, regular round shape facilitates use in chocolate bars. Second, the Turkish nut is easily blanched and therefore well suited for confectionary products. Third, the Turkish nut has by far the best taste, flavour, and aroma. The Italian nut is generally not acceptable for the confectionary trade because the Long Naples are not suited to machanical processes due to shape. and the Roman is not easily blanched. The Oregon nut, while large and attractive , does not possess the desirable taste, flavour, and aroma characteristics for confectionery and bakery products. Moreover, the Oregon crop is variable and not nearly large enough to meet demand.

Turkey is the undisputed world leader in hazelnut production; accounting for between 70% - 80% of the world comsumption. Our firm has had a long, beneficial relationship with the Turkish industry and we find the Turkish product of the highest quality.

Neither the United Kingdom, nor the European Community nations have import inspections; such inspections are informally conducted by importers such as J.H.Rayner. The quality of the imported product determines the price. There are no official government standards in the U.K. or the E.E.C. nations which permit or bar entry of imported hazelnuts.

Respectfully submitted,

Niel Hyde.
Manager,Nut Department.

APPENDIX M

SELECTED PAGES FROM THE OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES SHOWING REGULATION (EEC) NO. 2518/69 OF THE COUNCIL DATED DECEMBER 9, 1969, AND COMMISSION REGULATION (EEC) NO. 3483/84 DATED DECEMBER 12, 1984, REGARDING REFUNDS ON EXPORTS OF FRUIT AND VEGETABLES

18.12.69 Official Journal of the European Communities No L 318/17

REGULATION (EEC) No 2518/69 OF THE COUNCIL

of 9 December 1969

laying down general rules for the granting of refunds on exports of fruit and vegetables and criteria for fixing their amounts

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 159/66/EEC[1] of 25 October 1966 laying down additional provisions on the common organisation of the market in fruit and vegetables, as last amended by Council Regulation (EEC) No 2515/69[2] of 9 December 1969, and in particular Article 11 (a) thereof;

Having regard to the proposal from the Commission;

Whereas refunds on exports of products subject to the common organisation of the market in fruit and vegetables must be fixed in accordance with certain criteria providing for the difference between the prices of these products in the Community and on the world market to be covered; whereas, to that end, account should be taken of the situation regarding the supply of fruit and vegetables and the prices of these products in the Community and of the situation regarding the prices ruling in international trade;

Whereas local handling charges should be taken into account in view of the different prices at which fruit and vegetables are offered and in order to cover the difference between the prices ruling in world trade and those ruling in the Community;

Whereas the observation of price trends requires that prices shall be fixed in accordance with general principles; whereas, to that end and having regard to ruling prices on world markets, consideration should be given to quotations recorded on the markets of third countries, ruling prices in the importing countries concerned, producer prices recorded in third countries and Community free-at-frontier prices; whereas prices within the Community should be fixed in consideration of those ruling prices which are shown to be the most favourable from the point of view of export;

Whereas there should be provision for possible variation of amounts of refunds according to product destination and in consideration of particular conditions for imports ruling in certain countries of destination;

Whereas, to avoid unfair competition, traders should be subject to the same administrative rules throughout the Community;

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down rules for fixing and granting export refunds for the products referred to in Article 7 of Regulation No 23.[3]

Article 2

The refunds shall be fixed in the light of:

(a) the current situation and foreseeable development, with regard to:

— prices of fruit and vegetables on the Community market and quantities available;

— prices on world markets;

(b) minimum marketing and transport costs from Community markets to ports and other points of export from the Community and handling charges up to arrival at countries of destination;

(c) economic aspects of the intended exports.

[1] OJ No 192, 27.10.1966, p. 3286/66.

[2] OJ No L 318, 18.12.1969, p. 10.

[3] OJ No 30, 20.4.1962, p. 965/62.

Article 3

1. Prices on the Community market shall be fixed in the light of the ruling prices most favourable for exports:

2. World market prices shall be determined in the light of:

(a) quotations recorded on third country markets;

(b) the most favourable prices paid in third countries for imports from other third countries;

(c) producer prices recorded in exporting third countries;

(d) free-at-frontier offer prices within the Community.

Article 4

The refund paid in the Community may be varied for a specific product according to its destination, when the situation in world trade or the special requirements of given markets make this necessary.

