

UNITED STATES TARIFF COMMISSION

SUMMARIES OF TRADE AND TARIFF INFORMATION

**Prepared in Terms of the Tariff Schedules
of the United States (TSUS)**

Schedule 1

**Animal and Vegetable Products
(In 14 volumes)**

Volume 9

**Sugar, Cocoa, Confectionery, Coffee,
Tea, and Spices**



**TC Publication 288
Washington, D.C.
1969**

8030

UNITED STATES TARIFF COMMISSION

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SUMMARIES OF TRADE AND TARIFF INFORMATION BY SCHEDULES

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- 4 - Dairy Products and Birds' Eggs
- 5 - Live Plants and Seeds
- 6 - Cereal Grains, Malts, Starches, and Animal Feeds
- 7 - Vegetables and Edible Nuts
- 8 - Edible Fruits and Fruit Products
- 9 - Sugar, Cocoa, Confectionery, Coffee, Tea, and
Spices
- 10 - Beverages
- 11 - Tobacco and Tobacco Products
- 12 - Animal and Vegetable Oils
- 13 - Hides, Skins, Leather, Feathers, and Miscel-
laneous Articles of Animal Origin
- 14 - Edible Preparations, Natural Resins, and Miscel-
laneous Articles of Vegetable Origin

FOREWORD

In an address delivered in Boston on May 18, 1917, Frank W. Taussig, distinguished first chairman of the Tariff Commission, delineated the responsibility of the newly established Commission to operate as a source of objective, factual information on tariffs and trade. He stated that the Commission was already preparing a catalog of tariff information--

designed to have on hand, in compact and simple form, all available data on the growth, development and location of industries affected by the tariff, on the extent of domestic production, on the extent of imports, on the conditions of competition between domestic and foreign products.

The first such report was issued in 1920. Subsequently three series of summaries of tariff information on commodities were published--in 1921, 1929, and 1948-50. The current series, entitled Summaries of Trade and Tariff Information, presents the information in terms of the tariff items provided for in the eight tariff schedules of the Tariff Schedules of the United States (abbreviated to TSUS in these volumes), which on August 31, 1963, replaced the 16 schedules of the Tariff Act of 1930.

Through its professional staff of commodity specialists, economists, lawyers, statisticians, and accountants, the Commission follows the movement of thousands of articles in international commodity trade, and during the years of its existence, has built up a reservoir of knowledge and understanding, not only with respect to imports but also regarding products and their uses, techniques of manufacturing and processing, commercial practices, and markets. Accordingly, the Commission believes that, when completed, the current series of summaries will be the most comprehensive publication of its kind and will present benchmark information that will serve many interests. This project, although encyclopedic, attempts to conform with Chairman Taussig's admonition to be "exhaustive in inquiry, and at the same time brief and discriminating in statement."

This series is being published in 62 volumes of summaries, each volume to be issued as soon as completed. Although the order of publication may not follow the numerical sequence of the items in the TSUS, all items are to be covered. As far as practicable, each volume reflects the most recent developments affecting U.S. foreign trade in the commodities included.

SUMMARIES OF TRADE AND TARIFF INFORMATION

SCHEDULE 1

Volume 9

C O N T E N T S

	<u>Page</u>
Foreword-----	iii
Introduction-----	1
Sugar-----	5
Sugars, sirups, and molasses (containing over 6 percent soluble nonsugar solids)-----	23
Molasses for feed and industrial uses-----	29
Maple sugar and maple sirup-----	39
Dextrose and dextrose sirup-----	45
Honey-----	51
Flavored sugars, sirups, and molasses; and blended sirups-----	59
Cocoa beans, and cocoa bean shells and other cocoa residues-----	65
Semiprocessed cocoa and chocolate products-----	71
Sweetened chocolate, not in bars or blocks weighing 10 pounds or more each, and confectionery, not elsewhere enumerated-----	83
Coffee, crude, roasted, or ground; and coffee extracts, including soluble or instant coffee-----	95
Chicory and other coffee substitutes, and mixtures of coffee and substitutes-----	113
Tea-----	121
Maté-----	129
Spices, crude or processed; and certain spices, unground-----	133
Certain herbs, crude-----	149
Certain herbs, processed-----	159
Capers-----	165
Certain ground spices; mixed spices; and nonenumerated spices----	167
Mustard, ground or prepared-----	173
Mustard seed-----	179
Paprika-----	185
Capsicum, cayenne, or red pepper, ground or unground-----	191
Appendixes:	
Appendix A. Tariff Schedules of the United States Annotated: General headnotes and rules of interpretation, and excerpts relating to the items included in this volume-----	A-1
Appendix B. Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1967-----	B-1
Appendix C. Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1968-----	C-1

Numerical List of TSUS Items in This Volume

	<u>Page</u>		<u>Page</u>
155.10-----	5	161.15-----	167
155.12-----	5	161.17-----	133
155.15-----	5	161.19-----	167
155.20-----	5	161.21-----	133
155.21-----	5	161.23-----	167
155.30-----	5	161.25-----	133
155.31-----	5	161.27-----	133
155.35-----	23	161.29-----	167
155.36-----	23	161.31-----	133
155.40-----	29	161.33-----	133
155.41-----	29	161.35-----	133
155.50-----	39	161.37-----	167
155.55-----	39	161.39-----	149
155.60-----	45	161.41-----	159
155.65-----	45	161.43-----	133
155.70-----	51	161.45-----	167
155.75-----	59	161.47-----	133
156.10-----	65	161.49-----	167
156.20-----	71	161.51-----	149
156.25-----	71	161.53-----	159
156.30-----	83	161.55-----	149
156.35-----	71	161.57-----	159
156.40-----	71	161.59-----	173
156.45-----	71	161.61-----	179
156.47-----	71	161.63-----	133
156.50-----	65	161.65-----	167
156.55-----	65	161.67-----	149
157.10-----	83	161.69-----	159
157.11-----	83	161.71-----	185
160.10-----	95	161.73-----	149
160.20-----	95	161.75-----	159
160.21-----	95	161.77-----	133
160.30-----	113	161.79-----	167
160.35-----	113	161.80-----	191
160.40-----	113	161.82-----	191
160.50-----	121	161.83-----	191
160.60-----	129	161.84-----	191
160.65-----	129	161.86-----	133
161.01-----	133	161.88-----	167
161.03-----	149	161.90-----	149
161.05-----	159	161.92-----	159
161.07-----	165	161.94-----	149
161.09-----	133	161.96-----	159
161.11-----	133	162.01-----	149
161.13-----	133	162.03-----	159

Numerical List of TSUS Items in This Volume

	<u>Page</u>		<u>Page</u>
162.05-----	149	162.11-----	159
162.07-----	159	162.13-----	133
162.09-----	149	162.15-----	167

Included in this volume (identified as volume 1:9) are parts 10 and 11 of schedule 1 of the Tariff Schedules of the United States (TSUS). Part 10 of schedule 1 covers sugar, cocoa, and confectionery and is divided into a subpart for each. Part 11 of schedule 1 includes coffee, tea, mate, and spices and is divided into two subparts.

Subpart A of part 10 (part 10A) includes sugars, sirups, molasses and other sweeteners. Refined cane or beet sugar (sucrose) is by far the most important sweetener. Dextrose and dextrose sirup are of considerable importance, and the remaining sweeteners are essentially specialty products desired for certain flavor characteristics in addition to sweetness. Molasses, a byproduct of the manufacture of sugar, is used either as a sweetener or for non-human consumption as animal feed or for industrial purposes.

In 1967, U.S. consumption of sweeteners (other than non-caloric sweeteners) amounted to about 11.6 million short tons, an increase of 0.5 million tons over consumption in 1963. Of the total consumption of sweeteners in 1967, sugar and liquid sugar accounted for over 82 percent of consumption. Consumption of dextrose and dextrose sirup accounted for about 16 percent of the total, and consumption of honey and edible molasses amounted to about 1 percent for each. Consumption of maple sugar and sirup amounted to less than one-half of one percent of total consumption. Consumption of molasses for animal feeds or industrial purposes amounted to about 4.0 million tons in 1967, as compared to 3.6 million tons in 1963.

Beginning with the Jones-Costigan Sugar Act of 1934 and continuing through the currently effective Sugar Act of 1948, as amended, the United States has employed quotas in preference to the tariff as the primary instrument of government control with respect to sugar. All sugar for the United States market, whether domestic or imported, is limited by absolute quota. This quota protection has resulted in U.S. prices usually being above world market prices by substantially more than the duty. Foreign suppliers, through controlled marketing, customarily receive the full U.S. price less the duty. The quotas limit imports largely to raw sugar, resulting in practically all sugar for the U.S. market being refined in the United States. All sugar marketed in the United States, whether domestic or foreign, is also subject to a tax (or additional import duty in the case of imports of refined sugar) of 0.53 cents per pound. Government payments are made to domestic sugar producers for compliance with the Government sugar program. Sugar Act quotas have divided the domestic market into about three-fifths to domestic producers and two-fifths to foreign suppliers in recent years.

Part 10B of schedule 1 of the TSUS includes cocoa beans and products derived from cocoa beans. Cocoa beans are ground and processed into chocolate, cocoa butter, and cocoa. The cocoa bean hulls, which are removed from the beans before grinding, are used as a mulch and

INTRODUCTION

fertilizer. All cocoa beans ground in the United States are supplied by imports. U.S. imports averaged 674 million pounds, valued at \$131 million, during 1963-67. Estimated U.S. production (shipments) of chocolate and cocoa products (including sweetened solid chocolate bars) amounted to 1.2 billion pounds, valued at about \$500 million, in 1963 as compared with 1.4 billion pounds, valued at about \$600 million, in 1967. Imports of cocoa and chocolate products amounted to about 178 million pounds, valued at \$37 million, in 1967 and were equal to about 13 percent of domestic production.

Part 10C of schedule 1 provides for candy and other confectionery, not specially provided for. It includes most products considered as candy except sweetened solid chocolate bars not containing fruit or nuts. During 1963-67 annual sales of confectionery (excluding sweetened solid chocolate bars) in the United States increased from 2.7 billion pounds, valued at \$1.0 billion, to 3.1 billion pounds, valued at \$1.3 billion. Imports of confectionery, although increasing in recent years, amounted to only 2.7 percent of apparent consumption in 1967.

Part 11A of schedule 1 includes coffee, coffee substitutes, tea, and maté. Imports supply virtually all of these products consumed in the United States (small quantities of coffee are grown in Hawaii and Puerto Rico). Imports of coffee, the largest U.S. import item on a value basis, averaged 3 billion pounds, valued at \$1.0 billion, annually during 1963-67. The 1963 Census of Manufactures reported that total U.S. shipments of processed coffee were valued at \$1.6 billion, while the shipments of packaged tea were valued at \$181 million.

Part 11B of schedule 1 provides for spices and spice seeds. It includes most products used as flavoring or garnishment for foods. A few products sometimes known as spices, however, are provided for elsewhere. For example, celery seed is provided for in part 6B of schedule 1 as a field or garden seed, vanilla beans are provided for in part 15G of schedule 1 as a miscellaneous vegetable product, and saffron is provided for in part 9A of schedule 4 as a dying or tanning product. With the exception of mustard seed, capsicum pepper, paprika, mint, parsley, basil, and sage, spices are not grown in significant quantities in the United States. Imports of spices were valued at \$47 million in 1967. Shipments of spices by processors in 1963 were valued at \$153 million.

The products included in this volume are, for the most part, tropical agricultural products which are important in the internal economy of many of the less developed countries and which provide them with a major source of foreign exchange. The products are usually shipped in forms which require further processing before consumption.

Appendix A to this volume reproduces pertinent segments of the Tariff Schedules of the United States Annotated (TSUSA-1969) relating

February 1969

1:9

to the items covered by this volume. It includes the general headnotes to the TSUS and parts 10 and 11 of schedule 1. Appendix A also gives the rates of duty applicable to the individual TSUS items, including the staged annual rate modifications that resulted from concessions granted by the United States in the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade. Notes in the appendix also document changes in the legal text of the tariff schedules after these schedules went into effect on August 31, 1963 and in the statistical annotations of items.

Appendix B to this volume provides data on the value of the U.S. imports in 1967 by TSUS items included in the individual summaries of this volume. Data also show the percentage changes in imports from 1966 and the three principal countries which supplied imports in 1967.

Appendix C to this volume provides data on the value of U.S. imports in 1968 by TSUS items included in the individual summaries of this volume and also shows the percentage changes in imports from 1967 and the three principal countries which supplied imports in 1968.

<u>Commodity</u>	<u>TSUS</u> <u>item</u>
Sugar beets and sugarcane-----	155.10, -.15
Sugars, sirups, and molasses derived from sugarcane or sugar beets (excluding products containing over 6 percent soluble nonsugar solids and molasses for feed and industrial uses)-----	155.20, -.31

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

The trade in sugar in the United States is subject to the provisions of the Sugar Act of 1948, as amended (referred to herein as the Sugar Act or the act), which is administered by the Secretary of Agriculture. Important features of the act provide for the assignment of quotas to domestic producers and to imports, thereby not only regulating the quantity of sugar which moves in U.S. commerce but indirectly maintaining the price at desired levels. In 1967 approximately three-fifths of the domestic requirements were supplied from domestic production. The balance was supplied from imports, practically all in the form of raw sugar. U.S. exports are small relative to domestic production and imports.

Description and uses

Sugar beets and sugarcane are the primary raw materials from which sugar (sucrose) is obtained. Because both sugar beets and sugarcane are perishable and bulky in their natural state (items 155.10 and 155.12), the juice is extracted and concentrated into raw sugar in the regions where they are grown. In the United States the raw sugar from beets is also refined in the same plant where the juice is extracted from the beets and does not enter commerce. Raw sugar from cane is generally shipped from the region where the cane is grown to refineries in the large consumption centers. There is little, if any, commerce in sugar beets or sugarcane suitable for the commercial extraction of sugar where the beets or cane are in forms (including dried sugar beet slices and dried sugarcane) other than the natural state (item 155.15).

Sugar of crystalline structure (item 155.20) is sold on the basis of its approximate sucrose content as measured in sugar degrees on the polariscope. Raw sugar of crystalline structure is generally 97- to 99-degree sugar in dry form. Refined crystalline sugar is almost 100-degree sugar (pure sucrose). The quantity of refined sugar is converted into

raw value by multiplying the number of pounds by 1.07. ^{1/} Sugars, sirups and molasses in dry amorphous form are relatively unimportant commercially and include such products as solidified sirups with no discernible crystalline structure and dried molasses. Liquid sugar as defined in the Sugar Act is any sugar not principally of crystalline structure or in dry amorphous form containing 6 percent or less soluble nonsugar solids. It is classified in item 155.30 or, if flavored or blended, in item 155.75. A significant portion of the liquid sugar marketed has had the sucrose inverted. Where both sucrose and invert sugar are present in the products considered here the sugar content is the total thereof.

U.S. tariff treatment and other requirements

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

<u>TSUS item</u>	<u>Commodity</u>	<u>Rate of duty</u>
	Sugar beets and sugarcane:	
	In their natural state:	
155.10	Sugar beets-----	80¢ per short ton
155.12	Sugarcane-----	\$2.50 per short ton
155.15	In other forms suitable for the commercial extraction of sugar.	0.5¢ per lb. of total sugars
	Sugars, sirups, and molasses, de- rived from sugarcane or sugar beets:	
155.20	Principally of crystalline struc- ture or in dry amorphous form.	0.6625¢ per lb. less 0.009375¢ per lb. for each degree under 100 degrees and fractions of a degree in pro- portion) but not less than 0.428125¢ per lb.
155.21	If products of Cuba-----	0.53¢ per lb. less 0.0075¢ per lb. for each degree under 100 degrees (and fractions of a degree in pro- portion) but not less than 0.3425¢ per lb. (s)

^{1/} "Raw value" is the term used in the Sugar Act to express in a common unit of 96-degree equivalent the amount of raw and refined sugars that move in commerce. One ton of refined sugar equals 1.07 tons of sugar, raw value.

<u>TSUS</u> <u>item</u>	<u>Commodity</u>	<u>Rate of duty</u>
	Sugars, sirups, and molasses, derived from sugarcane or sugar beets--Continued: Not principally of crystalline structure and not in dry amorphous form:	
155.30	Containing soluble nonsugar solids (excluding any foreign substance that may have been added or devel- oped in the product) equal to 6 percent or less by weight of the total soluble solids.	Dutiable on total sugars at the rate per lb. applicable under item 155.20 to sugar testing 100 degrees
155.31	If products of Cuba-----	Dutiable on total sugars at the rate per lb. applicable under item 155.21 to sugar testing 100 degrees (s)

The rates of duty on sugar beets and sugarcane in the natural state are those provided for in the Tariff Act of 1930 and have never been subject to a trade agreement concession. The rate on sugar beets and sugar cane, not in the natural state (item 155.15), was established by the TSUS, effective August 31, 1963. The rate on crystalline sugar (item 155.20) is derived from the rate granted as a concession under the General Agreement on Tariffs and Trade (GATT), effective June 6, 1951, with respect to paragraph 501 of the previous tariff schedules. The rate on liquid sugar (item 155.30) reflects an increase in duty with respect to paragraph 502 of the previous tariff schedules as negotiated under the GATT in 1956, but which was not made fully effective until August 31, 1963, under the TSUS. ^{1/}

On July 6, 1960, the quota for imports of sugar from Cuba, formerly the major supplier of sugar to the United States, was reduced by Presidential Proclamation No. 3355 for the remainder of the calendar year pursuant to authority granted by the 1960 amendments to the Sugar Act (Public Law 86-592). ^{2/} Presidential Proclamation No. 3383 thereafter, still acting under Public Law 86-592 (December 16, 1960), allocated a zero quota to imports of sugar from Cuba for the period January 1, 1961 to March 31, 1961. On March 31, 1961, acting under

^{1/} See pp. 162 and 163 of the explanatory notes to schedule 1, Tariff Classification Study (1960).

^{2/} In effect, imports from Cuba ceased as of the middle of July 1960.

authority of the Sugar Act, as amended by Public Law 87-15, the President proclaimed (Proclamations 3401 and 3402) that the quota for imports of sugar from Cuba would be zero for the period April 1, 1961 to June 30, 1962. Presidential Proclamation No. 3447 prohibited all further trade with Cuba, effective February 7, 1962. The special rates of duty applicable to Cuban products, including sugar, were suspended May 24, 1962 (Public Law 87-456); however, the preferential rates on imports from the Philippines, as based on the Cuban rates, were not affected.

Imports of sugar from the Philippine Republic, the sugar being a product of the Philippines, are now dutiable at 60 percent of the suspended rate on imports from Cuba. They will become dutiable at 80 percent of the Cuban rate on January 1, 1971, 100 percent of the Cuban rate on January 1, 1974, and at the full column 1 TSUS rate (in item 155.20) on July 4, 1974.

The column 1 TSUS rates for sugar and liquid sugar are accompanied by the so-called "snapback" provision (see headnote 2 to part 10A of the TSUSA-1969). Under this provision, the President of the United States has certain authority to establish the rates of duty and to impose quotas on imports of the articles provided for in items 155.20 and 155.30 when the quota provisions of the Sugar Act, or equivalent legislation, are not in effect. The January 1, 1968, rates of the TSUS are to be applied again if legislation equivalent to Title II (quota provisions) of the Sugar Act becomes effective. The Sugar Act presently provides for termination of the powers granted the Secretary of Agriculture thereunder on December 31, 1971.

The average ad valorem equivalents of the specific rates of duty in effect on December 31, 1967, based on dutiable imports during 1967, were as follows:

<u>TSUS item</u>	<u>Percent</u>
155.20-----	10.4
155.30-----	4.6

The ad valorem equivalents of the rates of duty on sugar are based on prices generally well above the world market price. Exporters of quota sugar to the United States (quotas under the Sugar Act) generally receive the full U.S. price minus duty and transportation.

Section 4501 of the Internal Revenue Code of 1954, as amended, imposes an excise tax through June 30, 1972, of 0.53 cents per pound of total sugars manufactured (not to be further refined) in the United States. All imported products provided for in items 155.20 through 155.31, not to be further refined or otherwise improved in quality.

(sugar for direct consumption under the Sugar Act) are subject, under item 901.00 of the TSUS, to an import compensating duty of the same amount as the manufacturing excise tax during the period such tax is imposed. The duty under item 901.00 does not apply to products used or to be used in livestock feed, or for the distillation of alcohol.

Sugar Act

Domestic consumption determination.--Under section 201 of the Sugar Act, the Secretary of Agriculture determines, for each calendar year, the amount of sugar needed for consumption in the continental United States and allots the total among suppliers. The initial determination may be followed by the supplementary allotments deemed necessary to meet the requirements of consumers. Among other criteria, the determination of consumption requirements should provide such supply of sugar as will be consumed at prices which will not be excessive to consumers and will fairly and equitably maintain and protect the welfare of the domestic sugar industry. In this determination, the Secretary is directed to take into consideration the relationship between raw sugar prices which would result from such determination and the parity index (prices paid by farmers) as compared with the relationship between raw sugar prices and the parity index during 1957-59.

Proration among supplying areas.--The Sugar Act of 1948 provided specific quotas for domestic areas and the Philippine Republic and assigned the remainder of consumption to foreign countries other than the Philippines. The act did not grant domestic areas a share of any increase in the consumption. The act, as amended in 1956 (by Public Law 84-545), assigned to domestic areas 55 percent of any increase in consumption above 8,350,000 short tons (raw value) and, as amended in 1960 (by Public Law 86-592), permitted allocation to other foreign countries of the quota formerly granted to Cuba. Amendment to the act in 1962 (by Public Law 87-539) increased the basic quota for domestic areas and assigned them 65 percent of any increase in consumption above 9,700,000 tons. Amendment to the act in 1965 (by Public Law 89-331) further increased the basic quota for domestic beet and mainland cane sugar and assigned to domestic areas 65 percent of any increase in consumption above 10,400,000 tons.

A comparison of initial quotas and final charges against adjusted quotas for the supplying areas in 1948 and in later years under the Sugar Act of 1948, as amended, is shown in table 1.

The charges against quotas for most foreign and domestic areas have generally been close to the final adjusted quotas, although Puerto Rico has consistently failed to fill its authorized quota. Under the act if either domestic areas or foreign countries are unable

to fill their quotas, such quota deficits are allotted to other foreign countries.

When imports of Cuban sugar were, in effect, suspended in July 1960, the Cuban quota was reserved in the Sugar Act pending resumption of diplomatic relations. The 1962 amendment to the Sugar Act, however, reduced the Cuban reservation from 96 percent to 58 percent of the total for foreign countries other than the Philippine Republic. Most of the residual was then allocated among 22 other countries, principally Peru, the Dominican Republic, Mexico, and Brazil. The 1962 amendment provided that any foreign quota not available because of absence of diplomatic relations with a country (i.e., Cuba) could be authorized for purchase from other foreign countries. The portion so authorized, referred to as the global quota, could be supplied by countries with or without a statutory quota. In 1965, during the interval before the passage of new legislation, the Secretary of Agriculture prorated the quota on imports from countries other than the Philippine Republic on the basis of actual imports in 1963 and 1964. Under the Sugar Act, as amended in 1965, the quota was allocated among 32 foreign countries. The allocation to Cuba was reduced from 58 percent to 50 percent of the total and, during the suspension of diplomatic relations with that country, was prorated among the rest according to their basic quotas, subject to a preference for countries that are members of the Organization of American States. Beginning in 1966, the quota for Southern Rhodesia was withheld and prorated to countries of the Western Hemisphere.

Additional restrictions on refined sugar, liquid sugar and sugar-containing products.--The sugar quotas for Hawaii and Puerto Rico limit the amount of sugar which may be marketed in the form of refined sugar (sugar for direct consumption under the act). The quota on foreign imports of refined sugar into the continental United States is about 70,000 tons (raw value), of which about 60,000 tons are allocated to the Philippine Republic. Imports of bulk liquid sugar are limited by the Sugar Act to 2,000,000 gallons annually of sirup of cane juice of the type of Barbados molasses containing less than 6 percent soluble nonsugar solids. Most Barbados-type molasses contains over 6 percent soluble nonsugar solids and is thereby not subject to the Sugar Act (see summary on item 155.35).

Under section 206 of the Sugar Act, the Secretary may limit the importation of any sugar-containing product to a quantity which he determines will not substantially interfere with the objectives of the Sugar Act. This authority was first used in 1966 to place quotas on imports of mixtures of sugar and butterfat and/or flour (see summary on TSUS items 182.92 and 182.95). The quotas for 1968 and subsequent years limit imports of mixtures of flour and/or butterfat and sugar (which contain more than 25 percent sugar and not over 5.5 percent butterfat) to the equivalent of not more than 100 short tons of sugar, raw value, from any one country.

February 1969

1:9

Ex-quota imports of sugar and liquid sugar ^{1/}--Sections 211 and 212 of the Sugar Act exclude sugar or liquid sugar from quota if imported under bond for processing and export or imported for use in livestock feed or for the production of alcohol. Such sugar can be purchased at world market prices as it is not eligible for marketing in regular domestic outlets and enables U.S. exporters of sugar or sugar-containing products to compete in world markets without using higher-priced U.S. quota sugar. It also makes it economically feasible to market certain livestock feeds which contain sugar. In addition, section 212 excludes from quota the first 10 tons of sugar or liquid sugar imported from any foreign country, other than Cuba or the Philippine Republic; it also excludes the first 10 tons of sugar or liquid sugar imported from any foreign country, other than Cuba and the Philippine Republic, for religious, educational, or experimental purposes, and any liquid sugar from any foreign country other than Cuba and the Republic of the Philippines in individual sealed containers of such capacity as the Secretary of Agriculture may determine, the capacity of the individual containers not to exceed 1 and one-tenth gallons each.

Government conditional payments to domestic growers.--Under the administration of the Sugar Act, an amount of money slightly less than that collected each year under the sugar excise tax (section 4501, Internal Revenue Code of 1954, as amended) is paid to domestic growers of sugarcane and sugar beets, subject to their observance of regulations as to minimum wages, child labor, and marketing and acreage limitations. The conditional payments to growers are made by the U.S. Government based on the volume of production of the individual growers of sugar beets or sugarcane. Payments vary from 0.8 cents per pound sugar, raw value, for the smallest growers to 0.3 cents per pound for the largest growers. The payments account for about one-eighth of the growers' total cash receipts from sugar beets and sugarcane.

Special import fee provision, effective July 16, 1962-December 31, 1964.--The 1962 amendment to the Sugar Act provided in section 213 that any sugar imported from foreign countries (other than the Philippine Republic) was subject, in addition to other charges, to a variable import fee, payable to the United States, which was designed to absorb a portion of the difference between the net price received for sugar sold in the United States and that in the world market--the so-called quota premium.

Sugar, entered under the Sugar Act country quotas, was subject only to from 10 percent (in 1962) to 30 percent (in 1964) of the fee. The full amount of the import fee was assessed only on sugar under the global (former Cuban) quota. Fees were provided for under the 1962 enactment until December 31, 1964, when the legislation expired; however, no fees were collected from the latter part of January 1963 until

^{1/} Referred to in other sections of this summary as "ex-quota sugar."

August 1964 since the world price was higher than the domestic price for sugar.

U.S. consumption

Consumption of quota sugar in the continental United States increased from 9.8 million tons (raw value) in 1963 to 10.2 million tons in 1967. The increase, as shown in deliveries by primary distributors (table 2), occurred despite a small decline in consumption of packaged sugar for household and commercial use, and stemmed from an appreciable increase in consumption of bulk and liquid sugar used in commercially prepared foods and beverages.

The annual per capita consumption of sugar has remained relatively stable since the early 1950's despite the increased use of corn sweeteners (items 155.60 and 155.65) and noncaloric sweeteners (items 403.80 and 408.45) in the United States. During the period from 1951 to 1967 the annual per capita consumption of sugar ranged from 101.7 (raw value) pounds in 1957 to 104.6 pounds in 1956 and averaged 103.6 pounds for the entire period. For the period 1963-67 the average per capita consumption of sugar was about 103.5 pounds.

Consumption of ex-quota sugar in the United States increased from 27,863 short tons (raw value) in 1963 to 238,187 short tons in 1967. For the period 1963-66 the major portion of the ex-quota sugar was consumed in animal feed. In 1967 over three-fourths of the ex-quota sugar was used in the production of industrial alcohol.

U.S. producers

In 1967 sugar beets were grown on 1.2 million acres on about 18,300 farms. Sugarcane was grown on 515,000 acres on about 2,300 farms in Louisiana and Florida, and on about 500,000 acres on about 10,000 farms in offshore areas of the United States (Puerto Rico and Hawaii).

In the United States (except Puerto Rico) there were 59 beet sugar factories, 79 raw cane mills, and 24 sugar refineries in operation in 1967. The combined establishments employed about 50,000 persons and had a payroll of about \$210 million. Of the total employment, about one-third was accounted for by beet sugar factories, chiefly in the West; a slightly smaller proportion was accounted for by raw cane sugar mills in Hawaii and the South, and the remainder was accounted for by cane sugar refineries, chiefly in the South and Northeast.

As reported by the Census of Manufactures, in 1963 sugar mills (nearly all raw cane mills) in Puerto Rico employed 8,000 persons and had a payroll of \$21 million.

Three companies possess about 55 percent of the capacity for processing sugar beets. Five corporations control the cane mills in Hawaii, but most of the cane mills elsewhere are independently operated. Arrangements of the mill with the grower differ from area to area. The beet sugar factories contract for the beets with independent farmers in advance of planting. The cane sugar mills in Louisiana generally purchase the cane from independent growers after harvesting, although some mills grow part of their own cane. The cane mills in Hawaii and most of those in Florida own (or lease) the land on which their cane is grown. Those in Puerto Rico grow much of their own cane and purchase the remainder from thousands of independent growers. In Florida and Louisiana a number of the mills are grower-owned cooperatives.

The sugar refineries in the United States are owned by 19 companies, three of which account for more than one-half of the output.

U.S. production

Except in the offshore areas, where land suitable for cultivation is limited, acreage restrictions generally have been necessary to prevent production from exceeding marketing quotas under the Sugar Act. The cessation of imports from Cuba in 1960 and the increase in quotas for domestic areas by subsequent amendments to the Sugar Act made room for a substantial increase in domestic production. Accordingly, no acreage restrictions were in effect on sugar beets from 1961 through 1964 and, except for the interval from August 1962 to May 1963, none were in effect on sugarcane from 1960 through 1964.

Beginning in 1965, acreage restrictions were reimposed on the domestic beet and mainland cane areas. Acreage for the 1965 crop of mainland cane was reduced by about 12 percent below the 1964 level and this reduction was continued for the 1966 and 1967 crops. Acreage for the domestic sugar beet crop was also restricted in 1965 and 1966. The reduction during these 2 years for the sugar beet crop amounted to from 5 to 10 percent of the 1964 level depending on the area. In 1966 the sugar beet area produced less sugar than its quota and, accordingly, the acreage restrictions were removed for 1967.

Acreage in offshore areas of the United States remained relatively constant at about 560,000 acres in 1963-67; plantings in the domestic sugar beet area increased in 1963-64 from 1.3 million to 1.5 million acres before being reduced to 1.3 million acres in 1965 and to about 1.2 million acres in 1966 and 1967. The mainland cane acreage increased from 471,000 to 577,000 acres during 1963 and 1964, but since declined to 515,000 acres in 1967 (table 3).

The increase in planted acreage in 1964 was reflected in a correspondingly higher level of production in the mainland cane and beet areas. Production in these areas increased from 4.3 to 4.4 million short tons during 1963-64. The total level of production in the United States, including the offshore areas, also increased from 1963 to 1964--from 6.4 million to 6.6 million tons (table 4). From 1965 to 1967, corresponding to the decrease in planted acreage, overall production fell to a level of 6.1 million tons in 1967. Production in the domestic beet area fell from the 3.3 million tons produced in 1964 to 2.7 million tons in 1967. Production in the offshore areas remained relatively stable; however, that in the mainland cane area increased from a level of 1.1 million tons in 1964 to 1.4 million tons in 1967. This increase in the mainland cane area, despite decreased acreage, is attributed to the expanded capacity of mainland cane mills (which has reduced freeze risk), new varieties of cane which produce increased yields, and increased yields generally.

The annual average price of raw sugar at New York ^{1/} ranged from 6.3 to 6.5 cents per pound and was generally $2\frac{1}{2}$ to 3 cents above the world price in 1957-62. In 1963, when the world price advanced to 8.5 cents (due to decreased sugar supplies), the New York price advanced to 8.2 cents and, although less than the world price, was appreciably higher than the price reference point at that time under the Sugar Act (6.6 cents). The advance in the New York price in 1963 took place despite an increase from 9.8 million to 10.5 million tons in marketings of sugar authorized under the quota. The New York price declined in 1964 and 1965 but advanced in subsequent years, whereas the world market price continued to decline and remained at a low level of less than 2 cents per pound in 1967 (table 5).

U.S. exports

U.S. exports of sugar since 1963 have ranged from 3,000 to 6,000 tons, valued at \$500,000 to \$1,000,000 a year, and have been small in comparison with domestic production and imports. The exports consist mostly of world-market ex-quota sugar imported under Sugar Act bond for manufacture and "re-export" with benefit of a duty drawback on imports of raw sugar.

U.S. imports

In accordance with the limitations of the Sugar Act, imports of sugar into the United States are practically confined to raw sugar. The total imports and their country distribution reflect Sugar Act quotas. The U.S. market has usually been highly attractive to countries assigned quotas and such quotas have almost always been filled.

^{1/} The New York price is generally quoted as the domestic price.

Imports ranged from 3.6 million to 4.6 million tons and averaged 4.1 million tons during 1963-67 (table 6). Imports from the Philippine Republic averaged 1.2 million tons and supplied 30 percent of total U.S. imports during 1963-67.

Total imports of ex-quota sugar increased from 38,830 short tons (raw value) in 1963 to 300,383 tons in 1967. In individual years, from one-fifth to one-half of the imports of ex-quota sugar were for refining or further processing and "re-export" either as sugar or in sugar-containing products. The remainder was used in livestock feed or for the distillation of alcohol.

The foreign value of imports of all quota and ex-quota sugar in 1967 was about \$590 million.

Foreign production and trade

World production of sugar increased irregularly from a level of 57 million tons (raw value) in the crop year 1962-63 to about 72 million tons for the crop year 1967-68. The Soviet Union is the world's leading producer, accounting for from 16 to 20 percent of the total. The United States and Cuba each produce about 9 percent of the total; India and Brazil each produce about 6 percent. Mexico, Australia, France, West Germany, the Philippine Republic, Poland, the Republic of South Africa, and mainland China are the other principal producing countries.

The countries with a high per capita consumption of sugar were the major importers in 1967. The United States accounted for about one-fifth of total world imports of 21 million tons; the United Kingdom imported 12 percent of the total. The Soviet Union, Japan, Canada, and France, combined, accounted for about 30 percent of the total.

Cuba is by far the principal sugar exporting country, supplying one-fourth of the 20 million tons exported from all countries in 1967. Australia, the Philippine Republic, the Republic of China, the Dominican Republic, France, and Brazil are the other principal exporting countries.

In 1965-67 world exports of sugar averaged about 20 million tons (raw value) annually. About three-fifths of this total represented exports to preferential price markets, particularly the United States, the United Kingdom, the European Economic Community, and the U.S.S.R. The residual, amounting to about 8.5 million tons, was sold in unprotected markets at the so-called "world price" shown in table 5.

Difficulties in the marketing of sugar, as well as periods of unprofitable prices, have resulted in several attempts on the international level to control the amount of sugar exported or produced in order to improve the prices of sugar on the world market.

February 1969

1:9

The Chadbourne Agreement, signed in Brussels in 1931, was the first attempt to improve prices by limiting output in the exporting countries. However, continued overproduction in areas not subject to the agreement nullified the effects of the agreement.

Another attempt was made to improve the price of world market sugar with the signing of the International Sugar Agreement of 1937. This agreement was significant in its recognition of the need for participation by major consuming countries, as well as exporting countries, if an improvement in price were to take place. The onset of World War II, however, caused the removal of all quotas and production restrictions. The International Sugar Council, the administrative arm of the agreement, continued to operate as a means of collecting statistical data on sugar.

In 1953 and again in 1958 two other international sugar agreements were put into effect. The 1958 agreement was terminated in 1961, but the International Sugar Council continued its statistical functions.

A new international sugar agreement became effective January 1, 1969. The agreement attempts to maintain and stabilize world market prices for unprotected sugar ^{1/} through export quotas, maintenance of carryover stocks, and commitment on the part of importing countries not to purchase sugar from nonsignatory countries when prices fall below certain levels. The United States, as of the date of this summary volume, had not become a signatory to the agreement.

^{1/} "Unprotected sugar" refers to sugar sold at other than the preferential prices paid by many importing countries.

Table 1.--Sugar: Initial Sugar Act quotas, and charges against adjusted quotas, by supplying areas, 1948 and 1963-67

(In thousands of short tons, raw value)						
Supplying area	1948	1963	1964	1965	1966	1967
	Initial quotas					
Domestic beet-----	1,800	2,699	2,699	2,650	3,025	3,025
Mainland cane <u>1</u> /-----	500	911	911	895	1,100	1,100
Hawaii-----	1,052	1,110	1,110	1,110	1,110	1,240
Puerto Rico-----	910	1,140	965	1,140	1,140	1,140
Virgin Islands-----	6	15	15	15	15	15
Total, domestic areas-----	4,268	5,875	5,700	5,810	6,390	6,520
Philippine Republic--	982	1,050	1,146	1,050	1,061	1,104
Cuba-----	2,515	-	-	-	-	-
Other foreign countries <u>2</u> /-----	35	2,875	2,954	2,340	2,349	2,576
Total, foreign countries-----	3,532	3,925	4,100	3,390	3,410	3,680
Grand total-----	7,800	9,800	9,800	9,200	9,800	10,200
	Charges against adjusted quotas					
Domestic beet-----	1,657	2,966	2,699	3,025	3,025	2,824
Mainland cane <u>1</u> /-----	456	1,070	911	1,100	1,100	1,169
Hawaii-----	714	1,033	1,110	1,137	1,200	1,253
Puerto Rico-----	1,013	875	792	830	712	705
Virgin Islands-----	4	15	16	4	5	-
Total, domestic areas-----	3,844	5,959	5,528	6,096	6,042	5,951
Philippine Republic--	252	1,198	1,220	1,178	1,187	1,123
Cuba-----	2,927	-	-	-	-	-
Other foreign countries <u>2</u> /-----	62	3,361	2,371	2,647	3,128	3,310
Total, foreign countries-----	3,240	4,559	3,591	3,825	4,315	4,433
Grand total-----	7,084	10,518	9,119	9,921	10,357	10,384

1/ Louisiana and Florida.

2/ Major suppliers are the Dominican Republic, Mexico, Brazil, Peru, Australia, and the British West Indies.

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

February 1969

1:9

Table 2.--Deliveries by primary distributors of packaged, bulk, and liquid sugar, 1963-67

Item	1963	1964	1965	1966	1967
Quantity (1,000 short tons, raw value)					
Granulated:					
Packaged:					
Less than 50 pounds-----	2,943	2,905	2,853	2,827	2,733
50 pounds and over-----	3,158	2,629	2,694	2,672	2,566
Bulk-----	1,883	1,999	2,208	2,401	2,510
Liquid sugar-----	1,793	1,925	2,070	2,290	2,342
Total-----	9,777	9,458	9,825	10,190	10,151
Percentage distribution					
Granulated:					
Packaged:					
Less than 50 pounds-----	30.1	30.7	29.0	27.7	26.9
50 pounds and over-----	32.3	27.8	27.4	26.2	25.3
Bulk-----	19.3	21.1	22.5	23.6	24.7
Liquid sugar-----	18.3	20.4	21.1	22.5	23.1
Total-----	100.0	100.0	100.0	100.0	100.0

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

Table 3.--Sugar beets and sugarcane: Acreage planted
in the United States, 1963-67

(In thousands of acres)					
Area	1963	1964	1965	1966	1967
Total, all areas--	2,329.3	2,603.8	2,370.4	2,314.2	2,269.4
Sugar beets, total----	1,285.0	1,460.0	1,314.0	1,242.9	1,206.8
California-----	305.8	364.7	318.2	288.4	227.0
Colorado-----	183.8	190.4	156.5	151.3	134.2
Idaho-----	149.7	183.3	159.7	140.4	157.4
Minnesota-----	120.5	123.4	124.1	125.2	131.8
Nebraska-----	85.8	80.6	71.9	69.5	69.2
Michigan-----	82.6	90.1	79.6	79.2	79.4
Montana-----	66.7	71.1	62.2	61.5	59.5
Washington-----	60.0	63.9	56.8	56.4	49.7
Wyoming-----	58.7	66.1	55.0	52.1	52.8
North Dakota-----	51.2	52.4	67.0	67.5	79.1
Utah-----	26.2	35.1	33.1	29.9	25.3
All other-----	94.0	138.9	129.9	121.5	141.4
Mainland cane, total--	471.2	577.3	498.0	512.9	514.6
Louisiana 1/-----	322.0	348.4	310.0	315.5	317.1
Florida 1/-----	149.2	228.9	188.0	197.4	197.5
Offshore cane, total--	573.1	566.5	558.4	558.4	548.0
Puerto Rico 1/-----	337.5	328.9	321.7	317.2	314.0
Hawaii 1/-----	231.3	233.1	232.6	237.5	234.0
Virgin Islands 2/---	4.3	4.5	4.1	3.7	-
1/ Acreage growing.					
2/ Acreage harvested.					

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

Table 4.--Sugar: U.S. production, 1963-67

(In thousands of short tons, raw value)

Area	1963	1964	1965	1966	1967
Domestic beet-----	3,096	3,288	2,900	2,833	2,713
Mainland cane:					
Louisiana-----	759	573	550	562	740
Florida-----	424	574	554	652	717
Offshore cane:					
Hawaii-----	1,101	1,179	1,218	1,234	1,191
Puerto Rico-----	989	989	897	883	818
Virgin Islands-----	16	16	4	1/	-
Total-----	6,385	6,619	6,123	6,164	6,179

1/ Negligible.

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

Table 5.--Cane sugar: Domestic raw sugar price adjusted for change in parity index ^{1/}, average New York duty paid price and average world price, 1963-67

(In cents per pound, raw basis)				
Year	Domestic raw sugar price adjusted for change in the parity index	New York duty paid price	Average world price ^{2/}	
1963-----	6.61	8.18	8.50	
1964-----	6.63	6.90	5.87	
1965-----	6.80	6.75	2.12	
1966-----	7.08	6.99	1.86	
1967-----	7.25	7.28	1.99	

^{1/} Price to be considered under section 201, Sugar Act of 1948, as amended, in establishing annual sugar requirements after consideration has been given to consumption, inventory, population, the level and trend of consumer purchasing power, and other demand factors. This price represents the relationship between the raw sugar price resulting from the Secretary's determination of domestic consumption requirements and the parity index (prices paid by farmers) as compared with the relationship between raw sugar prices and the parity index in 1957-59.

^{2/} F.O.B. Greater Caribbean ports, 1963-67.

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

Table 6.--Sugar: U.S. import quota charges,
by principal sources, 1963-67

(In thousands of short tons, raw value)

Source	1963	1964	1965	1966	1967
Brazil-----	471	182	269	478	513
Dominican Republic-----	590	398	469	603	618
Mexico-----	379	480	475	489	524
Peru-----	413	233	293	381	409
British West Indies-----	141	142	148	177	184
French West Indies-----	94	34	52	56	58
Other Western Hemisphere-----	584	296	375	459	505
Total, Western Hemisphere---	2,672	1,765	2,081	2,643	2,811
Philippine Republic-----	1,198	1,220	1,178	1,187	1,123
Australia-----	224	216	200	188	191
Republic of China-----	71	81	72	78	79
India-----	119	111	104	73	76
Union of South Africa-----	132	120	104	55	56
Other Eastern Hemisphere-----	143	78	86	91	97
Total, Eastern Hemisphere---	1,887	1,826	1,744	1,672	1,622
Grand total-----	4,559	3,591	3,825	4,315	4,433

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

SUGARS, SIRUPS, AND MOLASSES (CONTAINING OVER 6 PERCENT
SOLUBLE NONSUGAR SOLIDS)

23

<u>Commodity</u>	<u>TSUS</u> <u>item</u>
Sugars, sirups, and molasses, not principally of crystalline structure and not in dry amorphous form, other than those containing soluble nonsugar solids equal to 6 percent or less by weight of the total soluble solids-----	155.35, -.36

. Note.--For the statutory description, see the Tariff Schedules of
the United States Annotated (TSUSA-1969).

U.S. trade position

The sugars, sirups, and molasses provided for in item 155.35
are produced in the United States, but at a substantially lower level
than in the earlier years of this century. Imports have been appre-
ciable, supplying about one-fifth of domestic consumption in recent
years; exports are negligible.

Comment

The sugars, sirups, and molasses included herein are character-
ized by a high degree of natural flavor and are generally used for
edible purposes. The tariff provision is limited to products in
liquid form derived from sugarcane or sugar beets, although in practice
most are derived from sugarcane. Molasses not for human consumption
(item 155.40) and sugar sirups and molasses which are flavored or
blended (item 155.75) are included in other summaries.

Sugarcane sirup is evaporated or concentrated cane juice from
which no sugar has been extracted. The sugar content may be partially
inverted to prevent crystallization and fermentation. Sugarcane sirup
is generally produced from sugarcane grown specifically for the pur-
pose of making sirup. A product known as "Barbados fancy molasses"
which is imported in substantial quantities from Barbados is actually
a relatively high-priced sugarcane sirup. Molasses is a byproduct of
the manufacture of sugar. Molasses included in this summary generally
is produced in a cane sugar mill or as refiners' sirup in a sugar re-
finery. Less sugar generally is removed from molasses which is to be
used for human consumption than from molasses not for human consump-
tion (variously termed final, blackstrap, or industrial molasses).
However, some blackstrap is used for human consumption and is included
in this summary.

So-called high-test or invert molasses is generally a concen-
trated sugarcane sirup in which a substantial portion of the sucrose

24 SUGARS, SIRUPS, AND MOLASSES (CONTAINING OVER 6 PERCENT SOLUBLE NONSUGAR SOLIDS)

has been changed to invert sugar. It is not ordinarily used for human consumption and its primary uses are for the distillation of alcohol, as livestock feed, and for other industrial uses. Such imported product, whether or not for human consumption, has been held to be classifiable under TSUS item 155.30 or 155.35 depending upon the soluble nonsugar solids content (T.D. 67-243(12)). Legislation, however, has been introduced which, if enacted by the Congress, would make all sugars, sirups, and molasses, if containing over 6 percent soluble nonsugar solids of the total soluble solids, when imported for use other than (a) the commercial extraction of sugar (b) human consumption, dutiable at the lesser molasses rate under a proposed amended TSUS item 155.40 (see H.R. 7626 - 91st Cong.). "High-test" molasses is not ordinarily produced in the United States (see description and uses section of summary on item 155.40).

Most of the imported sirups and molasses provided for under item 155.35 are used as table sirups and in household and commercial food preparations. Their value in these uses rests more on their flavors rather than their sugar content and their price is frequently well above that based on their sugar content alone.

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

<u>TSUS</u> <u>item</u>	<u>Commodity</u>	<u>Rate of duty</u>
	Sugars, sirups, and molasses, derived from sugarcane or sugar beets: Not principally of crystalline structure and not in dry amorphous form:	
155.35	Other (other than those containing soluble nonsugar solids equal to 6 percent or less by weight of the total soluble solids).	2.9¢ per gal.
155.36	If product of Cuba-----	2.1¢ per gal. <u>1/</u>

1/ Suspended

No reduction in the rate of duty was granted in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade.

The average ad valorem equivalent of the specific rate of duty, based on dutiable imports in 1967, was 4.2 percent.

Before the effective date of the TSUS, August 31, 1963, the rate of duty was graduated depending upon the sugar content. The sugar con-

February 1969

1:9

tent of most of the imports falls within the narrow range of 68 to 76 percent total sugar. The rate of 2.9 cents per gallon is the same as the pre-TSUS rate for a product testing 72 percent total sugar. The rate shown for item 155.36 is the preferential rate for products of Cuba, which was suspended on May 24, 1962. Imports from Cuba have been prohibited since February 7, 1962. The rate on imports from the Philippine Republic as based on the Cuban rates (see summary on sugar and liquid sugar, TSUS item 155.10-155.31) was not affected.

U.S. apparent consumption of sugar sirups and edible molasses ranged from 7.8 million to 11.6 million gallons during the period 1963-67 and averaged 10.1 million gallons annually for the period. Consumption remained relatively stable during 1963-66, but declined somewhat in 1967 (table 1).

Four or five Louisiana cane mills account for most of the sugar-cane sirups and edible molasses produced in the United States. In addition, small quantities of sugarcane sirup are produced on many farms from Georgia to Louisiana. Refiners' sirup is a byproduct of the large sugar refineries located mostly in Louisiana and the North Atlantic ports.

Total U.S. production of the sugars, sirups, and molasses included in this summary remained relatively stable during 1963-66 and averaged about 8.3 million gallons during that period. However, in 1967 production declined somewhat to about 7.0 million gallons (table 2).

U.S. exports of the items included in this summary were small during 1963-67 and are estimated to have averaged about 200,000 gallons annually. In the same period, U.S. imports ranged from 1 million to 3 million gallons annually and supplied from 14 to 28 percent of consumption. Nearly all imports entered from the Dominican Republic and Barbados (table 3). Cuba was the major supplier before imports from that source were suspended. Imports from the Dominican Republic consisted primarily of "invert" or "high-test" molasses; imports from Barbados consisted of "Barbados fancy molasses".

SUGARS, SIRUPS, AND MOLASSES (CONTAINING OVER
6 PERCENT SOLUBLE NONSUGAR SOLIDS)

Table 1.--Sugars, sirups, and edible molasses (containing over 6 percent soluble nonsugar solids): U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of gallons; value in thousands of dollars)						
Year	Production	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1963-----	8,243	1,687	<u>1</u> / 192	9,738	17.3	
1964-----	8,361	2,119	<u>1</u> / 205	10,275	20.6	
1965-----	8,631	3,149	<u>2</u> / 200	11,580	27.2	
1966-----	7,979	3,061	<u>2</u> / 200	10,840	28.2	
1967-----	6,989	1,065	<u>2</u> / 200	7,854	13.6	
Value						
1963-----	<u>3</u> /	953	<u>1</u> / 304	<u>4</u> /	<u>4</u> /	
1964-----	<u>3</u> /	1,468	<u>1</u> / 359	<u>4</u> /	<u>4</u> /	
1965-----	<u>3</u> /	1,689	<u>3</u> /	<u>4</u> /	<u>4</u> /	
1966-----	<u>3</u> /	1,477	<u>3</u> /	<u>4</u> /	<u>4</u> /	
1967-----	<u>3</u> /	735	<u>3</u> /	<u>4</u> /	<u>4</u> /	

1/ Total exports of sirup for table use and edible molasses. Estimated to consist largely of refiners' sirup.

2/ Estimated. Actual export data not available after 1964 due to change in export classification.

3/ Not available.

4/ Not meaningful.

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

SUGARS, SIRUPS, AND MOLASSES (CONTAINING OVER
6 PERCENT SOLUBLE NONSUGAR SOLIDS)

27

Table 2.--Sugars, sirups, and edible molasses (containing over 6 per-
cent soluble nonsugar solids): U.S. production, by type, 1959 and
1963-67 1/

(In thousands of gallons)				
Year	Sugarcane sirup	Refiners' sirup	Edible molasses	Total
1959-----	3,617	3,999	3,084	10,700
1963-----	2,702	2,769	2,772	8,243
1964-----	2,814	2,862	2,685	8,361
1965-----	2,989	2,994	2,648	8,631
1966-----	2,923	2,493	2,563	7,979
1967-----	2,121	2,402	2,466	6,989

1/ Production of sugarcane sirup, and edible molasses is of the fall
of the preceding year.

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

SUGARS, SIRUPS, AND MOLASSES (CONTAINING OVER 6
PERCENT SOLUBLE NONSUGAR SOLIDS)

Table 3.--Sugars, sirups, and edible molasses (containing over 6 per-
cent soluble nonsugar solids): U.S. imports for consumption, by
principal sources, 1963-67

Source	1963	1964	1965	1966	1967
	Quantity (1,000 gallons)				
Dominican Republic-----	1,214	1,251	2,409	2,074	511
Barbados-----	441	839	904	338	263
Canada-----	29	27	32	19	17
All other-----	3	2	4	1/ 630	2/ 274
Total-----	1,687	2,119	3,349	3,061	1,065
	Value (1,000 dollars)				
Dominican Republic-----	439	449	818	842	188
Barbados-----	476	986	837	318	259
Canada-----	34	31	30	18	17
All other-----	4	2	4	1/ 299	2/ 271
Total-----	953	1,468	1,689	1,477	735
	Unit value ^{3/}				
Dominican Republic-----	\$0.362	\$0.359	\$0.339	\$0.406	\$0.368
Barbados-----	1.081	1.176	.926	.940	.985
Canada-----	1.174	1.155	.941	.960	1.000
All other-----	.976	.990	1.053	1/.475	2/.985
Average-----	.565	.693	.536	.483	.825

^{1/} Includes 430 thousand gallons, valued at 293 thousand dollars, with a unit value of \$0.681 from Trinidad.