Article 5

1. The refund shall be paid on proof that the products:

— have been exported from the Community, and

— are of Community origin.

2. Where the provisions of Article 4 are applied, the refund shall be paid as provided in paragraph 1 and on proof that the product has reached the destination for which the refund was fixed.

Nevertheless, derogation may be made from this rule in accordance with the procedure referred to in paragraph 3, subject to conditions being laid down which offer equivalent guarantees.

3. Further provisions may be adopted in accordance with the procedure laid down in Article 13 of Regulation No 23.

Article 6

This Regulation shall enter into force on 1 March 1970.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 9 December 1969.

For the Council

The President

P. LARDINOIS

COMMISSION REGULATION (EEC) No 3483/84

of 12 December 1984

altering the export refunds on fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables (1), as last amended by Regulation (EEC) No 1332/84 (2), and in particular Article 30 (5) thereof,

Whereas the export refunds on fruit and vegetables were fixed by Regulation (EEC) No 2974/84 (3);

Whereas it follows from applying the rules, criteria and other provisions contained in Regulation (EEC) No 2974/84 to the information at present available to the Commission, that the export refunds at present in force should be altered as shown in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on fruit and vegetables fixed in the Annex to Regulation (EEC) No 2974/84 are hereby altered as shown in the Annex hereto.

Article 2

This Regulation shall enter into force on 1 January 1985.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 December 1984.

For the Commission

Poul DALSAGER

Member of the Commission

(1) OJ No L 118, 20. 5. 1972, p. 1.
(2) OJ No L 130, 16. 5. 1984, p. 1.
(3) OJ No L 281, 25. 10. 1984, p. 18.

PAGE 2 OF 2
ENCL. No 1
EC A 337

ANNEX

to the Commission Regulation of 12 December 1984 altering the export refunds on fruit and vegetables

(ECU/100 kg net)

CCT heading No	Description	Refund
ex 07.01 M	Tomatoes ('Extra' Class, Class I and Class II)	4,50
ex 08.02 A I	Sweet fresh oranges :	
	For export of varieties Biondo comune and Sanguigno comune ('Extra' Class, Class I and Class II) to :	
	— Countries or States with a planned economy in central or eastern Europe and Yugoslavia	8,00
	— Other destinations	5,32
	For export of other varieties ('Extra' Class, Class I and Class II) to :	
	— Countries or States with a planned economy in central or eastern Europe and Yugoslavia	14,50
	— Other destinations	9,67
ex 08.02 B	Fresh mandarins ('Extra' Class, Class I and Class II)	7,25
ex 08.02 C	Fresh lemons ('Extra' Class, Class I and Class II)	
	For export to :	
	— Countries or States with a planned economy in central or eastern Europe and Yugoslavia	12,00
	— Other destinations	8,00
ex 08.04 A I	Table grapes :	
	— Fresh, open ground ('Extra' Class and Class I)	10,50
	— Fresh, hothouse ('Extra' Class and Class I)	19,34
ex 08.05 A II	Shelled almonds, other than bitter almonds	9,67
ex 08.05 B	Unshelled walnuts	14,00
ex 08.05 G	Unshelled hazelnuts	7,50
ex 08.05 G	Shelled hazelnuts	14,51
ex 08.06 A II	Apples ('Extra' Class, Class I and Class II) other than cider apples :	
	For export to :	
	— Botswana, Lesotho, Swaziland, Zambia, Malawi, Mozambique, Tanzania, Kenya, Rwanda, Burundi, Uganda, Somalia, Madagascar, Comoros, Mauritius, Sudan, Ethiopia, Jibuti, the countries of the Arabian peninsula (1), Iran, Iraq and Jordan	12,00
	— Countries and territories of Africa other than those mentioned above and South Africa, Syria, countries with a planned economy in central and eastern Europe, Yugoslavia, Bolivia, Brazil, Venezuela, Peru, Panama, Ecuador, Colombia, Iceland, Norway, Sweden, Austria, the Faroe Islands and Finland	4,00

(1) For the purpose of this Regulation the 'countries of the Arabian peninsula' are considered to be the following, including the territories attached thereto : Saudi Arabia, Bahrain, Qatar, Kuwait, the Sultanate of Oman, United Arab Emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qawain, Fujairah, Ras Al Khaimah), Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen (South Yemen).