^{2/} Includes 273 thousand gallons, valued at 269 thousand dollars, with a unit value of \$0.990 from the French West Indies.

^{3/} Calculated from the unrounded figures.

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

<u>Commodity</u>	<u>TSUS item</u>
Molasses including dried molasses, imported for use other than (a) the commercial extraction of sugar or (b) human consumption-----	155.40, -.41

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

U.S. production has been relatively stable while consumption and imports have increased moderately since 1963. Imports in 1967 amounted to 50 percent of consumption.

Description and uses

Molasses (unless dried) is a viscous liquid or sirup ordinarily obtained as a byproduct in the manufacture of sugar from sugarcane or sugar beets. TSUS item 155.40 provides for molasses, including dried molasses, which is imported for use other than the commercial extraction of sugar or for human consumption. Molasses imported for use in the commercial extraction of sugar or for human consumption is provided for in items 155.30 and 155.35, depending upon the soluble nonsugar solids content (see summaries on items 155.10 -.31 and 155.35 -.36).

The products provided for in item 155.40 are used primarily as feed for livestock, in the distillation of alcohol, and in the production of yeast, citric acid, monosodium glutamate, and vinegar. It is the sugar content of the molasses which is important as a raw material in the manufacture of these products. Typically, most byproduct molasses contains about 6 pounds of sugar per gallon and well over 6 percent soluble nonsugar solids.

The types of products provided for in item 155.40 are generally included in the broad category referred to as feed and industrial molasses or inedible molasses. Blackstrap molasses, remaining after the crystallization of sugar from the juice of sugarcane, and refiners' molasses, remaining after raw sugar is refined, are used for livestock feed, in the production of yeast, citric acid, and monosodium glutamate, and in the manufacture of ethyl alcohol, other spirits, and vinegar. Beet molasses, remaining after crystallization of sugar from the juice of sugar beets, is also used as a livestock feed and in the production of yeast, citric acid, and monosodium glutamate. The use as livestock feed is by far the most important use for all three types of molasses, accounting for 74 percent of the utilization of all feed and industrial

molasses in 1967.

In addition to the above named types of molasses provided for in item 155.40, all of which are derived from sugarcane or sugar beets, there are several other products generally included by the trade in the category of feed and industrial molasses, but which are not provided for under item 155.40. The most important of these products are: (1) citrus molasses, which is produced from the skins and pulp of citrus fruits and which is primarily used in animal feeds; (2) hydrol (corn molasses), which is a byproduct in the production of corn sugar and which is primarily used in livestock feed; and (3) "high-test" or "invert" molasses, which is ordinarily a concentrated sugarcane sirup from which no sugar strike has been taken and in which part of the sucrose has been inverted. "High-test" molasses can be used for edible purposes, but its principal uses are for livestock feed, and in the manufacture of ethyl alcohol, other spirits (including rum), vinegar, and some pharmaceuticals.

"High-test" or "invert" molasses, if imported, whether or not to be used for feed or industrial purposes, has been held to be classifiable under TSUS item 155.30 or 155.35, depending upon the soluble nonsugar solids content (T.D. 67-243(12)). Legislation (H.R. 7626 - 91st Cong. and others), however, has been introduced which, if enacted by the Congress, would make all sugars, sirups, and molasses derived from sugarcane or sugar beets, if containing over 6 percent soluble nonsugar solids, when imported for use other than (a) the commercial extraction of sugar or (b) human consumption, dutiable at the lesser molasses rate under a proposed amended TSUS item 155.40. A major effect of this change if enacted would be to make "high-test" molasses, if containing over 6 percent soluble nonsugar solids, dutiable at the lower rate in TSUS item 155.40 if meeting the use provisions of that item. A lesser effect of the change stems from the inclusion of the requirement for over 6 percent nonsugar solids for all products covered by this item, thereby bringing the descriptive language (with respect to the nonsugar solids content) more in line with the provisions of the Sugar Act.

The tariff status of hydrol and citrus molasses has not been ruled upon and it is believed that there have been no importations of these products.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

<u>TSUS item</u>	<u>Commodity</u>	<u>Rate of duty</u>
155.40	Molasses, including dried molasses, imported for use other than (a) the commercial extraction of sugar (b) human consumption.	0.012¢ per lb. of total sugars
155.41	If product of Cuba-----	0.01¢ per lb. of total sugars <u>1/</u>

1/ Suspended.

The current rate of duty in effect since June 30, 1958, reflects a concession granted by the United States under the General Agreement on Tariffs and Trade in which the duty was reduced from 0.015 cents per pound of total sugars in three annual stages.

The rate shown for item 155.41 is the preferential rate for products of Cuba, which was suspended on May 24, 1962. Imports from Cuba, the former principal supplier to the United States, have been prohibited since February 7, 1962. The rate on imports from the Philippine Republic, as based on the Cuban rates (see tariff treatment section of summary on sugar and liquid sugar, TSUS items 155.20-155.31), was not affected.

The average ad valorem equivalent of the specific rate of duty in effect on December 31, 1967, based on imports during 1967, was 0.7 percent.

U.S. consumption

U.S. annual apparent consumption of molasses provided for in item 155.40 increased irregularly from 628 million gallons in 1963 to 706 million gallons in 1967 (table 1). The total sugars contained were equivalent to about 2.2 million tons in 1967.

Use as livestock feed accounted for about 74 percent of the consumption of all feed and industrial molasses in 1967. Molasses can be substituted to some extent for corn and other carbohydrates in cattle feeds. Its use increases palatability, upgrades low-quality roughages, settles dust, and replaces more expensive materials.

Most of the so-called inedible molasses not used for livestock feed was used after processing by fermentation in the production of various products. Among these the use in production of yeast, citric acid, and vinegar accounted for about 15 percent of total 1967 consumption; pharmaceuticals accounted for about 7 percent; and distilled spirits accounted for the remaining 4 percent. The most significant trends in use in the past decade have been the increased use in livestock feed and pharmaceuticals and the decline in use for distilled spirits.

U.S. production

Cane and beet molasses are the byproducts of sugar production in some 200 sugar mills and refineries. Cane blackstrap molasses is produced in cane mills in Florida, Louisiana, Hawaii, and Puerto Rico; refiners' blackstrap is produced in Atlantic and Gulf Coast refineries, and beet molasses is produced in numerous beet sugar mills in the continental United States. Hydrol is a byproduct of the corn wet milling industry in the Mid-West, and citrus molasses is a byproduct of the production in Florida of concentrated frozen juices. Considerable quantities of the so-called high-test molasses have been produced in Louisiana to salvage the frozen sugarcane crop in occasional years of early freezes.

Paralleling sugar output, the production of molasses provided for in item 155.40 remained relatively stable during the period 1963-67. It ranged from a high of 403 million gallons in 1964 to a low of 361 million gallons in 1965 (table 2). Cane blackstrap and beet molasses accounted for about 86 percent of U.S. production in 1967.

U.S. exports and imports

U.S. exports ranged from 9 million to 24 million gallons a year during 1963-67. The principal destinations in 1967 were the Netherlands, Canada, and the United Kingdom (table 3).

Imports, primarily cane molasses, trended upward during 1963-67 and averaged about 294 million gallons a year. Imports accounted for about 50 percent of consumption in 1967. Prior to 1961, Cuba furnished the bulk of imports but when imports from Cuba were prohibited in early 1962, Mexico, the Dominican Republic and Peru became the principal suppliers (table 4).

Considerable quantities of "high-test" or "invert" molasses have been produced in countries other than the United States when the world price for sugar has been extremely low. Over the years well over a billion gallons had been shipped to the United States; however, in recent years total U.S. imports have been small.

The average value of imports was about 12 cents a gallon for 1963-67 (table 2). It was 16 cents per gallon in 1963, when a reduction in the supply of molasses accompanied a decrease in the world output of sugar, but it declined to 13 cents in 1964 and to 9 cents in 1965, when the world supply was relatively abundant. In 1966 and 1967, the average foreign value of imports increased slightly to 10 cents and 12 cents per gallon, respectively.

Table 1.--Molasses for feed and industrial uses: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

Year	Production <u>1/2/</u>	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity (1,000 gallons)					
1963-----	379,004	270,127	21,398	627,733	43.0
1964-----	403,033	266,421	24,482	644,972	41.3
1965-----	361,951	269,186	9,381	621,756	43.3
1966-----	369,125	314,157	20,231	663,051	47.4
1967-----	370,499	350,553	15,110	705,942	49.7
Total sugars equivalent (tons) <u>3/</u>					
1963-----	1,153,539	853,331	67,596	1,939,274	44.0
1964-----	1,226,817	841,624	77,339	1,991,102	42.3
1965-----	1,102,480	850,302	29,635	1,923,147	44.2
1966-----	1,126,137	992,422	63,913	2,054,646	48.3
1967-----	1,132,498	1,107,394	47,735	2,192,157	50.5
Value (1,000 dollars)					
1963-----	79,355	42,959	3,707	118,607	<u>4/</u>
1964-----	61,925	34,093	3,609	92,409	<u>4/</u>
1965-----	44,348	24,169	1,042	67,475	<u>4/</u>
1966-----	57,775	31,014	2,217	86,572	<u>4/</u>
1967-----	68,933	42,688	2,462	109,159	<u>4/</u>
Unit value (cents per gallon)					
1963-----	20.9	15.9	17.3	<u>4/</u>	<u>4/</u>
1964-----	15.4	12.8	14.7	<u>4/</u>	<u>4/</u>
1965-----	12.3	9.0	11.1	<u>4/</u>	<u>4/</u>
1966-----	15.7	9.9	11.0	<u>4/</u>	<u>4/</u>
1967-----	18.6	12.2	16.3	<u>4/</u>	<u>4/</u>

1/ Includes cane blackstrap, refiners' blackstrap, and beet molasses, (see table 2).

2/ Value of production is estimated market value (see table 2).

3/ Total sugars are estimated (see table 2). 4/ Not meaningful.

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

February 1969

1:9

Table 2.--Molasses for feed and industrial uses: U.S. production, by type, 1963-67

Year	Cane blackstrap <u>1/</u>	Beet molasses <u>2/</u>	Refiners' blackstrap	Total
Quantity (1,000 gallons)				
1963-----	206,797	124,602	47,605	379,004
1964-----	225,538	132,093	45,402	403,033
1965-----	200,251	116,589	45,111	361,951
1966-----	203,424	113,755	51,946	369,125
1967-----	210,980	<u>3/</u> 108,000	51,519	370,499
Total sugars equivalent (tons) <u>4/</u>				
1963-----	653,272	349,883	150,384	1,153,539
1964-----	712,475	370,917	143,425	1,226,817
1965-----	632,593	327,382	142,505	1,102,480
1966-----	642,616	319,424	164,097	1,126,137
1967-----	666,486	303,264	162,748	1,132,498
Value (1,000 dollars) <u>5/</u>				
1963-----	44,452	24,368	10,535	79,355
1964-----	29,617	25,021	7,287	61,925
1965-----	20,294	18,415	5,639	44,348
1966-----	28,509	21,734	7,532	57,775
1967-----	36,547	23,061	9,325	68,933
Unit value (cents per gallon)				
1963-----	21.50	19.56	22.13	20.94
1964-----	13.13	18.94	16.05	15.36
1965-----	10.13	15.79	12.50	12.25
1966-----	14.01	19.11	14.50	15.65
1967-----	17.32	21.35	18.10	18.61

1/ Includes production in Florida, Louisiana, Hawaii, and Puerto Rico.2/ Year-harvested basis.3/ Estimated by the U.S. Department of Agriculture.4/ Assumes cane and refiners' blackstrap containing 54 percent total sugars; beet molasses 48 percent.5/ Assumes U.S. output sold for annual average market prices, f.o.b. tank car; beet molasses, Denver; cane (mainland) blackstrap, New Orleans; refiners' blackstrap, New York City; Puerto Rican cane blackstrap, New Orleans; and Hawaiian cane blackstrap, Los Angeles.

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

February 1969

1:9

Table 3.--Molasses for feed and industrial uses: U.S. exports of domestic merchandise, by principal markets, 1963-67

Market	1963	1964	1965	1966	1967
Quantity (1,000 gallons) <u>1/</u>					
Netherlands-----	2,384	7,317	2,302	11,458	6,458
Canada-----	3,726	6,428	1,916	3,882	4,464
United Kingdom-----	8,885	9,538	4,551	2,311	2,421
All other-----	6,403	1,199	612	2,580	1,767
Total-----	21,398	24,482	9,381	20,231	15,110
Total sugars equivalent (tons) <u>2/</u>					
Total-----	67,596	77,337	29,635	63,913	47,733
Value (1,000 dollars)					
Netherlands-----	444	865	200	1,223	1,031
Canada-----	662	829	298	455	725
United Kingdom-----	1,269	1,609	326	279	388
All other-----	1,332	306	218	260	318
Total-----	3,707	3,609	1,042	2,217	2,462
Unit value (cents per gallon)					
Average-----	17.3	14.7	11.1	11.0	16.3

1/ Converted from pounds at 11.7 pounds per gallon.2/ Assumes all U.S. exports consisted of cane molasses containing 54 percent total sugars.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 4.-- Molasses for feed and industrial uses: U.S. imports for consumption, by principal sources, 1963-67

Source	1963	1964	1965	1966	1967
Quantity (1,000 gallons)					
Mexico-----	93,175	86,404	95,565	99,312	130,709
Dominican Republic-----	42,926	32,591	41,329	47,533	40,171
Jamaica-----	17,317	24,132	17,537	16,508	19,138
Australia-----	1,767	9,932	7,629	22,117	20,137
Peru-----	21,243	12,934	4,897	24,665	19,154
Trinidad-----	9,188	8,708	6,756	5,992	7,705
Mauritius-----	7,567	11,919	3,301	6,219	6,583
France-----	9,390	10,523	9,617	6,076	5,767
Haiti-----	3,530	5,375	4,264	4,056	5,688
Ecuador-----	6,813	2,270	9,863	10,333	5,022
Nicaragua-----	4,517	1,920	4,906	3,438	1,817
Philippines-----	11,858	19,343	9,427	4,246	963
All other-----	40,836	40,370	54,095	63,662	87,699
Total -----	270,127	266,421	269,186	314,157	350,553
Value (1,000 dollars)					
Mexico-----	14,232	9,748	7,383	8,535	14,093
Dominican Republic-----	8,052	4,794	4,092	5,636	5,219
Jamaica-----	2,219	3,006	1,938	1,546	2,962
Australia-----	329	1,145	594	1,717	2,229
Peru-----	2,984	1,303	169	2,341	1,738
Trinidad-----	1,561	1,181	601	650	1,122
Mauritius-----	1,412	1,458	187	771	1,076
France-----	1,361	2,234	1,511	744	834
Haiti-----	672	772	359	303	627
Ecuador-----	1,079	302	639	618	314
Nicaragua-----	574	241	608	272	178
Philippines-----	1,397	2,337	687	281	108
All other-----	7,087	5,572	5,401	7,600	12,188
Total -----	42,959	34,093	24,169	31,014	42,688

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

Note.--Imports from Cuba, formerly the principal supplier, were prohibited effective Feb. 7, 1962, by Presidential Proclamation No. 3447.

<u>Commodity</u>	<u>TSUS item</u>
Maple sugar-----	155.50
Maple sirup-----	155.55

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

The United States is the leading importer and consumer of maple sweeteners. Imports, virtually all of which enter from Canada, supply over one-half of annual U.S. consumption. Exports are negligible.

Description and uses

Maple sugar (item 155.50) and maple sirup (item 155.55) consist primarily of sucrose. They are desired chiefly for their flavor and are sold at prices several times higher than most other sugars and sirups.

Maple sirup is made by boiling and evaporating the watery sap of certain maples in open pans to about 65 percent sugar. At this concentration, the sirup is nearly saturated. If the sirup is further evaporated, it forms a solid cake of maple sugar when cooled. Maple sugar is remelted and blended with cane or beet sugar sirup for sale as a blended table sirup or is used as a confection. The preferred grade of maple sirup is light colored and mild and is used as table sirup without blending. Dark, strong sirup and sugar, which predominate in imports, are used for blending with cane or beet sugar sirup for table sirups (see summary on item 155.75).

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

MAPLE SUGAR AND MAPLE SIRUP

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
155.50	Maple sugar-----	2¢ per lb.	1¢ per lb.	Free
155.55	Maple sirup-----	1.5¢ per lb.	0.9¢ per lb.	Free

The above tabulation shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second (that in effect during 1969) and final stages of the five annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

The rates of duty in effect prior to January 1, 1968, on items 155.50 and 155.55 reflected concessions granted by the United States in the GATT under paragraph 503 of the previous tariff schedules, effective January 1, 1948.

The average ad valorem equivalents of the specific rates of duty in effect on December 31, 1967, based on dutiable imports during 1967, were as follows:

<u>TSUS item</u>	<u>Percent</u>
155.50-----	4.1
155.55-----	4.4

U.S. consumption

U.S. consumption of maple sugar and maple sirup has remained relatively stable over the past three decades. During 1963-67 it averaged about 31 million pounds (table 1).

Almost the entire world supply of maple sirup and maple sugar is produced and consumed in Canada and the United States. Production in the United States during 1963-67 was less than half that of Canada. During the same period about one-half of the Canadian output was

exported, virtually all to the United States. The United States, therefore, accounts for about two-thirds of total world consumption and Canada about one-third.

U.S. producers, production, and exports

Pure maple sirup was produced on 8,743 farms in 1964. For most of the producers, the production is a part-time enterprise which supplements other farm and nonfarm income. About one-half of the producers annually obtain in excess of 2,500 pounds of sirup each, valued at \$1,000 or more; most of the remainder make maple sirup primarily for their own use, and sell only small quantities.

Maple sap is collected and condensed into maple sirup during the late winter and early spring. Production since 1963 has amounted to from 11 to 17 million pounds, valued at \$5 million to \$8 million a year. Four States, Vermont, New York, Ohio, and Pennsylvania, account for about four-fifths of the total (table 2).

About half of the maple sirup output of the United States is sold at retail as pure sirup. Around 40 percent of this (one-fifth of U.S. production) is sold from producers' roadside stands and the remainder is sold through wholesalers and chain stores. The other half of U.S. production, mostly the darker sirups, is sold in bulk (generally in 55-gallon drums); the major portion is for blending with cane or beet sugar sirup and eventual sale at retail as table sirup. Three firms process and distribute, under national brand names, the major part of the blended maple and cane or beet sirup sold at retail, and chain stores distribute most of the remainder under private label.

Exports of maple sirup and maple sugar, not separately reported, are known to be negligible.

U.S. imports

During 1963-67, imports from Canada generally provided over one-half of total U.S. consumption and accounted for two-thirds of consumption of the darker sirups. Virtually all entries are in bulk--the sirup in 55-gallon drums and tank cars, and sugar in 60-pound blocks for use in blending.

MAPLE SUGAR AND MAPLE SIRUP

Table 1.--Maple sugar and maple sirup: U.S. production, imports for consumption, and apparent consumption, 1963-67

Year	Domestic produc- tion of maple sirup <u>1/</u>	Imports <u>2/</u>			Apparent consump- tion <u>4/</u>	Ratio (percent) of imports to con- sumption
		Maple sugar (sirup equiv- alent) <u>3/</u>	Maple sirup	Total, sugar and sirup		
Quantity (1,000 pounds - maple sirup basis)						
1963--	12,265	6,820	11,778	18,598	30,863	60.3
1964--	16,863	7,413	7,349	14,762	31,625	46.7
1965--	13,926	6,446	9,700	16,146	30,072	53.7
1966--	16,236	8,231	10,341	18,572	34,808	53.4
1967--	10,769	4,140	12,656	16,796	27,565	60.9
Value (1,000 dollars)						
1963--	<u>5/</u> 5,412	2,235	3,766	6,001	11,413	<u>6/</u>
1964--	<u>5/</u> 7,678	2,486	2,375	4,861	12,539	<u>6/</u>
1965--	<u>5/</u> 6,389	2,192	3,149	5,341	11,730	<u>6/</u>
1966--	<u>5/</u> 7,319	2,841	3,199	6,040	13,359	<u>6/</u>
1967--	<u>5/</u> 5,213	2,023	4,331	6,354	11,567	<u>6/</u>
Unit value (cents per pound)						
1963--	44.1	32.8	32.0	<u>6/</u>	<u>6/</u>	<u>6/</u>
1964--	45.5	33.5	32.3	<u>6/</u>	<u>6/</u>	<u>6/</u>
1965--	45.9	34.0	32.5	<u>6/</u>	<u>6/</u>	<u>6/</u>
1966--	45.1	34.5	30.9	<u>6/</u>	<u>6/</u>	<u>6/</u>
1967--	48.4	48.9	34.2	<u>6/</u>	<u>6/</u>	<u>6/</u>

1/ Includes sirup later made into sugar.2/ Virtually all imports are from Canada.3/ Sugar converted to sirup equivalent on the basis of 11 pounds of sirup to 8 pounds of sugar. One gallon of sirup weighs 11 pounds.4/ Consumption calculated as production plus imports. Exports are not separately reported, but are known to be small.5/ Value of production is farm value.6/ Not meaningful.

Source: Production compiled from official statistics of the U.S. Department of Agriculture; imports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Maple sirup ^{1/}: United States production by major areas, 1963-67

Year	New York	Vermont	Pennsyl- vania	Ohio	All other ^{2/}	Total United States
Quantity (1,000 pounds)						
1963-----	4,048	4,048	891	913	2,365	12,265
1964-----	5,632	5,346	1,364	1,265	3,256	16,863
1965-----	4,510	4,125	1,210	1,188	2,893	13,926
1966-----	5,288	4,950	1,100	660	4,238	16,236
1967-----	3,025	3,410	715	759	2,860	10,769
Value (1,000 dollars) ^{3/}						
1963-----	1,638	1,803	389	465	1,117	5,412
1964-----	2,330	2,479	570	632	1,667	7,678
1965-----	1,866	1,838	561	626	1,498	6,389
1966-----	2,112	2,250	475	366	2,116	7,319
1967-----	1,375	1,612	344	424	1,458	5,213
Unit value (cents per pound)						
1963-----	40.5	44.5	43.7	50.9	47.2	44.1
1964-----	41.4	46.4	41.8	50.0	51.2	48.5
1965-----	41.4	44.6	46.4	52.7	51.8	45.9
1966-----	39.9	45.5	43.2	55.5	49.9	45.1
1967-----	45.5	47.2	48.1	55.9	51.0	48.4

^{1/} Includes sirup later made into sugar.

^{2/} Includes Maine, New Hampshire, Massachusetts, Maryland, Michigan, Wisconsin, and Minnesota.

^{3/} Farm value.

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

<u>Commodity</u>	<u>TSUS item</u>
Dextrose-----	155.60
Dextrose sirup-----	155.65

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Virtually all of the dextrose and dextrose sirup consumed in the United States is supplied by domestic production; imports are negligible. Exports, although sizable, are small relative to U.S. production.

Description and uses

Dextrose, often referred to as corn sugar, is a crystalline sugar obtained from the complete hydrolysis of starch. Dextrose sirup, commonly referred to as glucose or corn sirup, is a solution of dextrose, maltose and dextrine which is obtained from the incomplete hydrolysis of starch. Although customarily marketed in sirup form, substantial quantities of sirup are dried and sold as corn sirup solids. Both dextrose and dextrose sirup are produced in the United States by treating a warm slurry of corn starch (or grain sorghum starch) with dilute hydrochloric acid or an enzyme. They are produced abroad from these starches as well as others (especially potato starch).

Dextrose and dextrose sirup are used as sweeteners and conditioners in a great variety of confectionery and bakery products, other prepared foods, and beverages. Dextrose cools a mixture in which it is dissolved, an effect which is useful in dough. It operates to restrict oxidation, to preserve brilliance of color, and to give a glossy appearance to canned fruits, preserves, and confections in which it is used. In mixtures with sucrose and other sugars, dextrose and dextrose sirup preserve moisture and inhibit crystallization, an effect which is useful in candies, ice cream, and jams, jellies, and preserves.

Most dextrose is a refined crystalline product containing about 92 percent dextrose and 8 percent water of crystallization. Crude dextrose, generally termed crude corn sugar, tests about 70 to 91 percent dextrose. Dextrose is not only used for food processing but also for tanning leather and processing synthetic fibers. Anhydrous

dextrose is almost chemically pure and is used in chocolate coatings and other foods requiring water-free sugar; it is also used for pharmaceutical purposes.

Dextrose sirup is commercially classed by dextrose equivalent (D.E.) which is expressed as the percent of reducing sugars to total solids. Somewhat more than one-half of the dextrose sirup used is from 38 to 47 D.E. Most of the remainder is 58 D.E. and over.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

<u>TSUS</u> <u>item</u>	<u>Commodity</u>	<u>Rate of duty</u>
155.60	Dextrose-----	1.6¢ per lb.
155.65	Dextrose sirup-----	1.6¢ per lb.

The current rate on dextrose is derived from the concession rate granted by the United States in the General Agreement on Tariffs and Trade (GATT) on dextrose testing not over 99.7 percent, which became effective on July 1, 1963, in the second stage of a two-stage concession. For the period prior to August 31, 1963, when the TSUS became effective, there was no record of imports of dextrose testing over 99.7 percent. The rate on dextrose sirup was reduced from 2 cents to 1.6 cents per pound by a two-stage GATT concession, the second stage of which became effective July 1, 1963.

The average ad valorem equivalents of the specific rates of duty, based on dutiable imports during 1967, were as follows:

<u>TSUS item</u>	<u>Percent</u>
155.60-----	40.1
155.65-----	31.0

U.S. consumption

Apparent consumption of dextrose and dextrose sirup increased from 1,756,000 tons in 1963 to 1,859,000 tons in 1967. The increase is attributable both to the growing use of prepared foods in which corn sweeteners (dextrose and dextrose sirup) are used and to the growing price competition between corn sweeteners and cane and beet sugar. The corn sweeteners generally sell for slightly less per pound (dry basis) than refined cane and beet sugar, and in recent years this

margin has widened due to more rapid increases in prices for cane and beet sugar than for corn sweeteners.

U.S. production and exports

Dextrose and dextrose sirup are products of the corn wet milling industry, consisting of 8 firms employing about 13,000 persons. One firm accounts for a large part of the production. This firm produces substantial quantities abroad as well as in the United States.

Producers' shipments of dextrose increased from 526,000 tons, valued at \$95 million in 1963 to 536,000 tons, valued at \$98 million in 1967 (table 1). Over the same period shipments of dextrose sirup increased from slightly under 1.3 million tons, valued at \$186 million, to slightly over 1.3 million tons, valued at \$181 million.

U.S. exports of dextrose amounted to 2 to 4 percent of production and those of dextrose sirup to about 1 percent. Although the proportion is small, the quantity of exports was appreciable and was many times as large as imports. The exports of dextrose (table 2) were destined principally to Canada, West Germany, and the United Kingdom, and those of dextrose sirup (table 3) principally to Canada and Latin America.

U.S. imports

Annual imports of dextrose and dextrose sirup during 1963-67 averaged about 457 tons with an average value of about \$53,000, and were negligible compared with domestic production and exports. They consisted predominantly of dextrose sirup from the Netherlands.

Table 1.--Dextrose and dextrose sirup: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

Year	Shipments <u>1/</u>		Im-ports	Exports		Apparent consumption
	Dextrose	Dextrose sirup		Dextrose	Dextrose sirup	
Quantity (1,000 tons)						
1963----	526	1,263	<u>2/</u>	16	17	1,756
1964----	525	1,400	<u>2/</u>	20	11	1,894
1965----	508	1,272	<u>2/</u>	11	8	1,761
1966----	526	1,316	<u>2/</u>	12	7	1,823
1967----	536	1,343	1.2	13	8	1,859
Value (1,000 dollars)						
1963----	95,132	186,419	66	2,539	1,795	<u>3/</u>
1964----	92,925	187,880	22	3,281	1,429	<u>3/</u>
1965----	88,392	168,922	34	2,064	1,071	<u>3/</u>
1966----	93,312	176,344	36	2,261	1,115	<u>3/</u>
1967----	97,552	181,305	108	2,393	1,150	<u>3/</u>
Unit value (cents per pound) <u>4/</u>						
1963----	9.10	7.38	6.64	7.72	5.29	<u>3/</u>
1964----	8.85	6.71	7.24	8.06	6.28	<u>3/</u>
1965----	8.70	6.64	9.33	9.57	6.95	<u>3/</u>
1966----	8.87	6.70	8.37	9.37	8.03	<u>3/</u>
1967----	9.10	6.75	4.36	9.33	7.44	<u>3/</u>

1/ Value estimated by multiplying production by average annual price.

2/ Less than 500 tons.

3/ Not meaningful.

4/ Calculated on the unrounded figures.

Source: Shipments compiled from official statistics of the U.S. Department of Agriculture; except as noted; imports and exports compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 2.--Dextrose: U.S. exports of domestic merchandise to principal markets, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (short tons)					
Canada-----	4,950	6,377	5,132	7,393	7,392
West Germany-----	5,052	3,332	184	-	1,325
Hong Kong-----	-	-	-	590	375
Japan-----	576	1,006	729	506	333
Netherlands-----	224	3,092	30	89	293
United Kingdom-----	2,327	2,500	1,467	550	270
Brazil-----	420	571	304	417	152
All other-----	2,902	3,481	2,943	2,521	2,688
Total-----	16,451	20,359	10,789	12,066	12,828
Value (1,000 dollars)					
Canada-----	839	1,028	857	1,212	1,242
West Germany-----	497	327	60	-	339
Hong Kong-----	-	-	-	80	51
Japan-----	103	209	155	103	64
Netherlands-----	28	386	7	20	41
United Kingdom-----	318	394	221	115	64
Brazil-----	120	174	84	123	35
All other-----	634	763	680	608	557
Total-----	2,539	3,281	2,064	2,261	2,393
Unit value (cents per pound)					
Average-----	7.72	8.06	9.57	9.37	9.33

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

DEXTROSE AND DEXTROSE SIRUP

Table 3.--Dextrose sirup: U.S. exports of domestic merchandise to principal markets, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (short tons)					
Canada-----	5,273	4,002	2,107	1,222	1,846
Japan-----	4,734	105	63	-	180
Peru-----	2,140	1,530	5	-	-
Guatemala-----	998	1,286	990	1,144	889
El Salvador-----	806	701	732	827	844
United Kingdom-----	522	630	984	684	953
Jamaica-----	709	890	783	1,000	904
All other-----	1,782	2,238	2,038	2,064	2,113
Total-----	16,964	11,382	7,702	6,941	7,729
Value (1,000 dollars)					
Canada-----	697	513	323	228	285
Japan-----	344	20	10	-	32
Peru-----	185	148	1	-	-
Guatemala-----	107	157	122	150	105
El Salvador-----	84	92	97	100	98
United Kingdom-----	81	96	134	130	164
Jamaica-----	73	91	86	118	111
All other-----	224	312	298	389	355
Total-----	1,795	1,429	1,071	1,115	1,150
Unit value (cents per pound)					
Average-----	5.29	6.28	6.95	8.03	7.44

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

<u>Commodity</u>	<u>TSUS item</u>
Honey-----	155.70

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Although the world's largest honey producer, the United States is a relatively small exporter of honey. Exports have been from 3 to 8 percent of production in recent years and have generally exceeded imports. However, imports for 1967 exceeded exports by nearly 5 million pounds.

Description and uses

Honey is a sweet, viscid material produced by bees from the nectar of flowers. It varies in color, flavor, and sugar composition depending primarily upon the floral source. For example, honey produced from clover, cotton, or sage is light-colored and mild-flavored; that produced from buckwheat or dandelions is amber or dark-colored and strong-flavored.

The principal components of honey are levulose, dextrose, and water. Most honey ranges from 28 to 44 percent levulose and from 22 to 40 percent dextrose. Water content is normally 17 percent, and the remaining small percent consists of other sugars and nonsugar components. Levulose gives honey much of its peculiar sweetness and its ability to absorb moisture. These properties make honey particularly useful in certain types of baking. Most honey will granulate over a period of time, but some, such as that produced from tupelo, will not granulate due to its high levulose and low dextrose content.

Nearly all commercial honey is extracted from the comb, although small quantities are consumed in the form of comb honey or chunk honey. Granulated and creamed honeys are specialty products which contain crystallized dextrose.

Light, mild honey for table use accounts for nearly three-fourths of the total consumption in the United States. Most of the remainder consumed is the dark, strong-flavored honey used commercially in baked goods and other prepared foods. Small quantities of honey are used in certain confectionery and pharmaceutical products. Honey is regarded by many as a health food. The simple sugars in honey, such as levulose and dextrose, can be assimilated without further breakdown by the digestive system--thus providing a rapid source of energy.

Honey is graded according to color and floral source, the lighter colors usually being the most valuable. Honey stores well, but will darken and deteriorate in flavor if held for long periods at temperatures above average room temperatures.

U.S. tariff treatment

The column 1 rate of duty applicable to imports (see general headnote 3 of the TSUSA-1969) is as follows:

<u>TSUS item</u>	<u>Commodity</u>	<u>Rate of duty</u>
155.70	Honey-----	1¢ per lb.

The rate of duty reflects a concession granted by the United States in the General Agreement on Tariffs and Trade, effective January 1, 1948.

The average ad valorem equivalent of the specific rate of duty, based on dutiable imports during 1967, was as follows:

<u>TSUS item</u>	<u>Percent</u>
155.70-----	10.3

U.S. consumption

There has been a slight downtrend in U.S. honey consumption, which consumption totaled about 228 million pounds in 1967. The bulk of the honey consists of the lighter table grades for home consumption. Food manufacturers; particularly bakers, consume the lower-priced darker grades. Because of honey's distinctive flavor, most sirups are not appreciably competitive with it. The dark, strong-flavored honeys used primarily in industrial baking, however, are usually priced only slightly above the prices of invert sugar sirup.

U.S. producers

Almost half the U.S. output of honey is obtained from fewer than 1,500 professional beekeepers (400 or more colonies each). About a third comes from about 10,000 part-time beekeepers (from 25 to 400 colonies each). The remainder is provided by some 200,000 or more hobbyists (less than 25 colonies each). The average professional beekeeper markets nearly 100,000 pounds of honey annually.

In recent years beekeepers have maintained about 5 million colonies of bees yielding an average of 50 pounds of extracted honey each. Although annual yields are strongly affected by weather conditions and vary considerably, improved beekeeping practices have resulted in recent yields substantially higher than the late 1940's when they averaged 38 pounds per colony.

In some parts of the United States, migratory beekeepers move bees several hundred miles from one source of abundant nectar to another. Frequently they collect fees for the pollination services of their bees. The true value of bees as pollinators for many fruits, legume and vegetable seeds, berries, nuts, cotton, melons, and other crops far exceeds the dollar value of the honey and beeswax produced. Nonetheless, the smaller portion of the beekeepers' income is derived from pollination services. The large commercial beekeepers in the Pacific Coast States, however, derive close to a third of their income from this source; significant income from pollination services is also earned in New England, the Middle Atlantic States, and Texas. Elsewhere, the income from pollinating is insignificant.

A cooperative is by far the largest honey packer and dealer, handling over a sixth of U.S. production. Several other large firms have national distribution and there are roughly 30-40 smaller firms with substantial packing operations and regional or national distribution. In addition, there are many beekeepers who pack and distribute honey through such outlets as local retailers, roadside stands, and by mail.

U.S. production

The production of honey increased from an average of 245 million pounds per year during the period 1951-55 to 253 million pounds for the period 1961-66. Due to an extremely cold spring, production dropped in 1967 to 223 million pounds. This was 11 percent below the 1963-66 average of 253 million pounds (table 1).

Data on production by States, for the 5-year period 1963-67, show California, Minnesota, Florida, and Wisconsin to be the leading States, producing about 11, 9, 8, and 6 percent of the U.S. total, respectively. Twelve other States each account for from 2 to 5 percent of the U.S. total. Some honey is produced in every State.

Honey is gathered, extracted from the combs, and strained by the beekeeper prior to shipment to a packer--usually in 5-gallon (60 pound) tins, but to an increasing extent in 55-gallon drums. The packer usually filters the honey to further clarify it, blends it for uniformity, flash pasteurizes it to inhibit fermentation, and either bottles it for retail distribution, or packs it in larger containers for the

institutional and bakery trade. Many beekeepers, however, perform the packer function and there is considerable variation in the methods used. Opinion varies in the honey trade on the advisability of heating honey and the best time-temperature combination to use. Health food advocates generally prefer unheated honey which, if it has not been stored at higher temperatures in the hive or warehouse, has a full measure of yeasts, enzymes, and flavor. Such honey normally keeps well, but yeast fermentation is a hazard. For this reason, large packers pasteurize their honey, thus ensuring good keeping qualities even under adverse storage conditions. Heating also aids in such packing activities as filtering, removing of air bubbles, and bottling.

Nearly a third of U.S. honey production is packed by beekeepers and distributed directly to retailers, bakers, and consumers.

Government loan and support program

The Agricultural Act of 1949 designated honey as a nonbasic agricultural commodity subject to mandatory price support through loans, purchase, or other operations at a level not in excess of 90 percent nor less than 60 percent of parity. From 1950 to 1967, support was extended by the Commodity Credit Corporation (CCC) through purchase agreements and nonrecourse loans at levels of from 60 to 75 percent of parity. Support prices in the eastern United States ranged from about 10 to 13 cents per pound for bulk white table honey and from 6 to 9 cents per pound for bulk dark and nontable honey. Support prices in the western States were about 1 cent per pound lower than in the eastern States for the same grade of honey.

Most honey supported under the program later entered commercial channels before consummation of the purchase agreement by the CCC or following repayment of the CCC loans. In recent years the small quantity of honey (averaging about 2 percent of annual production for the years 1963-67) not redeemed by borrowers from the CCC has been chiefly consumed in the school lunch program.

U.S. exports

In the years 1950-54 a Government export subsidy (which ranged from 2.5 to 4.5 cents per pound) brought about exports that substantially exceeded those of any prior period. As a result, trade channels were developed through which honey exports later continued, though at a lower level. During the peak export years of 1951-55, exports averaged 22.7 million pounds annually; in 1963-67 they averaged 14.8 million pounds.

In recent years Western Europe has been the largest market, taking about three-quarters of all exports. Canada, with 14 percent of 1963-67 exports, is the largest market outside of Europe. The bulk of the exports are the darker grades of honey which are more widely used as table honey in Europe than in the United States.

West Germany, alone accounting for over one-third of our honey exports in 1963-67, has food regulations that require certain minimum diastase (an enzyme that helps convert starch to sugar) levels in honey to be sold for table use. Honey not meeting such requirements may be diverted to baking where it brings a lower price.

U.S. imports

In most years since World War II, annual imports were less than 10 million pounds and there was no discernible trend. In 1963-67 annual imports of honey ranged from 2.6 million pounds or 1 percent of production in 1963 to 16.8 million pounds or 8 percent of production in 1967.

Mexico has been the predominant source of imports, usually supplying well over half of the total. Imports from Mexico are ordinarily dark, nontable-grade honey used primarily in commercial baking. Imports from Argentina, the second supplier, are chiefly light clover table-grade honey. In recent years, imports from all other countries, considered in the aggregate, have been small compared with imports from either Mexico or Argentina. An appreciable share of these other imports has consisted of high-priced specialty honeys in retail packs.

The lower-priced dark grades of honey which ordinarily make up the bulk of the imports are competitively priced with similar U.S. bulk honeys in coastal centers of population, where commercial users tend to purchase low-priced honey whether imported or domestic.

Foreign production and trade

Mexico and Argentina, principal suppliers of U.S. imports, send the bulk of their exports to West Germany. Apparently, West Germany with a large demand, even though having a fairly large honey industry of its own, accounts for roughly half of the Free World's imports of honey from all sources. In most years U.S. production of honey is about twice as large as the combined output of Mexico, Argentina, and Australia, the world's three most important honey exporters.

Table 1.--Honey: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Production	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1963-----	266,778	2,601	25,035	244,344	1.1	
1964-----	251,188	4,917	8,949	247,156	2.0	
1965-----	244,549	13,344	13,806	244,087	5.5	
1966-----	247,642	9,538	14,433	242,747	3.9	
1967-----	223,363	16,767	11,674	228,456	7.3	
Value						
1963-----	48,096	394	4,145	1/	1/	
1964-----	46,638	677	1,734	1/	1/	
1965-----	43,475	1,331	2,266	1/	1/	
1966-----	43,012	1,067	2,366	1/	1/	
1967-----	34,905	1,632	2,005	1/	1/	
Unit value (cents per pound)						
1963-----	18.0	15.1	16.6	1/	1/	
1964-----	18.6	13.8	19.4	1/	1/	
1965-----	17.8	10.0	16.4	1/	1/	
1966-----	17.4	11.2	16.4	1/	1/	
1967-----	15.6	9.7	17.2	1/	1/	

1/ Not meaningful.

Source: Production compiled from official statistics of the U.S. Department of Agriculture; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Honey: U.S. imports for consumption,
by principal sources, 1963-67

Year	Mexico	Argentina	Canada	All other	Total imports
Quantity (1,000 pounds)					
1963-----	1,608	388	142	463	2,601
1964-----	3,905	647	46	319	4,917
1965-----	6,724	5,872	76	672	13,344
1966-----	6,822	2,066	58	592	9,538
1967-----	7,395	8,537	117	718	16,767
Value (1,000 dollars)					
1963-----	208	51	19	116	394
1964-----	502	75	7	93	677
1965-----	601	573	10	147	1,331
1966-----	716	202	13	136	1,067
1967-----	630	813	22	167	1,632
Unit value (cents per pound)					
1963-----	12.9	13.1	13.4	25.1	15.1
1964-----	12.9	11.6	15.2	29.2	13.8
1965-----	8.9	9.8	13.2	21.9	10.0
1966-----	10.5	9.8	22.4	23.0	11.2
1967-----	8.5	9.5	18.8	23.3	9.7

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

Table 3.--Honey: U.S. exports of domestic merchandise,
by principal market, 1963-67

(In thousands of pounds)						
Market	1963	1964	1965	1966	1967	
West Germany-----	12,119	2,340	5,464	4,673	4,165	
Canada-----	1,802	1,648	3,246	2,800	1,086	
United Kingdom-----	833	532	1,086	1,081	1,360	
Netherlands-----	1,506	632	779	656	981	
Malaysia-----	55	124	181	153	48	
Belgium-----	981	584	440	639	482	
France-----	4,080	702	1,340	2,377	1,972	
Japan-----	919	1,176	251	653	728	
Switzerland-----	498	319	89	-	58	
All other-----	2,242	892	930	1,401	794	
Total-----	25,035	8,949	13,806	14,433	11,674	

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

<u>Commodity</u>	<u>TSUS item</u>
Sugars, sirups, and molasses, flavored; and blended sirups---	155.75

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

U.S. producers' shipments are considerable; exports are small and imports, prior to 1967, were negligible.

Description and uses

This summary embraces a wide variety of flavored sugars and sirups, and of flavored or unflavored sirups consisting of blends of the various products, including sugars, sirups, and molasses provided for in items 155.20 to 155.70). This summary does not include sweetened or unsweetened concentrated or unconcentrated fruit juices (see items 165.15 to 165.70). The flavors used may be either natural or artificial. The flavored sirups are for use by soft drink bottlers, for dessert toppings, and for ice cream, fountain use, and the making of home beverages. The flavored sugars (including powders and pastes) are used in dessert powders, dry soft drink bases, dry ice cream mixes, and similar products. Flavored molasses is not known to be an item of commerce (see summary on item 155.35 for edible sugarcane or sugar beet molasses). The blended flavored or unflavored sirups, usually of sugar and maple sirup, or sugar, corn sirup and sugar refiners' sirup, are largely for table use. In a decision abstracted as Treasury Decision 68-66(3), the Bureau of Customs held that a flavored sirup containing over 75 percent total sugars was classifiable under item 155.75. In the same decision, a similar product containing less than 50 percent total sugars was held to be classifiable under item 182.95 (see summary on edible preparations, not specially provided for).

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
155.75	Sugars, sirups, and molas- ses, described in part 10A of schedule 1, flavored; and sirups, flavored or unflavored, consisting of blends of any of the products des- cribed in part 10A.	20% ad val.	18% ad val.	15% ad val.

The above tabulation shows the column 1 rate of duty in effect prior to January 1, 1968, and modifications therein as a result of a concession granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade. The concession, amounting to a 25-percent reduction in the rate of duty, becomes effective in five annual stages. Only the second (that in effect during 1969) and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

Section 4501 of the Internal Revenue Code of 1954, as amended, imposes an excise tax, effective until June 30, 1972, of 0.53 cents per pound of total sugars manufactured (refined) in the United States. An additional duty of the same amount as the excise tax for the same period is imposed on imports of articles in chief value of certain sugar, sirups, and molasses; however, it does not apply to articles to be used in livestock feed, or for the distillation of alcohol (see TSUS item 901.00). This additional duty is applicable to some of the products provided for under item 155.75.

Under section 206 of the Sugar Act of 1948, as amended, the Secretary of Agriculture can restrict imports of products containing sugar derived from sugarcane or sugar beets if he finds that they interfere with the attainment of the objectives of the Sugar Act.

U.S. production and consumption

In 1963, the latest year for which complete data are available, there were approximately 500 establishments employing 9,000 persons in the manufacture of flavored sugars and sirups. Total shipments by

February 1969

these establishments, as reported by the 1963 Census of Manufactures, amounted to \$764 million in value.

U.S. production of flavored sugars and sirups, which until 1967 was practically equivalent to consumption, increased from 4.2 billion pounds, valued at \$483 million, in 1958 to 5.7 billion pounds, valued at \$764 million, in 1963 (table 1). The greatest part of the total consisted of flavoring sirups for use by soft drink bottlers; most of the remainder consisted of flavoring sirups for fountain, ice cream, and home-beverage use, and blended sirups for table use (table 2).

The four largest producers accounted for over 85 percent of the reported U.S. production of soft drink bases in 1963. Much of the output, especially of the cola type, was sold to subsidiaries or franchised companies for final processing and bottling of soft drinks.

U.S. exports and imports

U.S. exports of domestic merchandise, during 1963-67, were very small in relation to producers' shipments and averaged 11 million pounds, valued at \$12 million, for the period 1963-67. The principal markets for U.S. exports of flavored or blended sugars or sirups in 1967 were Thailand, Mexico, Venezuela, Canada, West Germany, and Hong Kong.

Imports averaged 323 thousand pounds, with an average value of \$75 thousand, annually during the period 1963-66 (table 3). In 1967, 119 million pounds entered under item 155.75, valued at almost \$2 million. Virtually all of the 1967 imports (118.4 million pounds) consisted of raw sugar mixed with molasses distillery wastes. This mixture was classified as blended sugar under item 155.75 rather than as a molasses for feed or industrial uses under item 155.40. In view of the higher rate of duty on item 155.75, as compared to the duty for industrial molasses under item 155.40, it is unlikely that any future imports of a mixture of raw sugar and molasses distillery wastes will occur.

Table 1.--Flavored sugars, sirups, and molasses; and blended sirups:
U.S. producers' shipments, imports for consumption, exports of
domestic merchandise, and apparent consumption, 1958 and 1963-67

Year	Producers' shipments	Imports	Exports	Apparent consumption
Quantity (1,000 pounds)				
1958-----	4,218,405	<u>1/</u> 28	<u>2/</u> 15,733	4,202,700
1963-----	5,767,774	<u>1/</u> 80	<u>2/</u> 12,090	5,755,764
1964-----	<u>3/</u>	197	<u>2/</u> 13,993	<u>3/</u>
1965-----	<u>3/</u>	599	<u>4/</u> 6,181	<u>3/</u>
1966-----	<u>3/</u>	416	<u>4/</u> 11,244	<u>3/</u>
1967-----	<u>3/</u>	<u>5/</u> 118,675	<u>4/</u> 11,570	<u>3/</u>
Value (1,000 dollars)				
1958-----	482,882	<u>1/</u> 13	<u>2/</u> 7,674	475,221
1963-----	764,242	<u>1/</u> 28	<u>2/</u> 7,014	757,256
1964-----	<u>3/</u>	66	<u>2/</u> 7,683	<u>3/</u>
1965-----	<u>3/</u>	120	<u>4/</u> 12,758	<u>3/</u>
1966-----	<u>3/</u>	86	<u>4/</u> 15,878	<u>3/</u>
1967-----	<u>3/</u>	<u>5/</u> 1,963	<u>4/</u> 18,606	<u>3/</u>
Unit value (cents per pound)				
1958-----	11.4	46.4	48.8	11.3
1963-----	13.3	35.0	58.0	13.2
1964-----	<u>3/</u>	33.5	54.9	<u>3/</u>
1965-----	<u>3/</u>	20.0	206.4	<u>3/</u>
1966-----	<u>3/</u>	20.7	141.2	<u>3/</u>
1967-----	<u>3/</u>	1.7	160.8	<u>3/</u>

1/ Flavored sugars only, 1958 and January-August 1963.

2/ Flavoring and coloring sirups only. Converted to pounds at the rate of 11 pounds per gallon.

3/ Not available.

4/ Not comparable to previous years due to change in export classification.

5/ Includes 118,336 thousand pounds of a mixture of raw sugar and distillery wastes, valued at about \$1.9 million.

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

Table 2.--Shipments of flavored sugars and sirups in the United States, by types, in the census years 1958 and 1963

Type	1958		1963	
	Quantity	Value	Quantity	Value
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>dollars</u>
Flavoring sirups for use by				
soft-drink bottlers:				
Containing kola extract				
or flavoring-----	2,230,121	184,594	2,964,555	297,846
All other flavors-----	322,999	32,760	467,415	48,338
Total, soft-drink base--	2,553,120	217,354	3,431,970	346,184
Chocolate sirups:				
Chocolate liquor base-----	78,612	23,811	78,237	19,010
Cocoa powder base-----	169,757	29,584	188,669	31,606
Total, chocolate sirups--	248,369	53,395	266,906	50,616
Other flavoring sirups and				
concentrates:				
Flavoring concentrates,				
except beverage bases----	13,250	4,580	19,284	9,350
Flavoring powders-----	45,181	27,393	96,137	77,953
Flavoring pastes-----	21,222	5,997	19,551	6,945
Flavoring sirups for				
fountain, ice cream,				
home-beverage use, all				
flavors-----	601,875	78,553	959,378	136,681
Total, other flavoring				
sirups and concen-				
trates-----	681,528	116,523	1,094,350	230,929
Sweetening sirups and				
molasses:				
Containing corn sirup-----	435,388	50,403	567,649	70,693
Not containing corn sirup				
(including maple				
sirup)-----	^{1/} 300,000	45,207	406,899	65,820
Total, sweetening sirups--	735,388	95,610	974,548	136,513
Grand total-----	4,218,405	482,882	5,767,774	764,242

^{1/} Estimated.

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

64 FLAVORED SUGARS, SIRUPS, AND MOLASSES; AND BLENDED SIRUPS

Table 3.--Flavored sugars, sirups, and molasses; and blended sirups:
U.S. imports for consumption, by principal sources, 1963-67

Source	1963 ^{1/}	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Brazil-----	-	-	-	-	2/ 82,282
Colombia-----	-	-	-	-	2/ 22,096
Argentina-----	-	-	-	-	2/ 7,466
Dominican Republic-----	-	-	-	-	2/ 6,492
West Germany-----	32	55	76	53	63
Hong Kong-----	-	-	259	201	185
Philippine Republic-----	21	63	72	62	43
France-----	12	23	56	48	14
Other-----	15	56	136	52	34
Total-----	80	197	599	416	118,675
	Value (1,000 dollars)				
Brazil-----	-	-	-	-	1,263
Colombia-----	-	-	-	-	381
Argentina-----	-	-	-	-	121
Dominican Republic-----	-	-	-	-	120
West Germany-----	15	24	36	28	34
Hong Kong-----	-	-	24	19	18
Philippine Republic-----	6	17	21	18	13
France-----	3	10	13	9	5
Other-----	4	15	26	12	8
Total-----	28	66	120	86	1,963
	Unit value (cents per pound)				
Brazil-----	-	-	-	-	1.5
Colombia-----	-	-	-	-	1.7
Argentina-----	-	-	-	-	1.6
Dominican Republic-----	-	-	-	-	1.8
West Germany-----	46.9	43.6	47.4	52.8	54.0
Hong Kong-----	-	-	9.3	9.5	9.8
Philippine Republic-----	28.6	27.0	29.2	29.0	30.2
France-----	25.0	43.5	23.2	18.8	35.7
Other-----	26.7	26.8	19.1	23.1	23.5
Average-----	35.0	33.5	20.0	20.7	1.7

^{1/} Flavored sugars only, January-August 1963.^{2/} Raw sugar blended with distillery wastes for use as industrial molasses.

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

February 1969

1:9

<u>Commodity</u>	<u>TSUS</u> <u>item</u>
Cocoa beans-----	156.10
Cocoa bean shells-----	156.50
Cocoa residues-----	156.55

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

All domestic consumption of cocoa beans is supplied by imports as there is no commercial production of cocoa beans in the United States. The United States is the leading consumer of cocoa beans and cocoa bean byproducts.

Description and uses

Cocoa beans (cacao) are the seeds contained in the large fruit or pods of the cocoa tree. The pods consist of a thick husk containing 30 to 40 beans which are embedded in a mucilaginous pulp. The beans range from brown to purple in color varying with the different types. The two major commercial types of cocoa beans are the "fine" or "flavor" grade criollo beans, and the forastero or "regular" grade beans. The regular grade beans account for about 95 percent of world production of cocoa beans.

Although the cocoa tree is native to the American tropics, it is now grown in tropical areas throughout the world. The tree is delicate and subject to many diseases and is usually planted in the shade of banana plants and tropical trees.

Most cocoa bean producing countries harvest two crops a year--a main and a mid crop. World harvesting, however, occurs throughout the year because the crops are not always picked at the same time in every country. Owing to the lack of adequate storage facilities in the producing countries, and because the cocoa beans are perishable in tropical climates, most of the production is prepared for market and exported within 90 days after harvesting.

In being prepared for shipment in commerce, the cocoa beans are removed from the pods, fermented, and dried. At the point of consumption, the dried beans are then roasted and the skins or shells, which constitute 10-14 percent of the weight of the bean, are cracked and separated from the kernels or nibs by a process known as winnowing. The nibs, which contain about 53 percent cocoa butter, are ground into a mass called chocolate liquor or unsweetened chocolate which is used to make cocoa powder, cocoa butter, and chocolate products.

February 1969

1:9

Cocoa bean shells, which have high absorbent qualities and are a source of nitrogen, are used as a mulch and as a conditioner in fertilizers. Other cocoa residues consist of cocoa dust, sweepings and the expeller cake obtained from pressing the fat from such residues. Expeller cake contains about 10-12 percent fat which is recovered by solvent extraction. The defatted residues are ordinarily used in fertilizers (as are cocoa dust and sweepings).

U.S. tariff treatment and other requirements

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade conference (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
156.10:	Cocoa beans-----	Free	<u>1/</u>	<u>1/</u>
	:Cocoa cake not suitable			
	: for reduction to			
	: cocoa powder, and			
	: other processing			
	: residues of cocoa			
	: beans:			
156.50:	Cocoa bean shells-----	Free	<u>1/</u>	<u>1/</u>
156.55:	Other-----	4% ad	2% ad val.	Free
		val.		
<u>1/</u> Duty-free status not affected by the trade conference.				

The above tabulation shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of a concession granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second (that in effect during 1969) and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

Cocoa beans and cocoa bean shells were free of duty in the Tariff Act of 1930, as originally enacted. The duty-free status of both was bound under the GATT, effective January 1, 1948. Cocoa beans imported into the United States must meet standards prescribed by the Food and

Drug Administration. The maximum tolerance for combined insect and mold damage is 6 percent, and neither insect damage nor mold damage alone may exceed 4 percent.

U.S. consumption and production

The United States annually consumes about 20 to 25 percent of total world production of cocoa beans (table 1). During 1963-67 the annual U.S. grind of cocoa beans increased from 584 million pounds to 649 million pounds, reflecting increased consumption of chocolate products. All U.S. consumption of cocoa beans is supplied by imports.

U.S. apparent consumption of the byproduct cocoa bean shells probably averaged 74 million pounds for the period 1963-67. All was supplied by domestic production. Statistics are not available on consumption or production of other cocoa residues, but the volume is known to be much smaller than for cocoa bean shells.

About 20 domestic chocolate manufacturers and several confectionery manufacturers produce chocolate products from cocoa beans and thus produce byproduct shells and other residues.

U.S. exports and imports

Exports--mostly to the Philippine Republic--of imported cocoa beans averaged about 15 million pounds annually during 1963-67. Export statistics on cocoa bean shells and other cocoa residues are not separately reported; however, exports of these products during 1963-67 are believed to have been negligible.

The United States imports cocoa beans from some 40 countries; however, Ghana, Nigeria, and Brazil usually supply about 70 percent of annual U.S. imports. During 1963-67 annual U.S. imports of cocoa beans averaged 674 million pounds and showed no particular trend (table 2).

About 95 percent of the cocoa beans imported consisted of regular grade beans, and the remainder consisted of flavor grade beans. The flavor grade beans, imported mostly from Ecuador, Venezuela, Samao, and New Guinea, generally sell at a substantial premium over the prices of regular beans.

There have been no imports of cocoa bean shells since 1962 when 123,000 pounds, valued at \$700, entered from Canada.

Imports of other cocoa residues were not separately reported in official statistics prior to August 31, 1963. Since that date, however, no such products have entered, and it is probable that little, if any, entered from 1958 to August 31, 1963. Before 1955, defatted cocoa residues were used in the production of theobromine which was used primarily in the production of caffeine products. Other materials have since replaced these residues as a source of theobromine and imports apparently have ceased.

Foreign production and trade

Total world production of cocoa beans increased from 2.5 billion pounds in 1963 to slightly less than 3 billion pounds in 1967. Ghana, Nigeria, Brazil, Ivory Coast, and Cameroon accounted for about four-fifths of total world production in 1967. Ghana alone accounted for about one-third of the total.

Annual world exports of cocoa beans increased from 2.3 billion pounds in 1963 to 2.6 billion pounds in 1967. The five leading producing countries were also the leading exporters.

The more economically developed nations of the world were the leading importers and consumers of cocoa beans. In 1967 the United States, West Germany, the Netherlands, the United Kingdom and France were the major importers, accounting for about two-thirds of total world imports.

The 1963-65 period marked a continuation of the irregular long-term downward trend in cocoa bean prices which began in 1954. During the immediate post World War II period, world consumption of cocoa beans expanded considerably and world production increased in response to the increased demand. However, by early 1955 production had exceeded demand and prices declined from the 56 cents per pound level reached in 1954 to about 17 cents per pound in 1965. Since 1965, however, cocoa bean prices have increased markedly to about 28 cents per pound in 1967 and close to 40 cents per pound in the latter part of 1968.

Table 1.--Cocoa beans: World production, U.S. imports for consumption, and grind, 1963-67 ^{1/}

Year	World produc- tion ^{2/}	U.S. imports		Annual U.S. cocoa bean grind	Ratio of U.S. grind to world production
		Quantity	Value		
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>pounds</u>	<u>Percent</u>
1963-----	2,561,525	630,710	135,154	583,500	22.9
1964-----	2,729,515	596,985	130,811	587,600	21.5
1965-----	3,284,854	793,871	120,495	627,400	19.1
1966-----	2,690,714	715,156	122,206	646,500	24.0
1967-----	2,942,921	633,136	147,212	648,700	22.0

^{1/} Cocoa beans, a tropical agricultural product, are not produced in the United States.

^{2/} World production estimates are for Oct. 1 of preceding year through September of year reported.

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

Table 2.--Cocoa beans: U.S. imports for consumption,
by principal countries, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Ghana-----	201,745	268,838	276,191	145,253	151,973
Brazil-----	90,821	81,364	121,330	164,337	149,864
Nigeria-----	76,991	64,876	179,010	154,757	96,773
Dominican Republic---	50,810	54,432	51,262	56,683	51,449
Ivory Coast-----	-	39,205	52,437	58,854	59,290
Ecuador-----	36,240	16,453	32,607	30,734	42,762
Cameroon-----	4,031	3,383	6,007	32,429	16,592
All other-----	170,072	68,434	75,027	72,109	64,433
Total-----	630,710	596,985	793,871	715,156	633,136
Value (1,000 dollars)					
Ghana-----	41,291	59,481	42,733	23,880	36,583
Brazil-----	19,611	17,119	15,356	31,190	33,711
Nigeria-----	15,106	14,623	27,419	22,277	22,543
Dominican Republic---	10,925	10,896	6,790	10,832	11,465
Ivory Coast-----	-	9,095	8,531	8,043	13,061
Ecuador-----	8,635	3,821	6,441	6,832	10,449
Cameroon-----	778	829	1,162	4,885	4,306
All other-----	38,808	14,947	12,062	14,267	15,094
Total-----	135,154	130,811	120,494	122,206	147,212
Unit value (cents per pound)					
Ghana-----	20.5	22.1	15.5	16.4	24.1
Brazil-----	21.6	21.0	12.7	19.0	22.5
Nigeria-----	19.6	22.5	15.3	14.4	23.3
Dominican Republic---	21.5	20.0	13.2	19.1	22.3
Ivory Coast-----	-	23.2	16.3	13.7	22.0
Ecuador-----	23.8	23.2	19.8	22.2	24.4
Cameroon-----	19.3	24.5	19.3	15.1	26.0
All other-----	22.8	21.8	16.1	19.8	23.4
Average-----	21.4	21.9	15.2	17.1	23.3

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

<u>Commodity</u>	<u>TSUS item</u>
Chocolate, not sweetened-----	156.20
Chocolate, sweetened, in bars or blocks weighing 10 pounds or more each-----	156.25
Cocoa butter-----	156.35
Cocoa, unsweetened, and cocoa cake suitable for reduction to cocoa powder-----	156.40
Cocoa, sweetened-----	156.45
Confectioners' coatings and other vegetable- fat and cocoa products-----	156.47

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

The United States is the world's leading producer and consumer of semiprocessed cocoa and chocolate products. Although imports are sizable, they are usually equal to less than 15 percent of domestic consumption. Exports are very small and are usually equal to less than 1 percent of domestic production.

Description and uses

Unsweetened chocolate usually is referred to as chocolate liquor, although at room temperature it is solid. It is made by roasting, shelling, and grinding cocoa beans and is the primary product from which all other cocoa and chocolate products are derived.

Sweetened chocolate basically is made by adding sweetening and cocoa butter to chocolate liquor; to produce milk chocolate, milk solids also are added. Sweetened chocolate in bars or blocks weighing 10 pounds or more each is used primarily as chocolate coatings for various confections and baked goods. Sweetened chocolate in other forms (item 156.30) has traditionally consisted of solid chocolate bars and novelty items (such as Easter eggs and rabbits) packaged for retail sale and sold directly as chocolate confectionery. In recent years an unfinished form of milk chocolate known in the trade as chocolate crumb has also entered under item 156.30 (see summary on item 156.30).

Confectioners' coatings differ from chocolate coatings in that powdered cocoa, vegetable fat, and nonfat milk solids have largely been used instead of chocolate liquor, cocoa butter, and whole milk solids. Confectioners' coatings are of two main types--summer coatings, which are used principally in confectionery and have a higher

melting point than chocolate coatings; and ice cream bar coatings, which have a lower melting point than chocolate coatings. Summer coatings have replaced chocolate coatings to some extent on lower priced confectionery, while ice cream bar coatings have virtually replaced all chocolate coatings on frozen ice cream bars and similar items. Both types of confectioners' coatings are generally lower priced than chocolate coatings. Item 156.47 also provides for other products if containing not less than 6.8 percent nonfat solids of the cocoa bean nib and not less than 15 percent of vegetable fats other than cocoa butter. Entries under item 156.47, however, have consisted almost entirely of confectioners' coatings.

Cocoa butter is fat that has been pressed from chocolate liquor. By far the most important use of cocoa butter is as an ingredient in sweetened chocolate; only minor quantities are used in soaps and toiletries and for various medicinal preparations.

The product remaining after cocoa butter has been removed from chocolate liquor is cocoa cake which, when pulverized, becomes cocoa. Cocoa cake, not suitable for reduction to cocoa powder, is discussed in the summary on items 156.10 and 156.50 to 156.55. Unsweetened cocoa is used in confectioners' coatings, bakery products, dairy products, prepared cocoa beverages, and foods prepared at home. Sweetened cocoa is used primarily for beverage cocoa.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)		
		Rate prior to: Jan. 1, 1968	Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
	Chocolate:			
156.20	Not sweetened-----	0.625¢ per lb.	0.3¢ per lb.	Free
	Sweetened:			
156.25	In bars and blocks weighing 10 pounds or more each.	0.8¢ per lb.	0.5¢ per lb.	0.4¢ per lb. <u>1/</u>
156.35	Cocoa butter-----	6.25% ad val.	5% ad val.	3% ad val.
156.40	Cocoa, not sweetened, and cocoa cake suitable for reduction to cocoa powder.	0.75¢ per lb.	0.6¢ per lb.	0.37¢ per lb.
156.45	Cocoa, sweetened-----	10% ad val.	8% ad val.	5% ad val.
156.47	Confectioners' coatings and other products (except confectionery) containing by weight not less than 6.8 percent nonfat solids of the cocoa bean nib and not less than 15 percent of vegetable fats other than cocoa butter.	5% ad val.	4% ad val. <u>2/</u>	2.5% ad val.

1/ The final rate for this item becomes effective Jan. 1, 1971..

2/ The rate of 4 percent ad valorem became effective Jan. 1, 1968 and will continue in effect until Jan. 1, 1970.

The above tabulation shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade. Chocolate, not sweetened (item 156.20), will become duty-free, effective January 1, 1972. Concessions amounting to a reduction of about 50 percent in duties were granted by the United States on all other items. Only the second (that in effect during 1969) and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

SEMIPROCESSED COCOA AND CHOCOLATE PRODUCTS

Section 4501 of the Internal Revenue Code of 1954, as amended, imposes an excise tax, effective until June 30, 1972, of 0.53 cents per pound of total sugars manufactured (refined) in the United States. An additional duty of the same amount as the excise tax and for the same period is imposed on imports of articles in chief value of sugar (see item 901.00). This duty applies to products under items 156.25, 156.45, and 156.47 if in chief value of sugar.

The average ad valorem equivalents of the specific rates of duty in effect on December 31, 1967, based on dutiable imports during 1967, were as follows:

<u>TSUS item</u>	<u>Percent</u>
156.20-----	2.2
156.25-----	2.4
156.40-----	7.6

U.S. consumption

Apparent consumption data used in this summary are based on shipments as reported in the 1963 U.S. Census of Manufactures. Statistics for shipments do not include products manufactured and used in the production of other products within the same plant; therefore, shipments and apparent consumption data do not fully reflect production or consumption of chocolate liquor, cocoa butter, and unsweetened cocoa. The statistics on shipments of these cocoa and chocolate products may also duplicate production and consumption of some of these products. For example, one plant might ship cocoa butter (which would be recorded in shipment statistics) to another plant where it is used in the production of chocolate coatings. When the coatings are shipped from the second plant they would again be recorded in shipment statistics.

On the basis of estimated shipments, it is plausible to assume that U.S. annual production and consumption of semiprocessed cocoa and chocolate products have increased during 1963-67. The estimated shipment data in tables 2-6 are based on the increasing annual cocoa bean grind and those in table 7 are based on the trend in production of chocolate covered and confectioners' coated candy bars.

U.S. producers and production

The 1963 U.S. Census of Manufactures indicated that twenty-four firms manufacture chocolate and cocoa products in 28 plants employing almost 9,000 persons. Eighteen plants are located in the Northeast and the remainder are scattered throughout the country. Two of the

firms probably account for over half of the annual domestic sales (shipments) of chocolate coatings and cocoa.

Sales of the cocoa and chocolate products included in this summary, including some interplant and intercompany transfers, are estimated to have increased from 927 million pounds in 1963 to over 1 billion pounds in both 1966 and 1967. During the period 1963-67 sales of sweetened chocolate coatings accounted for about 39 percent of total sales, sweetened cocoa for 20 percent, unsweetened cocoa, 14 percent, confectioners' coatings, 13 percent, unsweetened chocolate, 11 percent, and cocoa butter, about 3 percent. No actual production data are available.

U.S. exports and imports

Estimated annual U.S. exports of semiprocessed cocoa and chocolate products remained relatively stable during the 1963-67 period and averaged slightly over 7 million pounds annually. Exports consisted principally of sweetened and unsweetened cocoa, with a sizable portion of total exports going to Canada.

Annual U.S. imports of semiprocessed cocoa and chocolate products increased from 116 million pounds in 1963 to 141 million pounds in 1967. Imports of unsweetened cocoa accounted for about 70 percent of total annual imports during the period 1963-67. The Netherlands and West Germany were the major suppliers, with Brazil, the Dominican Republic, France, and Italy also being major suppliers of unsweetened cocoa to the United States.

Unsweetened chocolate, imported chiefly from the Dominican Republic, accounted for about 9 percent of annual U.S. imports of semiprocessed cocoa and chocolate products during 1963-67 (table 2). Imports of unsweetened chocolate averaged 17 million pounds annually in 1963-64, then decreased to an annual average of 7 million pounds for 1965-67. The decrease was due to the sharp reduction in imports from the politically disturbed Dominican Republic.

Imports of cocoa butter increased from 13 million pounds in 1964 to 23 million pounds in 1967 and entered principally from Brazil and Ghana. Other important suppliers of cocoa butter to the United States were the Dominican Republic, the Netherlands, the Ivory Coast, and the Philippines.

Imports of sweetened chocolate in bars or blocks weighing 10 pounds or more each ranged from 2.4 million pounds in 1963 to 6.5 million pounds in 1965 (table 5). The imports were less than 1 percent of apparent consumption in most years. The largest portion of the imports entered from Switzerland and the Netherlands. Imports of both

SEMIPROCESSED COCOA AND CHOCOLATE PRODUCTS

sweetened cocoa and confectioners' coatings have been well below 1 million pounds each in recent years.

Foreign production and trade

The more economically developed nations are the major producers and consumers of semiprocessed cocoa and chocolate products. In recent years, five countries, the United States, the United Kingdom, West Germany, the Netherlands, and France have accounted for about two-thirds of total world consumption of cocoa and chocolate products.

Table 1.--Semiprocessed cocoa and chocolate products: 1/ U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Estimated ship- ments <u>2/</u>	Imports	Exports	Apparent consump- tion	Ratio (percent) of imports to consumption	
Quantity						
1963-----	927,340	115,586	7,123	1,035,803	11.2	
1964-----	937,796	129,130	10,213	1,056,713	12.2	
1965-----	996,795	125,503	5,166	1,117,132	11.2	
1966-----	1,030,531	132,774	7,480	1,155,825	11.5	
1967-----	1,039,803	141,358	7,288	1,173,873	12.0	
Value						
1963-----	294,714	20,251	1,972	312,993	4/	
1964-----	<u>3/</u>	22,524	2,073	<u>3/</u>	<u>4/</u>	
1965-----	<u>3/</u>	19,157	1,562	<u>3/</u>	<u>4/</u>	
1966-----	<u>3/</u>	19,443	2,110	<u>3/</u>	<u>4/</u>	
1967-----	<u>3/</u>	26,529	1,931	<u>3/</u>	<u>4/</u>	

1/ Includes all items in the summary. Involves some duplication as a result of transfers of goods in the various stages of processing.

2/ See tables 2-7 for basis of estimated shipments.

3/ Not available.

4/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

February 1969

1:9

Table 2.--Unsweetened chocolate: U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Estimated ship- ments <u>1/</u>	Imports	Estimated exports <u>2/</u>	Apparent consump- tion	Ratio (percent) of imports to consumption	
Quantity						
1963-----	92,129	14,039	519	105,649	13.3	
1964-----	93,050	19,689	448	112,291	17.5	
1965-----	99,499	5,863	550	104,812	5.6	
1966-----	102,263	7,734	515	109,482	7.1	
1967-----	103,184	8,786	544	111,426	7.9	
Value						
1963-----	39,297	3,869	185	42,981	<u>4/</u>	
1964-----	<u>3/</u>	5,202	146	<u>3/</u>	<u>4/</u>	
1965-----	<u>3/</u>	1,287	150	<u>3/</u>	<u>4/</u>	
1966-----	<u>3/</u>	1,784	231	<u>3/</u>	<u>4/</u>	
1967-----	<u>3/</u>	2,479	173	<u>3/</u>	<u>4/</u>	
Unit value (cents per pound)						
1963-----	42.7	27.6	35.6	<u>4/</u>	<u>4/</u>	
1964-----	<u>3/</u>	26.4	32.6	<u>4/</u>	<u>4/</u>	
1965-----	<u>3/</u>	22.0	27.3	<u>4/</u>	<u>4/</u>	
1966-----	<u>3/</u>	23.1	44.9	<u>4/</u>	<u>4/</u>	
1967-----	<u>3/</u>	28.2	31.8	<u>4/</u>	<u>4/</u>	

1/ 1963 data for shipments from official statistics of the U.S. Department of Commerce. 1964-67 estimates based on trend (percentage increase or decrease) of U.S. annual cocoa bean grind for 1964-67.

2/ Exports for 1963 and 1964 estimated as 45 percent of export class 15030. Exports for 1965-67 estimated as 33-1/3 percent of export class 0730040.

3/ Not available.

4/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Production of unsweetened chocolate is considerably larger than shown by the shipment figures reported here, because the bulk of such production is used in making other cocoa and chocolate products within the same plant (hence, not included in shipment figures).

February 1969

1:9

SEMI-PROCESSED COCOA AND CHOCOLATE PRODUCTS

Table 3.--Sweetened cocoa: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

Year	Estimated shipments <u>1/</u>	Imports	Exports	Apparent consumption
Quantity (1,000 pounds)				
1963-----	177,623	270	<u>2/</u> 2,863	175,030
1964-----	179,399	615	<u>2/</u> 4,568	175,446
1965-----	191,833	256	1,859	190,230
1966-----	197,162	613	2,461	195,314
1967-----	198,938	887	1,962	197,863
Value (1,000 dollars)				
1963-----	54,388	36	<u>2/</u> 705	53,719
1964-----	<u>3/</u>	78	<u>2/</u> 849	<u>3/</u>
1965-----	<u>3/</u>	31	655	<u>3/</u>
1966-----	<u>3/</u>	77	782	<u>3/</u>
1967-----	<u>3/</u>	110	650	<u>3/</u>
Unit value (cents per pound)				
1963-----	30.6	13.3	24.6	<u>4/</u>
1964-----	<u>3/</u>	12.7	18.6	<u>4/</u>
1965-----	<u>3/</u>	12.1	35.2	<u>4/</u>
1966-----	<u>3/</u>	12.6	31.8	<u>4/</u>
1967-----	<u>3/</u>	12.4	33.1	<u>4/</u>

1/ 1963 data for shipments from official statistics of the U.S. Department of Commerce. 1964-67 estimates based on trend (percentage increase or decrease) of U.S. annual cocoa bean grind for 1964-67.

2/ Estimated as 50 percent of export class 15020.

3/ Not available.

4/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 4.--Unsweptened cocoa: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)

Year	Estimated ship- ments ^{1/}	Imports	Exports	Apparent consump- tion	Ratio (percent) of imports to consumption
Quantity					
1963-----	139,153	82,422	^{2/} 2,863	218,712	37.7
1964-----	140,545	92,148	^{2/} 4,568	228,125	40.4
1965-----	150,285	95,062	2,123	243,224	39.1
1966-----	154,460	99,319	3,318	250,461	39.7
1967-----	155,851	104,961	3,853	256,959	40.8
Value					
1963-----	34,277	7,309	^{2/} 705	40,881	^{4/}
1964-----	^{3/}	9,482	^{2/} 849	^{3/}	^{4/}
1965-----	^{3/}	8,571	582	^{3/}	^{4/}
1966-----	^{3/}	7,266	764	^{3/}	^{4/}
1967-----	^{3/}	10,422	816	^{3/}	^{4/}
Unit value (cents per pound)					
1963-----	24.6	8.9	24.6	^{4/}	^{4/}
1964-----	^{3/}	10.3	18.6	^{4/}	^{4/}
1965-----	^{3/}	9.0	27.4	^{4/}	^{4/}
1966-----	^{3/}	7.3	23.0	^{4/}	^{4/}
1967-----	^{3/}	9.9	21.2	^{4/}	^{4/}

^{1/} 1963 data for shipments from official statistics of the U.S. Department of Commerce. 1964-67 estimates based on trend (percentage increase or decrease) of U.S. annual cocoa bean grind for 1964-67.

^{2/} Estimated as 50 percent of export class 15020.

^{3/} Not available.

^{4/} Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 5.--Sweetened chocolate, in bars or blocks weighing 10 pounds or more each: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Estimated ship- ments <u>1/</u>	Imports	Exports	Apparent consump- tion	Ratio (percent) of imports to consumption	
Quantity						
1963-----	374,102	2,376	<u>2/</u> 519	375,959	0.6	
1964-----	377,843	3,280	<u>2/</u> 448	380,675	.9	
1965-----	404,030	6,503	384	410,149	1.6	
1966-----	415,253	3,560	705	418,108	.9	
1967-----	418,994	3,218	572	421,640	.8	
Value						
1963-----	125,051	817	<u>2/</u> 185	125,683	<u>4/</u>	
1964-----	<u>3/</u>	1,187	<u>2/</u> 146	<u>3/</u>	<u>4/</u>	
1965-----	<u>3/</u>	2,005	103	<u>3/</u>	<u>4/</u>	
1966-----	<u>3/</u>	1,192	201	<u>3/</u>	<u>4/</u>	
1967-----	<u>3/</u>	1,075	158	<u>3/</u>	<u>4/</u>	
Unit value (cents per pound)						
1963-----	33.4	34.4	35.6	<u>4/</u>	<u>4/</u>	
1964-----	<u>3/</u>	36.2	32.6	<u>4/</u>	<u>4/</u>	
1965-----	<u>3/</u>	30.8	26.8	<u>4/</u>	<u>4/</u>	
1966-----	<u>3/</u>	33.5	28.5	<u>4/</u>	<u>4/</u>	
1967-----	<u>3/</u>	33.4	27.6	<u>4/</u>	<u>4/</u>	

1/ 1963 data for shipments from official statistics of the U.S. Department of Commerce. 1964-67 estimates based on trend (percentage increase or decrease) of U.S. annual cocoa bean grind for 1964-67.

2/ Estimated as 45 percent of export class 15030.

3/ Not available.

4/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 6.--Cocoa butter: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)					
Year	Estimated ship- ments ^{1/}	Imports	Exports	Apparent consump- tion	Ratio (percent) of imports to consumption
Quantity					
1963-----	26,034	16,479	244	42,269	39.0
1964-----	26,294	13,366	81	39,579	33.7
1965-----	28,117	17,494	167	45,444	38.5
1966-----	28,898	21,233	404	49,727	42.7
1967-----	29,158	23,163	275	52,046	44.5
Value					
1963-----	15,363	8,220	151	23,432	^{3/}
1964-----	^{2/}	6,560	51	^{2/}	^{3/}
1965-----	^{2/}	7,104	50	^{2/}	^{3/}
1966-----	^{2/}	8,979	97	^{2/}	^{3/}
1967-----	^{2/}	12,289	108	^{2/}	^{3/}
Unit value (cents per pound)					
1963-----	59.0	49.9	61.9	^{3/}	^{3/}
1964-----	^{2/}	49.1	63.0	^{3/}	^{3/}
1965-----	^{2/}	40.6	29.9	^{3/}	^{3/}
1966-----	^{2/}	42.3	24.0	^{3/}	^{3/}
1967-----	^{2/}	53.1	39.3	^{3/}	^{3/}

^{1/} 1963 data for shipments from official statistics of the U.S. Department of Commerce. 1964-67 estimates based on trend (percentage increase or decrease) of U.S. annual cocoa bean grind for 1964-67.

^{2/} Not available.

^{3/} Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Production of cocoa butter is considerably larger than shown by the shipment figures reported here because the bulk of production is used in making sweetened chocolate within the same plant (hence not included in shipment figures).

Table 7.--Confectioners' coatings and other vegetable-fat and cocoa products: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

Year	Estimated shipments <u>1/</u>	Imports	Estimated exports <u>2/</u>	Apparent consumption
Quantity (1,000 pounds)				
1963-----	118,299	-	115	118,184
1964-----	120,665	32	100	120,597
1965-----	123,031	325	83	123,273
1966-----	132,495	315	77	132,733
1967-----	133,678	343	82	133,939
Value (1,000 dollars)				
1963-----	26,338	-	41	26,297
1964-----	<u>3/</u>	15	32	<u>3/</u>
1965-----	<u>3/</u>	159	22	<u>3/</u>
1966-----	<u>3/</u>	145	35	<u>3/</u>
1967-----	<u>3/</u>	154	26	<u>3/</u>
Unit value (cents per pound)				
1963-----	22.3	-	35.7	<u>4/</u>
1964-----	<u>3/</u>	46.9	32.0	<u>4/</u>
1965-----	<u>3/</u>	48.9	26.5	<u>4/</u>
1966-----	<u>3/</u>	46.0	45.5	<u>4/</u>
1967-----	<u>3/</u>	44.9	31.7	<u>4/</u>

1/ Data on shipments of confectioners' coatings for 1963 from official statistics of the U.S. Department of Commerce. 1964-67 estimated on basis of trend (percentage increase or decrease) in U.S. annual production of chocolate covered or confectioners' coated candy bars for 1964-67.

2/ Exports for 1963 and 1964 estimated as 10 percent of export class 15030. Exports for 1965-67 estimated as 5 percent of export class 0730040.

3/ Not available.

4/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

83

SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR
MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

<u>Commodity</u>	<u>TSUS</u> <u>item</u>
Chocolate, sweetened, other than in bars or blocks weighing 10 pounds or more each--	156.30
Candy, and other confectionery, not else- where enumerated-----	157.10

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

The United States is one of the leading producers and consumers of confectionery products. Imports, although increasing in recent years, are small in relation to consumption. Exports are small relative to imports.

Description and uses

The term "chocolate" in this summary, as provided for by head-note 1 to part 10B of schedule 1 of the TSUS, is limited to those products (whether or not confectionery) which consist wholly of ground cocoa beans whether or not fat, sweetening, milk, flavoring, or emulsifying agents have been added to the product.

Until recent years, sweetened chocolate, not in bars or blocks weighing 10 pounds or more each, consisted principally of solid chocolate in bars (including candy bars) or various novelty shapes (such as Easter rabbits, eggs, and coins) which usually are consumed directly as confectionery.^{1/}

Since 1963, and particularly in 1966 and 1967, increasing amounts of an intermediate product known in the trade as chocolate crumb have been imported under TSUS item 156.30. Chocolate crumb is an incompletely processed chocolate produced by concentrating, under vacuum, fresh whole milk, sugar, and chocolate liquor. It is shipped in the form of powder or "crumb". In accordance with an administrative ruling, the product is not classifiable as sweetened chocolate unless the source

^{1/} Sweetened chocolate in bars or blocks weighing 10 pounds or more each (item 156.25) consists primarily of chocolate coatings, and is discussed in another summary.

84 SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

of the chocolate flavoring is chocolate liquor rather than cocoa powder (O.R.R. 546-68). The product may vary somewhat in composition, but typically contains 98 percent total solids composed of 55 percent sugar, 30 percent whole milk solids (from 9-10 percent butterfat), and 15 percent chocolate liquor. It is used in the manufacture of milk chocolate coatings and bars by the confectionery industry.

Generally, chocolate containing recognizable nuts, fruits, or centers is classified as confectionery under item 157.10. If nuts or other flavoring materials are added to sweetened chocolate with the nuts or other flavoring materials ground sufficiently fine so that they are not observable in the chocolate, the resulting product is generally classified as sweetened chocolate under item 156.30.

The provision for candy and other confectionery, not elsewhere enumerated (item 157.10), includes most confectionery products, but does not include solid sweetened chocolate (item 156.30); glacé or candied nuts, fruit, or fruit peel (items 154.05 - 154.60); and biscuits, cake, cakes, wafers, and similar baked products, and pudding, by whatever name known, whether or not containing chocolate, fruit, nuts, or confectionery (item 182.20). Chewing gum, usually associated with confectionery, is covered under item 182.32. Headnote 1 to part 10C of schedule 1 provides that if chocolate, candy, cakes, glacé fruits or nuts, or other confections are mixed or packaged together, the assortment is to be treated as a whole (tariff entirety) with the rate of duty for the whole being the highest rate of duty applicable to any product in the assortment. Some of the major types of candy included under item 157.10 are hard candies, fondants and creams, fudges, caramels and toffees, marshmallows and nougats, sweetened chocolate containing nuts or fruits, and various specialty candies, especially holiday items. Many of these confectionery products are coated with chocolate.

SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED 85

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
156.30	Chocolate: Sweetened: In any form other than in bars or blocks weighing 10 pounds or more each.	10% ad val.	8% ad val.	5% ad val.
157.10	Candy, and other confec- tionery not specially provided for.	14% ad val.	11% ad val.	7% ad val.

The tabulation above shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade. The concessions will become effective in five annual stages with the final reduction becoming effective January 1, 1972. Only the second (that in effect during 1969) and final stages of the five annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

Section 4501 of the Internal Revenue Code of 1954, as amended, imposes an excise tax effective until June 30, 1972, of 0.53 cents per pound of total sugars manufactured (refined) in the United States. An additional duty of the same amount as the excise tax and for the same period is imposed on imports of articles in chief value of sugar (see TSUS item 901.00). This duty applies to products under both items 156.30 and 157.10 of the TSUS, if in chief value of sugar. Section 206 of the Sugar Act of 1948, as amended (1965), grants authority to the Secretary of Agriculture to limit imports of products containing sugar if he determines that such imports of products containing sugar interfere substantially with the attainment of the objectives of the Sugar Act. Annual imports of such products from any country or area, however, cannot be reduced below certain levels specified in the Sugar Act.

86 SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

In general, beginning January 6, 1969 1/, annual imports of chocolate provided for in item 156.30, if containing over 5.5 percent by weight of butterfat (except articles for consumption at retail as candy or confection), were made subject to a quota of 17 million pounds annually under the authority of section 22 of the Agricultural Adjustment Act, as amended (see item 950.15 of the appendix to the TSUS). The effect of the establishment of the quota is that importations of chocolate crumb are now subject to quota limitations. After June 30, 1969, the articles provided for in item 950.15 (i.e., chocolate crumb) may be entered only by or for the account of a firm or person to which a license has been issued by or under the authority of the Secretary of Agriculture.

The allocation of the quota by countries is shown below:

<u>Country of origin</u>	<u>Quota</u> <u>(1,000 pounds)</u>
Ireland-----	9,450
United Kingdom-----	7,450
Netherlands-----	100
All other-----	0
Total-----	17,000

U.S. consumption

Annual U.S. consumption of the confectionery products (including sweetened chocolate, not in bars or blocks weighing 10 pounds or more each) included in this summary increased from 3.0 billion pounds in 1963 to 3.5 billion pounds in 1967 (table 1). Annual consumption of candy and confectionery, not elsewhere enumerated, increased from 2.7 billion pounds to 3.2 billion pounds and accounted for about 90 percent of total domestic candy consumption during the period 1963-67 (table 2). Annual consumption of sweetened chocolate confectionery (which does not include chocolate crumb) increased irregularly from 317 million pounds in 1963 to 352 million pounds in 1967. Exact consumption data are not available for chocolate crumb; however, it is estimated that in 1967 U.S. consumption of chocolate crumb was approximately 165 million pounds. Per capita consumption of confectionery increased from 17.7 pounds in 1963 to 19.6 pounds in 1967, continuing an upward trend which began in 1955.

1/ Pursuant to Presidential Proclamation No. 3884, of January 6, 1969,

U.S. producers and production

The confectionery products industry is the ninth largest food processing industry in the United States. The 1963 Census of Manufactures reported that 1,211 establishments, employing 63,643 persons, were engaged in the manufacture of confectionery products. In 1958, 1,390 establishments, employing 66,504 persons, manufactured confectionery products. The decline in the number of establishments and persons employed in the production of confectionery products is the result of a trend toward larger, more highly automated firms.

About 50 percent of the confectionery establishments are located in the five States of Illinois, Pennsylvania, California, New York, and New Jersey. These States accounted for about 70 percent of the total sales of confectionery products in 1967. There is considerable range in size of confectionery manufacturers; in 1963 about 35 percent of the establishments employed 4 people or less while 12 percent employed 100 people or more. The establishments employing 100 people or more accounted for three-fourths of the total value of confectionery shipments in 1963.

Confectionery manufacturers tend to specialize in the production of a limited line of confections, although some of the larger firms produce a wide range of items. The following table lists the major types of confectionery manufacturers and the value of sales by each type in 1967 (in thousands of dollars): 1/

<u>Type of manufacturer</u>	<u>Value of sales</u>
General line houses-----	193,593
Bar goods houses-----	366,423
5¢ and 10¢ specialty houses-----	84,565
Package goods houses whose package goods retail for \$1.00 or more per pound-----	123,719
Package goods houses whose package goods retail for less than \$1.00 per pound-----	281,074
Bulk goods houses-----	62,596
Penny goods houses-----	56,200
Manufacturer-retailers-----	82,091
Total sales of U.S. confectionery manufacturers-----	1,250,261

1/ Does not include sales and resales of 264 million dollars by manufacturers that did not report sales by channel of distribution.

88 SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

During 1963-67, annual sales of the confectionery products included in this summary increased from 3.0 billion pounds to 3.4 billion pounds (table 1). Sales of confectionery other than sweetened chocolate bars and novelty items increased from 2.7 billion pounds in 1963 to 3.1 billion pounds in 1967 and accounted for about 90 percent of total confectionery sales during the period. Annual sales of sweetened chocolate, not in bars or blocks weighing 10 pounds or more each, increased from 305 million pounds to 340 million pounds during 1963-67 (table 3).

No exact data on the production of chocolate crumb in the United States are available. There is substantial production in the United States by four firms, but all of the domestic output is used captively by the producers in the manufacture of milk chocolate. Estimated U.S. production of chocolate crumb in 1967 was approximately 144 million pounds.

Production of confectionery products is very seasonal. Peak production occurs during the months of September, October, and November to insure adequate supplies for Halloween, Thanksgiving, Christmas, Valentine's Day, and Easter. About one-half of total annual candy output is produced to supply demand during these holiday periods.

Because of U.S. price-support programs, foreign confectioners can usually purchase sugar, whole milk solids, butter, and peanuts at lower prices than those paid by U.S. manufacturers. The high quality of domestic confectionery products and consumer preferences for established U.S. brands, however, have enabled domestic producers to expand their sales despite increasing imports.

U.S. exports and imports

Exports of confectionery products were negligible during 1963-67, amounting to less than one-half of 1 percent of domestic production. Canada and Mexico were the principal markets for such exports.

Imports of confectionery products increased from 97 million pounds in 1963 to 121 million pounds in 1967. Imports supplied 3.4 percent of total U.S. consumption of confectionery products in 1967.

Imports of candy and other confectionery, not specially provided for, increased from 81 million pounds in 1963 to 85 million pounds in 1967 and accounted for about 83 percent of total confectionery imports during the period (table 2). Annual imports of sweetened chocolate, other than in bars or blocks weighing 10 pounds or more each, increased from 16 million pounds to 36 million pounds during 1963-67 (table 3). An increasing percentage of imports of such chocolate during 1963-67 has consisted of chocolate crumb. The

percentage of chocolate crumb of the total quantity of imports under item 156.30 increased from 6.6 percent in 1963 to 59.3 percent in 1967 (table 4). These imports were primarily used for the manufacture of milk chocolate coatings for confectionery and entered largely from Ireland and the United Kingdom. Over one-half of annual imports of candy and other confectionery, not specially provided for, entered from the United Kingdom. Sizable imports also entered from the Netherlands, Belgium, West Germany, Austria, Sweden, France, Italy, and Israel. The major supplier of sweetened chocolate, other than in bars or blocks weighing 10 pounds or more each, was the Netherlands. Belgium, Canada, Italy, Ireland, Switzerland, and the United Kingdom were also important sources.

Imports from Europe have generally consisted of types of confectionery distinctive to that area such as solid chocolates, chocolate mixed with nuts or fruit, hard candies, and licorice. Candy in attractive packages and in colorful tin containers are also popular items. Except for solid chocolate bars and hard candy, European confectioners have not exported to the United States to any great extent typical American type confectionery, such as chocolate-covered candy bars, but instead have cultivated U.S. tastes for European style candy.

Foreign production and trade

Some confectionery is probably produced in every country in the world. The principal producing nations, however, are the more economically developed nations of Western Europe and North America. The major exporting nations are located mostly in Western Europe -- the United Kingdom, the Netherlands, and West Germany being the most important. Many of the major confectionery producing nations are significant importers as well. A number of South American countries, the Philippines, and Japan also import sizable quantities of confectionery.

90 SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

Table 1.--Sweetened chocolate and confectionery, not elsewhere enumerated: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Production (reported sales) <u>1/</u>	Imports	Exports	Apparent consump- tion	Ratio (percent) of imports to con- sumption	
Quantity						
1963-----	2,957,007	97,283	13,240	3,041,050	3.2	
1964-----	3,049,137	102,871	15,421	3,136,587	3.3	
1965-----	3,153,561	87,343	17,043	3,223,861	2.7	
1966-----	3,304,568	100,296	15,432	3,389,432	3.0	
1967-----	3,436,428	121,111	16,036	3,541,503	3.4	
Value						
1963-----	1,188,289	31,105	5,029	1,214,365	<u>2/</u>	
1964-----	1,254,258	34,046	6,171	1,282,133	<u>2/</u>	
1965-----	1,306,380	29,759	7,635	1,328,504	<u>2/</u>	
1966-----	1,389,108	31,145	6,577	1,413,676	<u>2/</u>	
1967-----	1,476,653	37,975	6,910	1,507,718	<u>2/</u>	
Unit value (cents per pound)						
1963-----	40.2	32.0	38.0	39.9	<u>2/</u>	
1964-----	41.1	33.1	40.0	40.9	<u>2/</u>	
1965-----	41.4	34.1	44.8	41.1	<u>2/</u>	
1966-----	42.0	31.1	42.6	41.7	<u>2/</u>	
1967-----	43.0	31.4	43.1	42.6	<u>2/</u>	

1/ Total production is estimated to be about 10 percent larger than reported sales.

2/ Not meaningful.

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

91

SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE
EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

Table 2.--Candy and other confectionery, not elsewhere enumerated:
U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Production (reported sales)	Imports	Exports ^{1/}	Apparent consump- tion	Ratio (percent) of imports to con- sumption	
Quantity						
1963-----	2,651,847	80,788	10,960	2,721,675	3.0	
1964-----	2,759,180	87,395	13,029	2,833,546	3.1	
1965-----	2,856,320	72,380	14,785	2,913,915	2.5	
1966-----	2,969,954	79,866	13,578	3,036,242	2.6	
1967-----	3,096,748	84,808	13,685	3,167,871	2.7	
Value						
1963-----	1,022,722	23,676	3,661	1,042,737	<u>2/</u>	
1964-----	1,086,630	26,946	4,496	1,109,080	<u>2/</u>	
1965-----	1,138,730	23,288	6,408	1,155,610	<u>2/</u>	
1966-----	1,202,281	25,494	5,639	1,222,136	<u>2/</u>	
1967-----	1,281,224	27,339	5,732	1,302,831	<u>2/</u>	
Unit value (cents per pound)						
1963-----	38.6	29.3	33.4	38.3	<u>2/</u>	
1964-----	39.4	30.8	34.5	39.1	<u>2/</u>	
1965-----	39.9	32.2	43.3	39.7	<u>2/</u>	
1966-----	40.5	31.9	41.5	40.3	<u>2/</u>	
1967-----	41.4	32.2	41.9	41.1	<u>2/</u>	

^{1/} Estimated.

^{2/} Not meaningful.

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

92 SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

Table 3.--Sweetened chocolate not in bars or blocks weighing 10 pounds or more each: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)						
Year	Production (reported sales)	Im- ports <u>1/</u>	Exports <u>2/</u>	Apparent consump- tion	Ratio (percent) of imports to con- sumption	
Quantity						
1963-----	305,160	16,495	2,279	319,376	5.2	
1964-----	289,957	15,477	2,392	303,042	5.1	
1965-----	297,241	14,966	2,258	309,949	4.8	
1966-----	334,614	20,430	1,854	353,190	5.8	
1967-----	339,680	36,303	2,351	373,632	9.7	
Value						
1963-----	165,567	7,428	1,368	171,627	<u>3/</u>	
1964-----	167,628	7,100	1,675	173,053	<u>3/</u>	
1965-----	167,650	6,472	1,227	172,895	<u>3/</u>	
1966-----	186,827	7,651	938	193,540	<u>3/</u>	
1967-----	195,429	10,641	1,178	204,892	<u>3/</u>	
Unit value (cents per pound)						
1963-----	54.3	45.0	60.0	53.7	<u>3/</u>	
1964-----	57.8	45.9	70.0	57.1	<u>3/</u>	
1965-----	56.4	43.2	54.3	55.8	<u>3/</u>	
1966-----	55.8	37.4	50.6	54.8	<u>3/</u>	
1967-----	57.5	29.3	50.1	54.8	<u>3/</u>	

1/ Increased imports reflect primarily the increase in imports of chocolate crumb (see table 4).

2/ Estimated as 33-1/3 percent of export class 16340 for 1963 and 1964 and as 33-1/3 percent of export class 0730020 for 1965-67.

3/ Not meaningful.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

SWEETENED CHOCOLATE, NOT IN BARS OR BLOCKS WEIGHING 10 POUNDS OR MORE 93
EACH, AND CONFECTIONERY, NOT ELSEWHERE ENUMERATED

Table 4.--Sweetened chocolate, not in bars and blocks weighing 10 pounds or more each, imports of chocolate crumb as percentage of total imports, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)				
Year	All imports under item 156.30	Imports other than chocolate crumb under item 156.30 <u>1/</u>	Imports of chocolate crumb <u>1/</u>	Ratio (percent) of imports of chocolate crumb to all imports under item 156.30
Quantity				
1963---	16,495	15,408	1,087	6.6
1964---	15,477	13,409	2,068	13.4
1965---	14,966	13,004	1,962	13.1
1966---	20,430	13,930	6,500	31.8
1967---	36,303	14,759	21,544	59.3
Value				
1963---	7,428	7,227	201	2.7
1964---	7,100	6,657	443	6.2
1965---	6,472	6,116	356	5.5
1966---	7,651	6,451	1,200	15.7
1967---	10,641	6,926	3,715	34.9
Unit value (cents per pound)				
1963---	45.0	46.9	18.5	<u>2/</u>
1964---	45.9	49.6	21.4	<u>2/</u>
1965---	43.2	47.0	18.1	<u>2/</u>
1966---	37.4	46.3	18.5	<u>2/</u>
1967---	29.3	46.9	17.2	<u>2/</u>

1/ Breakdown of imports based on invoice analysis of entry papers.

2/ Not meaningful.

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

	<u>TSUS</u> <u>item</u>
Coffee, crude, roasted, or ground, whether or not the caffeine has been removed-----	160.10
Soluble or instant coffee (containing no additives)--	160.20
Other coffee extracts-----	160.21

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Coffee is not grown in the Continental United States. The United States is the world's largest importer of coffee, annually importing about half of the coffee that enters international trade. Among the individual items listed in the Tariff Schedules of the United States (TSUS) the dollar value of the imports of crude coffee has been higher than that of any other agricultural item in recent years; in fact, coffee has been the second major commodity import exceeded in value only by petroleum. U.S. imports of coffee averaged \$1.0 billion annually during 1963-67.

Description and uses

Coffee is the bean (called a berry or cherry as it appears on the tree) of a tropical or subtropical evergreen tree or shrub belonging to the genus Coffea, of which the most important commercial species are arabica and robusta. Coffee berries (or cherries) are dark green when immature; they ripen to a dark red or cranberry color. The skin of the berry covers a mucilaginous pulp which envelopes a pair of coffee beans each covered by a thin, tough shell (parchment). A semi-transparent silver skin separates the green beans and the parchment covering.

Coffee berries are gathered by hand when ripe. In some countries the harvest is made in one collection; however, several pickings are usually required to gather the entire crop. Coffee is consumed as a beverage made from roasted and ground coffee beans. Most coffee, however, enters international trade in the "green" form (unroasted, naked beans). Green coffee is produced from coffee berries by two methods--the dry method and the wet method. In the dry method the berries are dried in the sun and hulled in machines which remove the dried husk, the parchment, and the silver skin coverings all in one operation, thus producing the green coffee of commerce. In the wet method the hull or skin and part of the pulp is removed from the

fresh berry leaving the mucilage covered parchment coffee. The pulped berries are fermented until the mucilage lossens, and are then washed and dried. The dried berries (parchment coffee) are then milled, removing the parchment and silver skin. Green coffee produced by the wet method is called "washed" coffee. An average of about 6 pounds of fresh berries are required to produce 1 pound of clean green coffee.

Coffee is divided into three general groups, designated by the trade as milds, Brazils, and robustas; each of these groups has a wide range of quality. Milds are grown in Central and South America as well as in Kenya, Tanzania and certain other African countries. Although milds comprise a small portion of Brazil's crop, the bulk of the Brazilian crop constitutes the second category, Brazils. Milds and Brazils are produced from the same species of coffee tree, the arabica; the differences between milds and Brazils are due to variations in climate, cultivation, and preparation. Robusta coffees, produced principally in Africa, come from a separate species of tree, and are readily distinguished from the other categories. Milds are generally of higher quality than Brazils or robustas and are usually mixed with Brazils to form the blends which constitute most of the coffee consumed. Robustas, which compete in the world market with the lower-grade Brazils, are used in the United States primarily in making soluble coffee.

The beverage made from the roasted and ground coffee beans is referred to as coffee just as the product from which the beverage is made. Most coffee is blended prior to roasting. Minor amounts are also blended with roasted chicory (see summary on chicory, TSUS item 160.30). During roasting the moisture is driven off, the beans swell as gasses are liberated, and the aromatic oils are driven to the surface. About 16 percent in weight is lost in the roasting of green beans. The flavor and aroma deteriorate rapidly unless roasted coffee is stored in closed containers.

Soluble or instant coffee consists of the dried water-soluble solids derived from roasted coffee which has been ground and percolated with water, forming a liquid extract. This liquid extract is then usually pumped through a spray dryer as a fine mist, emerging as the dried solids. Recently, instant coffee has also been produced by freeze drying the liquid extract; the frozen extract is placed in a vacuum chamber where the ice vaporizes without liquifying, leaving the dried, water soluble solids. From 2.7 to 3.0 pounds of green coffee are used in the production of 1 pound of soluble coffee. Small amounts of soluble or instant coffee are mixed with sweeteners and whitening agents (see the summary in volume 1:14 on edible preparations, item 182.95).

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

97

The principal products included under the provision for "other coffee extracts, essences, and concentrates" (item 160.21) are liquid concentrates used for flavoring and beverage purposes; these products are minor items in the domestic and foreign trade of the United States.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade conference (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
160.10	Coffee, crude, roasted, or ground, whether or not the caffeine has been removed.	Free	<u>1</u> /	<u>1</u> /
160.20	Soluble or instant coffee (containing no additives).	Free	<u>1</u> /	<u>1</u> /
160.21	Other coffee extracts, essences, and concentrates.	3¢ per lb.	1.5¢ per lb.	Free <u>2</u> /

1/ Duty-free status not affected by the trade conference.

2/ The final rate for this item will become effective January 1, 1971.

The tabulation above shows the column 1 rates in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

The duty-free status of crude, roasted, and ground coffee (item 160.10) was provided in the Tariff Act of 1930, as originally enacted, and was bound pursuant to a U.S. concession under the GATT effective July 31, 1948. Soluble or instant coffee containing no additives (item 160.20), formerly dutiable at 3 cents per pound, became duty-free on June 30, 1964, pursuant to Public Law 88-337; this duty-free rate is not a trade-agreement rate.

February 1969

1:9

The only item in this summary on which a concession was granted by the United States in the sixth (Kennedy) round of trade negotiations under GATT was other coffee extracts (item 160.21). The concession is effective in four annual stages with the duty-free status taking effect on January 1, 1971.

The average ad valorem equivalent of the 3-cents-per-pound duty previously in effect on TSUS item 160.21, based on dutiable imports during 1967, was 2.5 percent.

Prior to January 1, 1968, the tariff schedules provided for "other coffee extracts, essences, and concentrates, if the product of Cuba" (item 160.22) with a duty of 2.4 cents per pound. This provision was deleted, effective January 1, 1968, following the reduction of the duty on item 160.21 from 3 cents per pound to 2 cents per pound, thus making the preferential rate for products of Cuba obsolete.

Neither the duty-free status nor the duties referred to previously in this section of the summary apply to imports into Puerto Rico, including coffee grown in a foreign country coming into Puerto Rico from the United States. Coffee imported into Puerto Rico is dutiable at 30 cents per pound if raw and 36 cents per pound if roasted or ground; the duty on coffee preparations in any form other than raw, roasted, or ground coffee is computed on the basis of its equivalence in raw coffee. These duties have been imposed by the legislature of Puerto Rico under the authority of section 319 of the Tariff Act of 1930.

U.S. consumption

Coffee is the most popular beverage in the United States. In 1967, persons 10 years of age and over drank an average of 2.84 cups of coffee per day. About 80 percent of the beverage was consumed in the home, 11 percent in work locations, and 9 percent in eating places. About 40 percent was consumed at breakfast, 27 percent at the other meals, and the remainder at other times during the day.

During the period 1963-67, total annual U.S. consumption of coffee ranged from 2.8 billion pounds to 3.2 billion pounds (green coffee equivalent). Consumption, which increased annually in the period 1954-63, has declined slightly in recent years (table 1). Per capita consumption, which amounted to 14.6 pounds in 1966, also has declined in recent years. Young people just entering the coffee drinking age group now consume varying amounts of carbonated beverages and usually consume less coffee than their elders.

Soluble or instant coffee is a convenience product used primarily in the home. The consumption of soluble coffee, which has increased annually after World War II, started to decline in 1962 and continued

to decline until 1965 when "apparent" consumption increased due to an increase in the amount of soluble coffee obtainable from a pound of green coffee (table 2). In 1967, soluble coffee accounted for 16 percent of total U.S. coffee consumption.

For most coffee drinkers, no beverage can adequately replace coffee; however, the demand for coffee in the United States is elastic to a degree. Sharp rises in the price of coffee in 1950 and 1954 were attended by declines in per capita consumption from 18.7 pounds (green coffee) in 1949 to 16.1 pounds in 1950 and from 16.6 pounds in 1953 to 15.0 pounds in 1954. Lower per capita consumption levels have tended to perpetuate themselves to some extent despite the advent of somewhat lower coffee prices. For one thing, the average number of cups of beverage prepared from 1 pound of roasted coffee increased from 46 in 1949 to 53 in 1950 and 63 in 1954 (less coffee used per cup). Price declines since 1954, however, were not accompanied by significant reductions in the number of cups brewed per pound of roasted coffee and the cup yield per pound remained at approximately 60 throughout the period 1958-67.

U.S. producers and production

In the customs territory of the United States, coffee production is limited to Hawaii and Puerto Rico. In the years 1963-67, total production ranged irregularly from 37 million pounds in the crop year beginning October 1963, to 50 million pounds in the crop year beginning October 1962 (table 1). In recent years Puerto Rico has accounted for about three-fourths of the total U.S. production. Most of the coffee grown in Puerto Rico is consumed locally; of the remainder, more than half goes to the U.S. mainland. About three-fourths of the coffee produced in Hawaii is shipped out with about three-fourths of these shipments going to the U.S. mainland.

The Census of Manufacturers reports that in 1963, 281 establishments produced roasted coffee. For 219 of these establishments, roasted coffee accounted for at least 90 percent of their shipments. The quantity of green coffee that is roasted varies with consumption. During the years 1963-67, an annual average of 2.9 billion pounds of green coffee was roasted.

An estimated 30 establishments produce soluble coffee; the five largest firms are believed to account for about 90 percent of the total production. About 482 million pounds of green coffee were used annually during 1963-67 in the production of soluble coffee. Roastings for soluble use increased each year until 1963; the slight declines in recent years have been at least partially offset by increased extraction rates.

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Extraction rates are conversion factors used to determine how many pounds of green coffee are required to produce one pound of soluble coffee. Presently the extraction rate is 37 percent which means that 2.7 pounds of green coffee are needed to produce one pound of soluble coffee. Because the extraction rates are estimates based on informal trade surveys of U.S. industries (conducted by the Pan-American Coffee Bureau), and because no comparable figures have been computed for other countries, the International Coffee Organization has adopted an "official" extraction rate of 33.3 percent in dealing with international transactions in soluble coffee.

U.S. exports

U.S. exports of green and roasted coffee are small compared to the volume of imports of green coffee and the production of roasted coffee. Most of the exports of green coffee are transshipments. During 1963-67, exports of green coffee averaged 70.2 million pounds annually while those of roasted coffee were 7.5 million pounds (green coffee equivalent) per year. Canada has been the principal market for U.S. exports of both green and roasted coffee. U.S. exports of coffee extracts have consisted almost entirely of soluble or instant coffee. The United States was a net exporter of soluble coffee until 1966, when, because of increased imports from Brazil and decreased exports to Japan (table 3), the United States became a net importer. In 1967 the United States continued to import more soluble coffee than was exported; imports totalled 27.4 million pounds of which 22.5 million pounds came from Brazil.

U.S. imports

The United States is the world's largest importer of coffee, annually importing about 44 percent of all the coffee entering international trade. In the years 1963-1967, annual U.S. imports of coffee (green equivalent) averaged approximately 3.0 billion pounds with a value of \$1 billion. In 1967, 97 percent of the imports entered in the green form (table 4). Green coffee is imported from about 50 countries; Brazil supplied 28 percent and Columbia 14 percent of the imports in 1967 (table 5).

In recent years Brazil has been the most important consistent source of U.S. imports of soluble coffee; imports from Brazil in 1967 amounted to 22.5 million pounds valued at \$23.5 million out of total U.S. imports of 27.4 million pounds valued at \$30.0 million. Soluble coffee exported from Brazil had a price advantage over that produced in the United States from green coffee exported from Brazil in that no exchange contribution to the Banco do Brasil was required on soluble coffee produced in Brazil while a contribution was required on exports

February 1969

of green coffee. The contribution quota on Brazilian exports of green and roasted coffee consists of the difference between the minimum registration price and a designated amount of foreign exchange which must be purchased at a set rate by the Government (Bank of Brazil). The amount of foreign exchange that is the difference between the designated amount that must be purchased by the Bank of Brazil and the minimum registration price is "contributed" to the Government. The excess of the sales price over the minimum registration price is exchanged at freely contracted rates, as are all foreign exchange earnings from Brazilian exports of soluble coffee. In addition to being excused from paying the exchange contribution, Brazilian producers of soluble coffee were using low grades of coffee which were not allowed to enter the green coffee export market.

As a result of the price advantages granted to Brazilian processors of soluble coffee, United States processors were paying from 13 to 20 cents more per pound of green coffee than were Brazilian manufacturers.

A means of settling the dispute between the United States and Brazil over the pricing disparity between Brazilian exports of soluble and green coffee was established in February 1968. The compromise solution (article 44 of the 1968 International Coffee Agreement) prohibits any exporting member country from exporting instant or any other processed coffee under more favorable conditions than those under which it exports green coffee. As of March 1969, however, the dispute between the United States and Brazil still had not been settled.

The quantity of coffee extracts imported during the decade 1956-1965 increased irregularly from 1.5 million pounds in 1956 to a peak of 2.8 million pounds in 1965. The value of the imports rose sharply in the first years of the same period, reaching a peak of \$9.4 million in 1958, but declining to \$4.1 million in 1962. In 1963 and 1964 the value of imports remained above the 1962 level but dropped to \$3.4 million in 1965 (table 6).

Since 1965, the quantity of coffee extract imports has increased radically and the increase has been accompanied by a corresponding rise in total value. The increase in 1966 and 1967 was due mainly to the production and exportation of soluble coffee by Brazil.

The volume of imports of roasted coffee varies widely from year to year but is very small in comparison to domestic coffee roastings. Mexico has been the principal source of imports in recent years.

Foreign production and trade

Coffee, one of the major items of international trade, is grown in many tropical and subtropical countries (table 7). For many of these countries, coffee is a major source of foreign exchange earnings as well as an important commodity in the internal economy. The principal coffee producing countries include Brazil, Colombia, Ivory Coast, Angola, Uganda, Mexico, El Salvador, and Guatemala. Brazil formerly accounted for over half of the world production; recently Brazilian production, though still by far the largest, has declined in relation to total world production. The production of the African producers has increased absolutely and in relation to total production. Robusta coffees, produced principally in Africa, are used principally in making soluble or instant coffee; their share of international trade has increased as the popularity of instant coffee has grown. Robustas have generally sold at a lower price than milds and Brazils although the price differential has decreased in recent years.

The volume of coffee traded internationally increased slowly and irregularly at an average annual rate of about 3 percent during the period 1952-67 (table 8). In 1966 coffee accounted for two-thirds of the total value of exports from Colombia and about 45 percent of the value of exports from Brazil, Costa Rica, Guatemala, and El Salvador. For Latin America as a whole, coffee represented 19 percent of the exports, by value. Coffee is also an important source of foreign exchange earnings for many of the African countries and in 1966 coffee accounted for 20.7 percent of the exports by value for Africa.

World coffee production ranged from 6.7 to 10.8 billion pounds annually during the period 1963-67 (table 9). Adverse weather has caused periodic dips in production, particularly in Brazil. Total coffee production has increased faster than the demand for coffee, with a resultant buildup of stocks in some producing countries. In attempts to control the supply of coffee, governments of coffee producing nations have burned stored coffee, regulated the planting of coffee trees, and destroyed bearing trees.

The 1968 International Coffee Agreement (ICA), as well as its predecessor, the 1962 ICA, is essentially an agreement among major coffee exporting and importing countries to regulate the amount of coffee entering international trade.

The goal of the agreement is to stabilize the price of coffee through an export quota system. Over the long term, producer members are expected to adjust production to amounts needed for domestic consumption, exports, and a set level of stocks, thus stabilizing world supply in relation to world consumption.

The price of coffee has historically been subject to wide fluctuations. In the period 1958-67, the average annual price of green coffee imported into the United States ranged from 30 cents per pound to 44 cents per pound. These wide price fluctuations have an adverse effect on the economies of coffee producing countries. Based on the 1966 level of world exports, a price change of 1 cent per pound changes the foreign exchange earnings of coffee exporting countries \$67 million.

Each producer-member of the International Coffee Agreement is allotted an annual export quota. All exports of coffee from member countries are to be accompanied by a certificate of origin that has affixed to it a number of coffee export stamps that corresponds to the weight of coffee covered by the certificate. Importing countries are to prohibit imports of coffee from member countries unless accompanied by such certificates.

In addition, importing members must limit their annual imports from non-member countries to a quantity not in excess of their average annual imports from such countries during 1960-1962.

Export quotas are to be determined annually; however, a method was devised to make possible the prompt adjustment of the supply of coffee to the world market in order to stabilize prices. The adjustment plan provides that whenever the average price for one of a group of coffees on the New York market remains outside a predetermined range for a specified period, the export authorization of each member country of the group shall be adjusted--upwards in the case of a price rise and downwards in the case of a price fall. To encourage increased coffee consumption in nontraditional markets, exports by ICA members to certain specified countries that historically have not consumed coffee are not charged against the ICA export quotas.

Most producing countries have been slow to implement production controls as called for in the ICA and production has continued to grow faster than consumption. Several countries have been unable or unwilling to remain within their quota, thus threatening the effectiveness of the agreement. Overall, however, the ICA has served to help stabilize prices at levels acceptable to both producing and consuming members. The 1968 ICA, which became effective October 1, 1968, will remain in force until September 30, 1973. The agreement was ratified by the U.S. Senate on June 28, 1968 and the necessary implementing legislation was passed by the Congress on October 10, 1968, and approved by the President on October 24, 1968.

104 COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 1.--Coffee, crude, roasted or ground, and coffee extracts, including instant coffee: U.S. production, imports for consumption, exports of domestic and foreign merchandise, and apparent consumption, 1963-67

Year	Production <u>1/</u>	Imports	Exports	Apparent consumption <u>2/</u>	Ratio (percent) of imports to consumption
Quantity <u>3/</u> (million pounds)					
1963-----	50	3,193	122	3,020	105.7
1964-----	37	3,044	141	2,974	102.4
1965-----	45	2,832	113	2,807	100.9
1966-----	36	2,955	95	2,896	102.0
1967-----	35	2,906	84	2,953	98.4
Value (million dollars)					
1963-----	<u>4/</u>	964	51	<u>4/</u>	<u>4/</u>
1964-----	<u>4/</u>	1,209	68	<u>4/</u>	<u>4/</u>
1965-----	<u>4/</u>	1,065	57	<u>4/</u>	<u>4/</u>
1966-----	<u>4/</u>	1,081	43	<u>4/</u>	<u>4/</u>
1967-----	<u>4/</u>	994	36	<u>4/</u>	<u>4/</u>

1/ Farm production in Hawaii and Puerto Rico, on a crop year basis.

2/ Takes into account year-end stocks as reported by the U.S. Department of Commerce.

3/ In terms of green coffee equivalents; 1.19 pounds of green beans equals 1 pound of roasted coffee and 3 pounds of green beans equals 1 pound of soluble coffee.

4/ Not available.

Source: Production data compiled from official statistics of the U.S. Department of Agriculture; import and export data compiled from official statistics of the U.S. Department of Commerce.

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS, 105
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 2.--Coffee extracts, including instant coffee: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(Quantity in millions of pounds; value in millions of dollars)

Year	Production ^{1/}	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1963-----	182.131	6.3	14.5	173.931	3.6
1964-----	180.572	5.4	14.9	171.072	3.2
1965-----	184.805	2.8	12.1	175.505	1.6
1966-----	172.374	10.6	7.6	175.374	6.0
1967-----	157.349	27.4	6.5	178.249	15.4
Value					
1963-----	<u>2/</u>	7.4	24.2	<u>2/</u>	<u>2/</u>
1964-----	<u>2/</u>	7.4	27.6	<u>2/</u>	<u>2/</u>
1965-----	<u>2/</u>	3.4	23.5	<u>2/</u>	<u>2/</u>
1966-----	<u>2/</u>	11.0	12.6	<u>2/</u>	<u>2/</u>
1967-----	<u>2/</u>	30.0	9.9	<u>2/</u>	<u>2/</u>

^{1/} Based on U.S. Department of Commerce green coffee roastings for soluble use, and the following extraction rates (soluble coffee output as a percentage of green coffee input) as estimated by the Pan American Coffee Bureau:

1963-----	35%	1966-----	37%
1964-----	36%	1967-----	37%
1965-----	37%		

^{2/} Not available.

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

106 COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 3.--Soluble or instant coffee: U.S. exports of domestic merchandise, by principal destinations 1963-1967

Country or area	1963	1964	1965	1966	1967
	Quantity (million pounds)				
Japan-----	6.3	7.2	7.2	1.9	1.0
Canada-----	2.5	2.7	1.9	2.2	2.4
United Kingdom-----	2.9	2.8	0.9	1.7	1.1
Australia-----	.8	.7	.3	0.2	.3
Finland-----	.2	.2	.2	0.1	.1
E.E.C-----	.8	.2	.3	0.1	<u>1/</u>
All other-----	1.0	1.1	1.3	1.4	1.6
Total-----	14.5	14.9	12.1	7.6	6.5
	Value (million dollars)				
Japan-----	13.1	15.4	15.1	3.9	1.8
Canada-----	3.5	4.5	3.1	3.3	3.3
United Kingdom-----	3.3	3.1	1.1	1.9	1.3
Australia-----	1.0	1.2	.5	0.4	.5
Finland-----	.5	.6	.4	0.3	.2
E.E.C-----	1.0	.3	.4	0.2	.1
All other-----	1.8	2.5	2.9	2.5	2.7
Total-----	24.2	27.6	23.5	12.5	9.9

1/ Less than 50,000 pounds.

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

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

107

Table 4.--Coffee, crude, roasted or ground, and coffee extracts, including soluble or instant coffee: U.S. imports for consumption, 1963-67

Year	Total	Crude	Roasted or ground	Coffee extracts
Quantity <u>1</u> / (millions of pounds)				
1963-----	3,192.6	3,166.0	7.7	18.9
1964-----	3,044.4	3,018.8	9.3	16.3
1965-----	2,832.2	2,816.2	7.5	8.5
1966-----	2,954.9	2,918.4	4.8	31.7
1967-----	2,906.3	2,819.0	5.2	82.1

1/ In terms of crude (green) coffee equivalents; 1.19 pounds of green beans equal 1 pound of roasted coffee and 3 pounds of green beans equal 1 pound of soluble or instant coffee.

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

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 5.--Coffee crude or green: U.S. imports for consumption,
by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (million pounds)					
Brazil-----	1,226	954	760	890	803
Colombia-----	523	489	436	358	405
Angola-----	148	163	169	160	196
British East Africa-----	1/ 198	1/ 183	2/ 178	2/ 184	2/ 172
Mexico-----	112	189	151	137	131
Ethiopia-----	108	122	153	105	140
El Salvador-----	101	90	94	78	113
Guatemala-----	143	104	120	147	93
Ivory Coast-----	3/ 93	157	111	162	91
All other-----	513	568	644	697	675
Total-----	3,166	3,019	2,816	2,918	2,819
Value (million dollars)					
Brazil-----	363	378	303	328	278
Colombia-----	197	223	199	163	163
Angola-----	34	53	46	50	59
British East Africa-----	1/ 49	1/ 67	2/ 50	2/ 60	2/ 53
Mexico-----	39	82	64	57	48
Ethiopia-----	32	49	60	41	48
El Salvador-----	33	35	40	31	40
Guatemala-----	47	44	51	59	34
Ivory Coast-----	3/ 22	52	31	50	27
All other-----	148	214	214	228	213
Total-----	964	1,197	1,058	1,067	963

1/ Kenya, Tanganyika, and Uganda.

2/ Kenya, Tanzania, and Uganda.

3/ Although data for 1963 includes imports from the present political units of Togo, Guinea, Mali, Senegal, Dahomey, Upper Volta, and Mauritania, imports from the Ivory Coast comprised 98 percent of listed imports.

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

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS, 109
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 6.--Coffee extracts: U.S. imports for consumption, by
principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (million pounds)					
Brazil-----	-	1/	0.3	6.0	22.5
France-----	1/	-	1/	.3	1.7
El Salvador-----	0.1	0.1	.3	.8	1.0
Guatemala-----	.3	.8	.4	1.4	.9
Mexico-----	1.5	2.0	1/	1.0	.7
Nicaragua-----	2.4	1.6	1.9	.9	.2
Argentina-----	-	-	-	-	.2
All other-----	1.9	.9	1/	.2	.2
Total-----	6.3	5.4	2.8	10.6	27.4
Value (million dollars)					
Brazil-----	-	2/	0.3	6.5	23.5
France-----	2/	-	2/	.5	3.4
El Salvador-----	0.1	0.2	.3	.7	1.0
Guatemala-----	.4	.9	.4	1.2	.8
Mexico-----	1.7	2.5	2/	.7	.7
Nicaragua-----	3.2	2.7	2.4	1.1	.3
Argentina-----	-	-	-	-	.2
All other-----	.2	1.1	2/	.1	.2
Total-----	7.4	7.4	3.4	11.0	30.0

1/ Less than 50,000 pounds.

2/ Less than \$50,000.

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

Note.--Due to rounding, figures may not add to totals shown.

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 7.--Production of green coffee by principal producing
countries 1963-67 ^{1/}

(In millions of pounds)

Country	1963	1964	1965	1966	1967
Brazil-----	3,571	3,730	1,323	4,987	2,778
Colombia-----	992	1,085	1,005	1,085	1,005
Ivory Coast-----	443	575	446	602	298
Angola-----	410	370	410	370	437
Uganda-----	390	384	324	344	317
Mexico-----	291	378	351	397	351
Indonesia-----	308	251	238	291	251
El Salvador-----	218	265	272	241	258
Guatemala-----	251	237	216	271	221
Ethiopia-----	197	212	218	202	233
All other-----	1,843	1,903	1,892	2,007	2,006
Total-----	8,914	9,390	6,695	10,797	8,155

^{1/} On a marketing year basis, beginning from July 1 to October 1 of the preceding years.

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

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

111

Table 8.--Imports of green coffee, by principal markets, 1962-66

(Million bags)					
Market	1962	1963	1964	1965	1966
United States-----	3,247	3,160	3,028	2,824	2,922
E.E.C-----	1,484	1,550	1,659	1,683	1,698
Sweden-----	185	194	201	203	214
United Kingdom-----	153	169	172	129	180
Canada-----	163	170	165	166	154
Denmark-----	101	117	106	109	117
Finland-----	87	93	105	89	101
Spain-----	64	76	92	107	121
Switzerland-----	67	76	79	97	89
Norway-----	68	74	73	64	76
All other-----	944	670	753	774	934
Total-----	6,563	6,349	6,433	6,245	6,606

Source: Compiled from statistics of the Pan-American Coffee Bureau.

COFFEE, CRUDE, ROASTED, OR GROUND; AND COFFEE EXTRACTS,
INCLUDING SOLUBLE OR INSTANT COFFEE

Table 9.--Exports of green coffee by principal countries, 1962-66

(In millions of pounds)					
Country	1962	1963	1964	1965	1966
Brazil-----	2,166	2,581	1,977	1,783	2,226
Colombia-----	868	811	848	745	736
Ivory Coast-----	311	401	450	409	400
Angola-----	346	301	306	351	347
Uganda-----	293	325	308	348	369
Mexico-----	201	147	222	172	190
El Salvador-----	231	223	241	220	210
Guatemala-----	182	220	170	209	246
Ethiopia-----	138	146	155	180	155
Indonesia-----	126	178	130	239	223
Cameroon-----	84	88	110	107	106
Costa Rica-----	126	120	113	106	121
All other-----	1,076	1,137	1,030	1,039	1,148
Total-----	6,148	6,678	6,160	5,908	6,477

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

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES
OF COFFEE AND SUBSTITUTES

113

<u>Commodity</u>	<u>TSUS item</u>
Crude chicory roots-----	160.30
Ground or otherwise prepared chicory roots---	160.35
Other coffee substitutes and mixtures of coffee with coffee substitutes-----	160.40

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Chicory root and mixtures of chicory root with coffee are the only products of commercial significance covered by this summary. No chicory root has been grown commercially in the United States since 1954. Of the chicory root consumed in this country in 1967, about 39 percent was ground and roasted domestically; the balance was imported in the ground and roasted form. Only small quantities of mixtures of coffee and chicory root have been imported. The total value of the imports averaged about \$0.8 million annually in recent years. Exports are negligible.

Description and uses

The most important coffee additive or substitute is chicory, the dried, roasted, and ground root of the chicory plant. Chicory is used primarily as an additive to coffee or, particularly during periods of high coffee prices, as an extender to reduce the cost of coffee. Small amounts of chicory are also used in the manufacture of chocolate, and soy and other sauces. Because of its hygroscopic properties, chicory is also used to keep certain baked goods fresh. Crude chicory roots are generally marketed in a cut and dried form that can be stored for 3 or more years with no appreciable loss of quality; they are prepared for use by roasting and grinding. About 25 percent of the weight of the cut and dried crude chicory is lost during the roasting and grinding.

Witloof chicory, the forced growth of the chicory plant, used primarily as a salad vegetable, is considered in another summary (see item 136.10).

Other coffee substitutes of much lesser importance include acorns, dandelion roots, and roasted cereal grains such as buckwheat and barley. When used in making beverages, most coffee substitutes are mixed with coffee. Mixtures of coffee and chicory are preferred to coffee in certain areas of Europe and the Southern United States.

February 1969
1:9

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES
OF COFFEE AND SUBSTITUTES

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
160.30	Crude chicory roots-----	1¢ per lb. <u>1</u> / ₂	0.8¢ per lb. <u>1</u> / ₂	0.5¢ per lb.
160.35	Ground or otherwise pre- pared chicory roots.	2.5¢ per lb. <u>2</u> / ₃	2.1¢ per lb. <u>2</u> / ₃	1.5¢ per lb.
160.40	Other coffee substitutes and mixtures of coffee with coffee substi- tutes.	3¢ per lb.	2.5¢ per lb.	1.5¢ per lb.

¹/ The duty has been suspended under the TSUS from Aug. 31, 1963, through June 30, 1969 (item 903.20).

²/ The duty has been 2 cents per pound under the TSUS since Aug. 31, 1963, and will be in effect through June 30, 1969.

The above tabulation shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations in the General Agreement on Tariffs and Trade. Only the second and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

As noted above, the applicable temporary rates of duty through June 30, 1969, for items 160.30 and 160.35 are free and 2 cents per pound, respectively.

Based on imports in 1967, the 2-cents-per-pound rate of duty assessed on ground chicory roots was equivalent to 26.0 percent ad valorem. The ad valorem equivalent of 26.0 percent is representative of the level of the duty on the bulk of the imports. The 3-cents-per-pound rate of duty applicable to imports of coffee substitutes and mixtures of coffee with coffee substitutes was equivalent to 3.3 percent ad valorem in 1967. The ad valorem equivalents of the duty ranged from 1.5 percent for the imports from France to 22.3 percent for the small imports from Bulgaria.

February 1969

1:9

U.S. consumption

The Pan-American Coffee Bureau reported ^{1/} that mixtures of coffee with coffee substitutes accounted for 2.3 percent of total U.S. retail coffee purchases in 1965, practically all consumed in the Southern States. The percentage of ground chicory contained in commercial coffee-chicory mixes varies widely, depending in large part on the area of the country in which they are marketed. Coffee-chicory mixes marketed in the Southern States contain from 15 to 45 percent chicory; the higher chicory-content mixes generally are marketed in the New Orleans area. The small amount of chicory-coffee mixes sold in the remainder of the country usually contain from 5 to 15 percent chicory. Twice since World War II major increases in the consumption of chicory have occurred in periods of high coffee prices.

U.S. consumption of chicory during the period 1963-67 averaged about 12.4 million pounds annually. Consumption of coffee substitutes other than chicory is negligible.

U.S. producers and production

Chicory has not been grown commercially in the United States since 1954; prior to this, chicory was produced principally in the Saginaw Valley area of Michigan. Prior to and during World War II, domestic producers obtained virtually their entire supply of crude chicory root from domestic sources. After the War, imports of crude chicory increased until they supplied domestic producers with the entire supply after 1954.

At present, only one domestic firm is known to roast and grind imported crude chicory. U.S. production of ground chicory, as reflected by the imports of crude chicory, increased irregularly during the period 1963-66, while imports of ground or prepared chicory declined. Domestic production amounted to about 8.8 million pounds, or about 59 percent of the U.S. supply in 1966 (table 1).

In contrast, domestic production accounted for less than 25 percent of the U.S. supply in 1958. It is estimated that over 90 percent of the domestically ground chicory is shipped in bulk, primarily to coffee packers who blend the chicory with coffee. The remainder is packaged in small cartons for the retail market. There is no known commercial production of other coffee substitutes in the United States.

^{1/} Annual Coffee Statistics, 1965, Pan-American Coffee Bureau.

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES
OF COFFEE AND SUBSTITUTESU.S. exports

U.S. exports of the products covered by this summary are not separately reported, but are believed to be small. The import statistics of Canada, the principal market for U.S. exports of chicory, show that Canadian imports of chicory from the United States averaged about 70,000 pounds annually during 1958-62 (the latest years for which data are available).

U.S. imports

U.S. imports of ground or prepared chicory were very small before and during World War II. After the War, imports increased, reaching a peak of 14.2 million pounds in 1956; since then, imports of ground chicory have declined. Imports of crude chicory also increased after the War, reaching a peak of 10.4 million pounds in 1950. During the period 1950-58, imports of crude chicory averaged about 5.6 million pounds annually. Since 1958, when the rate of duty on crude chicory was first temporarily reduced by legislation (Public Law 85-378) from 1 cent per pound to free of duty, imports of crude chicory have increased irregularly; they amounted to 11.7 million pounds in 1966, but declined to only 4.4 million pounds in 1967.

Total U.S. imports of chicory, other coffee substitutes, and mixtures of coffee with coffee substitutes averaged about 13.7 million pounds annually during 1963-67. Imports of ground chicory in the period 1958-67 declined from 12.2 million to 5.6 million pounds, declining in each year except 1965. During the period 1958-66, imports of crude chicory, on a ground-weight basis, increased irregularly from 3.9 million to 8.8 million pounds; however, imports in 1967 amounted to only 3.3 million pounds. Poland has been the principal source of crude chicory (table 2) while France, Belgium, and the Netherlands have supplied almost all of the imports of the ground or prepared product in recent years (table 3).

Chicory is grown in most European countries; however, Belgium, the Netherlands, France, and Poland are the principal exporting countries. The consumption of chicory in Europe is more widespread than in the United States, with a greater percent of the coffee consumed being mixed with chicory.

U.S. imports of coffee substitutes other than chicory and of mixtures of coffee with coffee substitutes are small and have shown no appreciable change in volume in recent years. Such imports have consisted primarily of retail-sized containers of coffee substitutes and coffee mixed with coffee substitutes, including the various roasted grains, malt, acorns, and dandelion roots.

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES
OF COFFEE AND SUBSTITUTES

117

Table 1.--Chicory, other coffee substitutes, and mixtures of coffee with coffee substitutes: U.S. imports for consumption 1963-67

Year	Chicory, crude ^{1/}	Chicory, ground or prepared	Other coffee substitutes and mixtures of coffee and coffee sub- stitutes	Total
Quantity (1,000 pounds)				
1963-----	5,268 :	6,359 :	^{2/} 87 :	11,714
1964-----	7,796 :	5,571 :	76 :	13,443
1965-----	6,232 :	7,311 :	111 :	13,654
1966-----	8,804 :	6,112 :	82 :	14,998
1967-----	3,310 :	5,233 :	106 :	8,649
Value (1,000 dollars)				
1963-----	247 :	421 :	^{2/} 36 :	704
1964-----	367 :	500 :	59 :	926
1965-----	217 :	613 :	75 :	905
1966-----	330 :	462 :	81 :	873
1967-----	124 :	403 :	96 :	623

^{1/} Quantity is on a ground or prepared weight basis; there is about a 25 percent weight loss during the roasting and grinding of crude chicory.

^{2/} Partly estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

February 1969

1:9

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES OF COFFEE AND SUBSTITUTES

Table 2.--Chicory, crude: U.S. imports for consumption,
by principal sources, 1963-67

Source	1963	1964	1965	1966	1967
Quantity (pounds) 1/					
Poland-----	6,838,606	7,658,714	2,164,591	6,662,301	4,354,460
Republic of					
South Africa--	-	1,600,000	6,040,107	5,030,516	-
Uganda-----	-	1,120,000	-	-	-
France-----	177,060	15,060	83,520	23,620	-
All other-----	8,625	-	21,605	21,605	58,422
Total-----	7,024,291	10,393,774	8,309,823	11,738,042	4,412,882
Value (dollars)					
Poland-----	228,322	276,165	109,995	234,072	114,181
Republic of					
South Africa--	-	56,800	98,915	92,483	-
Uganda-----	-	33,160	-	-	-
France-----	13,472	1,273	6,694	1,283	-
All other-----	5,190	-	1,700	1,700	9,503
Total-----	246,984	367,398	217,304	329,538	123,684

1/ Weight as imported. These figures should be reduced by 25 percent to estimate net weight after roasting and grinding.

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

CHICORY AND OTHER COFFEE SUBSTITUTES AND MIXTURES
OF COFFEE AND SUBSTITUTES

119

Table 3.--Chicory, ground or otherwise prepared: U.S. imports for consumption, by principal sources, 1963-67

	1963	1964	1965	1966	1967
	Quantity (pounds)				
France-----	3,603,918	4,388,450	3,677,480	3,871,850	3,994,700
Belgium-----	2,562,351	1,089,660	3,602,125	2,152,750	1,188,750
Netherlands-----	13,222	93,385	6,452	-	-
Other countries-----	-	-	25,000	87,500	50,000
Total-----	6,359,491	5,571,495	7,311,057	6,112,100	5,233,450
	Value (dollars)				
France-----	260,087	388,977	345,666	322,153	323,818
Belgium-----	147,048	102,101	261,952	133,990	75,428
Netherlands-----	13,407	8,678	825	-	-
Other countries-----	-	-	4,100	6,052	3,600
Total-----	420,542	499,756	612,543	462,195	402,846

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

<u>Commodity</u>	<u>TSUS item</u>
Tea, crude or prepared-----	160.50

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Tea is not grown in the United States; imports, mainly from Ceylon, India, and Indonesia, were valued at about \$58 million in 1967.

Description and uses

Tea is the dried leaf of an evergreen tree or shrub which grows in warm, rainy regions of the tropics and subtropics. The three principal types of tea are (1) black or fermented; (2) green or unfermented; and (3) oolong, which is partially fermented. All three types may be produced from the leaves of the same plant; the method of processing determines the type of tea that is produced. Districts, regions, or countries generally specialize in the production of one type of tea. Most of the tea traded internationally is black tea, and as graded by leaf sizes, includes Broken Orange Pekoe, Broken Pekoe, Orange Pekoe, Broken Pekoe Souchong, Pekoe Souchong, and Fannings. It is further classed by quality within the grade. Green and oolong teas are also graded according to leaf size and quality.

Tea as a beverage is most often made by infusing tea leaves in boiling water. Instant tea consists of dried, water-soluble solids obtained by dehydrating an infusion of tea leaves and water; it is used principally to make iced tea and iced tea mixes. Many iced tea mix preparations contain such ingredients as sugar and dried lemon concentrates and are not included in this summary but are provided for under the TSUS as edible preparations, not specially provided for, (see item 182.95). Using tea bags or instant tea, tea is especially easy to prepare and is a popular, low-priced beverage.

Tea, tea waste, and tea siftings and sweepings used in the manufacture of caffeine, theine, and other chemical products (see item 867.00) are not included in this summary but are discussed in the volume on schedule 8 items (Vol. 8:1).

U.S. tariff treatment

The current column 1 rate of duty applicable to imports (see general headnote 3 in the TSUSA-1969) is as follows:

<u>TSUS item</u>	<u>Commodity</u>	<u>Rate of duty</u>
160.50	Tea, crude or prepared-----	Free <u>1/</u>

1/ The duty-free status of tea as provided for under par. 1783(b) of the previous tariff schedules, was bound under the General Agreement on Tariffs and Trade, effective Jan. 1, 1948.

A fee of 3.5 cents per hundred pounds (or fraction thereof) is charged for the examination of imported tea as provided for in the Tea Importation Act (29 Stat. 604; 21 U.S.C. 41-50) which is administered by the Food and Drug Administration. Imports of impure tea are prohibited, except that which is to be used in the manufacture of theine, caffeine, or other chemical products (item 867.00) may be imported under bond, free of duty.

All immediate containers and wrappings, and all intermediate containers, of crude or prepared tea in packages of less than 5 pounds net weight each, are dutiable at the rates for such containers and wrappings if imported empty.

U.S. consumption

Apparent U.S. consumption of tea averaged about 132 million pounds annually during the years 1963-67 (table 1). Per capita consumption of tea in the United States has increased slightly in recent years; however, the approximate 1 pound consumed per person in 1964 was small compared with annual tea consumption in the United Kingdom (10 pounds per capita) or with annual consumption of coffee in the United States (15 pounds per capita).

The use of tea bags and the drinking of iced tea are confined almost entirely to the United States. U.S. consumers prefer tea bags because they are more convenient than loose tea. The marked convenience of instant tea, especially for preparing iced tea, has contributed to an increase in the consumption of tea. Sales of instant tea comprised 26 percent of the U.S. retail sales of tea in 1966, as compared with 6 percent in 1961, according to a consumer survey. The growing use of tea as an iced beverage is the principal reason for an anticipated growth in tea consumption.

The major share of tea consumed in the United States consists of black tea; only very small quantities of green and oolong teas are consumed here.

U.S. producers and production

Tea is not grown in the United States. An estimated 200 establishments, scattered throughout the United States, package imported tea. Of this number, a few firms with national distribution account for most of the volume. Virtually all firms that package and distribute tea also process products such as coffee and spices.

In 1966, 25 establishments produced soluble or instant tea. Consumer surveys indicate that instant tea supplied 26 percent of the U.S. retail market for tea in 1966. Most of the firms that produce instant, or soluble, tea do not package regular tea; however, they usually manufacture other products in addition to instant tea.

U.S. exports

In the export statistics, U.S. exports of (a) tea which entered the United States in bulk form, but was blended and packaged here, and (b) instant tea, are designated as "exports of domestic merchandise." U.S. exports of imported tea which has not been packaged or processed in the United States are designated as "exports of foreign merchandise."

The total U.S. exports of tea during the period 1963-67 averaged 822,000 pounds annually (table 2) compared to average annual exports of 956,000 pounds in the preceding 5-year period; however, the average annual value of the exports was \$1,114,000 in 1963-67 compared to \$1,071,000 in 1958-62. Exports of foreign merchandise declined noticeably during the decade 1958-67 while exports of domestic tea, which have a higher unit value, increased significantly.

The principal markets for U.S. exports of domestic tea are Canada, Venezuela, and Japan; the chief markets for U.S. exports of foreign tea are Canada and the Netherlands.

U.S. imports

All of the tea consumed in the United States is imported. Imports averaged about 133 million pounds, valued at \$58 million annually during 1963-67 compared to average annual imports of 113 million pounds, valued at \$54 million in the period 1958-62. Of the leaf tea imported in recent years, about 98 percent has been black tea, 1.5

percent green tea, and the remainder oolong and mixed tea. Ceylon, India, and Indonesia are the principal U.S. sources of tea (table 3). In recent years they have supplied about three-fourths of the annual U.S. imports.

Foreign production and trade

The cultivation of tea on an extensive scale is centered in Asia, although production in Africa is expanding and the industry is developing in several countries in South America. Only about half of the world tea crop is traded internationally. Mainland China and Japan are major producers, but they consume most of the tea they produce. The principal tea exporting countries are India, Ceylon, and Indonesia; India and Ceylon alone produce more than three-fourths of the tea that enters world trade.

Compared with most agricultural industries of world importance, the commercial tea industry is relatively stable. Tea is not subject to the wide variations in yield and periodic crop failures that are common to many crops. Moreover, the supply of tea can be varied to some extent. By selective plucking, i.e., plucking only the bud and youngest leaves, the yield is reduced but the quality of the tea so produced is high. If medium and lower quality tea leaves are plucked, output increases; however, lesser-quality teas do not have a ready market.

World tea production (excluding mainland China), which has been increasing steadily, reached 2.2 billion pounds in 1966 (table 4). The value of world tea exports in recent years has averaged more than \$600 million annually. Tea consumption throughout the world also has been increasing, but at a rate slightly slower than that of tea production.

The United Kingdom and the United States together import more than half of the tea entering international trade; in 1965 the United Kingdom imported 560 million pounds and the United States 130 million pounds of tea. Australia, Canada, and New Zealand also import large quantities of tea.

Table 1.--Tea, crude or prepared: U.S. imports for consumption, exports of domestic and foreign merchandise, and apparent consumption, 1963-67

Year	Imports		Exports		Apparent consumption
	Quantity	Value	Quantity	Value	
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>pounds</u>	<u>dollars</u>	<u>pounds</u>	<u>dollars</u>	<u>pounds</u>
1963-----	126,040	58,236	443	1,427	125,597
1964-----	133,591	59,735	683	1,449	132,908
1965-----	130,341	57,498	993	747	129,348
1966-----	132,994	57,353	933	727	132,061
1967-----	142,583	58,128	1,059	1,223	141,524

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

Note.--Tea is not grown commercially in the United States, but the United States does export so-called foreign and domestic tea. For an explanation of these export designations, see footnote 1, table 2.

Table 2.--Tea: U.S. exports of domestic and foreign merchandise, 1963-67

Year	Domestic merchandise <u>1/</u>	Foreign merchandise	Total
Quantity (1,000 pounds)			
1963-----	335	108	443
1964-----	467	216	683
1965-----	424	569	993
1966-----	360	573	933
1967-----	611	448	1,059
Value (1,000 dollars)			
1963-----	1,100	327	1,427
1964-----	1,168	281	1,449
1965-----	483	264	747
1966-----	431	296	727
1967-----	988	235	1,223

1/ Tea is not grown commercially in the United States. However, in U.S. export statistics, U.S. exports of (a) tea which entered the United States in bulk form, but was blended and packaged here and (b) instant tea, are designated as "exports of domestic merchandise." U.S. exports of imported tea which has not been packaged or processed in the United States are designated as "exports of foreign merchandise."

Table 3.--Tea, crude or prepared: U.S. imports for consumption,
by principal sources, 1963-67

Source	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Ceylon-----	53,494	58,938	53,285	53,544	56,070
India-----	27,453	25,013	21,223	20,134	20,383
Indonesia-----	12,810	13,988	15,735	17,595	18,928
Tanzania----- ^{1/}	7,349	8,715	8,999	9,055	9,955
Netherlands-----	6,846	7,868	6,903	6,696	12,450
Taiwan-----	6,942	7,145	8,430	7,757	6,089
Japan-----	1,926	1,899	2,635	3,425	3,191
All other-----	9,220	10,025	13,131	14,788	15,517
Total-----	126,040	133,591	130,341	132,994	142,583
Value (1,000 dollars)					
Ceylon-----	24,770	26,715	24,922	24,071	24,610
India-----	15,169	13,549	11,515	10,674	10,398
Indonesia-----	4,731	4,633	5,231	5,853	5,299
Tanzania----- ^{1/}	3,629	4,194	4,278	4,221	4,526
Netherlands-----	2,817	2,955	2,484	2,304	3,820
Taiwan-----	1,766	1,769	1,885	1,868	1,588
Japan-----	744	695	704	889	905
All other-----	4,610	5,225	6,479	7,473	6,982
Total-----	58,236	59,735	57,498	57,353	58,128

^{1/} Figure is for British East Africa, composed of Uganda, Kenya, and Tanganyika (not including Zanzibar).

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

Table 4.--Tea: Production and exports, by principal producing areas, 1962-66

(In millions of pounds)

Source	1962	1963	1964	1965	1966
Production					
India-----	764	764	821	814	828
Ceylon-----	467	485	482	503	490
China (mainland)-----	1/	1/	1/	1/	1/
Japan-----	171	179	184	171	183
Indonesia-----	104	85	99	95	95
U.S.S.R.-----	93	102	101	102	125
Pakistan-----	52	54	62	60	63
Kenya-----	36	40	45	44	56
Argentina-----	21	24	28	34	36
All other-----	206	215	212	237	275
Total-----	1,914	1,948	2,034	2,060	2,151
Exports					
India-----	472	493	464	440	395
Ceylon-----	452	456	455	494	441
China (mainland)-----	64	63	63	2/ 60	2/ 60
Japan-----	19	8	8	10	4
Indonesia-----	72	62	54	2/ 65	2/ 65
U.S.S.R.-----	-	-	-	-	-
Pakistan-----	9	3/	3/	2/ 6	-
Kenya-----	30	33	36	35	50
Argentina-----	14	17	20	28	28
All other-----	117	121	131	154	171
Total-----	1,249	1,253	1,231	1,292	1,214

1/ Not available.

2/ Estimated.

3/ Less than 500,000 pounds.

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

<u>Commodity</u>	<u>TSUS item</u>
Maté:	
Crude-----	160.60
Prepared-----	160.65

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Maté is a minor specialty beverage in the U.S. market, with supplies, mostly in a prepared form, entirely imported. Consumption in recent years has been lower than immediately before World War II.

Comment

Crude maté consists of the roasted and dried leaves of a holly bush or tree, Ilex paraguayensis, indigenous to South America. Prepared maté is crude maté that has been cleaned, ground, sifted, and blended. Maté is used to make a beverage, similar to tea, which is an infusion of prepared maté and water. It is consumed either hot or cold, and plain or with sugar, lemon, or cream. Maté, also known as yerba maté or Paraguay tea, is widely used only in southeastern South America; it is as popular there as coffee is in the United States. Argentina, Brazil, and Paraguay are the principal producing countries; these countries, plus Uruguay and Chile, consume most of the production.

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
160.60:	Maté: Crude-----	Free		1/	1/
160.65:	Prepared-----	5% ad val.	3% ad val.		Free

1/ Duty-free status not affected by the trade conference.

The above tabulation shows the column 1 rate of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second (that in effect during 1969) and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages). The free rate of duty for item 160.60 is a GATT rate.

U.S. consumption of mate is very small; it is supplied wholly by imports. In the period 1963-67 imports ranged between 73,000 and 136,000 pounds annually (see accompanying table). Brazil and Argentina have supplied practically all of the imports in recent years. Except for small quantities from Brazil, all the imports entered in the processed form. Most of the imports enter in bulk and are repacked in small cartons by U.S. importers for distribution to the retail trade. Mate is sold in health food and specialty shops and is not generally available in regular food stores. U.S. consumption of mate reached a peak during World War II when tea was in short supply. Since the War, imports have been at a level lower than that of the years immediately preceding the War.

Mate, crude or prepared: 1/ U.S. imports for
consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
	Quantity (pounds)				
Argentina-----	40,944	77,068	102,888	119,959	84,683
Brazil-----	31,285	6,696	29,296	12,562	26,550
Other-----	1,109	-	3,400	-	2,230
Total-----	73,338	83,764	135,584	132,521	113,463
	Value (dollars)				
Argentina-----	9,102	17,437	22,441	26,241	16,579
Brazil-----	3,606	1,045	3,262	1,870	3,656
Other-----	920	-	600	-	500
Total-----	13,628	18,482	26,303	28,111	20,735

1/ Imports are all in the prepared form except the following imports from Brazil: 9,908 pounds valued at \$1,092 in 1963, 13,215 pounds valued at \$1,489 in 1965, and 12,145 pounds valued at \$1,734 in 1967.

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

Note.--There is no domestic production or exportation of maté, either crude or prepared.

SPICES, CRUDE OR PROCESSED; AND CERTAIN
SPICES, UNGROUND

133

<u>Commodity</u>	<u>TSUS item</u>
Anise-----	161.01
Caraway-----	161.09
Cardamon-----	161.11
Cassia, cassia buds, and cassia vera; not ground-----	161.13
Cinnamon and cinnamon chips, not ground---	161.17
Cloves and clove stems, not ground-----	161.21
Coriander-----	161.25
Cummin-----	161.27
Dill-----	161.31
Fennel-----	161.33
Ginger root, not ground-----	161.35
Mace:	
Bombay or wild, not ground-----	161.43
Other, not ground-----	161.47
Nutmegs, not ground-----	161.63
Pepper, black or white, not ground-----	161.77
Pimento or allspice, not ground-----	161.86
Turmeric-----	162.13

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Imports have supplied virtually all of the U.S. consumption of the spices included in this summary. Most of these spices are tropical or subtropical products which can not be grown commercially in the United States. U.S. exports, mostly exports of foreign merchandise (see U.S. imports and exports section of this summary), have been small.

Description and uses

Spices as covered by this summary are aromatic vegetable substances (including seeds, leaves, stems, or other pertinent plant parts) from which, ordinarily, no part of the volatile oil or other flavoring principle has been removed. They have practically no food value but are suitable for and capable of being used as food seasoning or for garnishing. The spice products named in this summary include both the crude or processed product, unless otherwise indicated by the descriptive tariff language.

February 1969
1:9

Anise "seed" is the fruit of Pimpinella anisum, an annual plant native to the Mediterranean area. The seeds are ovoid, vary approximately from 3/32 of an inch to 1/5 of an inch in length, are greenish grey to yellowish brown, and have light-colored, longitudinal ridges. Anise has a flavor similar to that of licorice. It is used both whole and ground to flavor candy, pastry, liqueurs, and medicine.

Caraway "seed" is the fruit of Carum carvi, a biennial, umbelliferous plant of the parsley family. The seeds are brown, approximately 1/6 to 1/3 inch long, curved, tapered at the ends, and customarily marked with five light-colored ridges. The seeds, which have a pleasant, slightly sharp, yet sweetish, flavor, are used principally in the whole form in bread, rolls, cheese, sauerkraut, in pickling, and in the preparation of liqueurs.

Cardamon, sometimes spelled cardamom, is the fruit of Elettaria cardamomum, a perennial bush of the ginger family. The fruit or pods contain some 8 to 16 somewhat rounded seeds about 3/32 of an inch in diameter which have an aromatic and pungent flavor. Cardamons are used whole and decorticated (pods removed and seeds whole) in mixed pickling spice; they are used in the ground form as a flavoring in pastries, in curry powders, and in spice blends for sausages.

Cassia is the dried aromatic bark, also the dried immature fruit called buds, of several tropical evergreen trees, including Cinnamomum cassia, Cinnamomum loureirii, and Cinnamomum burmanni, which last species is also called cassia vera or Padang cinnamon. In the United States, cassia is usually sold at retail as "cinnamon." Cassia bark is stripped from the wood, the epidermis is scraped off, and the bark dried. In drying, the bark curls forming quills about 3-4 inches long and 1/4-3/4 inch in diameter which are the products of commerce. Cassia is reddish brown and has a sweet, aromatic, and warm taste, resembling, but sharper than that of cinnamon. Cassia in stick or quill form and in the form of cassia buds is used in pickling. In the ground form, which is included in another summary in this volume (see item 161.15), it is used as a flavoring in baked goods, confectionery, and beverages.

Cinnamon, the dried aromatic bark from shoots of Cinnamomum zeylanicum, a tropical evergreen tree, is pale brown or buff in color and is less pungent than cassia. Most cinnamon grown commercially is produced in Ceylon. It is shipped in the form of quills, chips and as ground cinnamon. The ground form, however, is included in a separate summary in this volume (see item 161.19). Cinnamon and cassia have practically the same uses.

Cloves are the dried, unopened flower buds of a tropical evergreen tree known botanically as Eugenia caryophyllata or Caryophyllus aromaticus. Cloves are dark brown and resemble a round-headed nail in shape. Cloves have a strong, pungent, and sweet flavor. In the

United States, they are used whole in seasoning meats (particularly ham) and sirup, and in pickling fruits; in the ground form they are used in baked goods, with vegetables, and in pharmacy and perfumery preparations. In Indonesia, cloves are used extensively for flavoring tobacco in the manufacture of cigarettes. Ground cloves are included in a separate summary in this volume (see item 161.23).

Coriander "seed" is the dried, ripe fruit of Coriandrum sativum, an annual umbelliferous plant of the parsley family. The seed is yellowish brown, round, ridged, from about 1/8 to 3/16 of an inch in diameter, with a mildly aromatic taste similar to a mixture of sage and lemon peel. Coriander seed is used whole in mixed pickling spices; in the ground form it is used to season meats and sausages, as an ingredient of curry powder, and in bakery goods.

Cummin "seed" (also spelled cumin) is the fruit of an annual plant, Cuminum cyminum, of the parsley family. Cummin is a long thin seed, from 1/8 to 1/4 inch in length, yellowish brown, resembling in shape a miniature ear of corn. It has a strong, slightly bitter taste, resembling that of caraway. Cummin seed is used whole and ground in prepared meats, pickles, cheeses, sausages, curry powder, chili powder, chutneys, soups, and stews.

Dill is the foliage and "seed" (dried fruit) of Anethum graveolens, an annual plant of the parsley family. The foliage is used fresh and dried as an herb in making dill pickles. The seeds are flat, oval, about 3/16 of an inch long, tan, usually split into 2 separated mericarps with 5 longitudinal ridges (two of which are expanded forming broad membranous wings) on each mericarp. Dill seed has a pleasant aromatic odor and flavor, reminiscent of that of caraway, but somewhat flatter and less agreeable. It is used whole and ground in making dill pickles, and in soups, salads, sauces, and processed meats.

Fennel is the foliage and "seed" (dried fruit) of Foeniculum vulgare, a perennial herb of the parsley family. The seeds are the parts of the plant usually used as seasoning; they are about 5/16 of an inch long and yellowish brown in color and resemble a miniature watermelon in shape, have an agreeable odor and an aromatic, sweet taste, somewhat like that of anise. Fennel seed is used whole and ground to season bread, rolls, pastry, pickles, fish dishes, and sauces. The leaves are also used as a seasoning and garnishment, especially for fish dishes.

Ginger roots are the roots or rhizomes of Zingiber officinale, a tuberous, perennial plant which flourishes in the tropics and semitropics. When the plant is about a year old the roots are dug, washed, and dried in the sun. The roots are often referred to in the trade as "hands" because they are roughly palmate in shape. Dried ginger roots,

SPICES, CRUDE OR PROCESSED; AND CERTAIN
SPICES, UNGROUND

which are light brown or buff colored, are distinctively aromatic with a spicy, sweet, pungent flavor. Ginger roots are sometimes used in the form of small pieces (cracked ginger) in making pickles and certain preserves; however, in cooking, ginger is usually used in the ground form in gingerbread, cookies, and other baked goods, and as a seasoning for roasts and other meats, pickles, puddings, and soups. Large quantities of ginger are also used in the production of ginger ale and (particularly in the United Kingdom) in ginger beer. Ground ginger roots are included in a separate summary in this volume (see item 161.37). Candied, crystallized, or glacé ginger root (TSUS item 154.40) is a confection and not a spice and is included in a separate summary in volume 1:8.

Bombay or wild mace is the reddish brown, fleshy, net-like skin which covers the Bombay nutmeg (the dried seed of Myristica malabarica, a tropical evergreen tree). It is practically devoid of flavor and aroma and is used mostly as an adulterant of "true" mace. There have been no recorded imports for many years. Ground Bombay or wild mace is included in a separate summary in this volume (see item 161.45).

Mace is the fleshy aril or skin which covers the nutmeg, the seed of the tropical evergreen tree Myristica fragrans. It is yellowish orange and has a flavor somewhat similar to that of nutmeg. It is used principally in the ground form as a flavoring in cakes, pies (especially cherry pie), chocolate dishes, fish dishes, and sauces. The ground form, however, is included in a separate summary in this volume (see item 161.49).

Nutmegs are the dried seeds of the peach-like fruit of the tropical evergreen tree Myristica fragrans. Nutmegs are greyish brown, oval in shape, and have longitudinal wrinklins; they have a pleasant, aromatic, and slightly bitter taste. Nutmegs are used principally in the ground form in flavoring baked goods, puddings, vegetables, sauces, and beverages (especially eggnogs). The ground form, however, is included in a separate summary in this volume (see item 161.65).

Black or white pepper are the dried berries of a tropical perennial vine, Piper nigrum. Pepper berries have a dark colored hull and a light colored kernel. Black pepper consists of the whole berries picked before they are fully ripe. White pepper consists of dehulled berries picked when fully ripe. The ripened berries are steeped to loosen the hull, the hulls are removed (decorticated) and the peppercorns are washed and dried. Pepper has a characteristic odor and a pungent taste. It is used whole in seasoning soups and meats and in pickling. In the ground form it is used to season practically all types of prepared meats and other foods. White pepper is used in white sauces and in other foods where pepper flavor is desired but not the dark specks of black pepper. Pepper in the ground form is included in a separate summary in this volume (see item 161.79).

February 1969

1:9

Pimento (allspice) is the dried fruit of Pimenta officinalis, a tropical evergreen tree native to the Western Hemisphere. Dried allspice berries are dark reddish brown, round, about 1/4 inch in diameter, and have a flavor resembling a blend of cinnamon, nutmeg, and cloves. Allspice is used whole in mixed pickling spices, for seasoning roasts, and in making mincemeat. It is used in the ground form in baked goods, ketchup and other sauces, sausages, and soups. The ground form, however, is included in a separate summary in this volume (see item 161.88).

Turmeric is the dried aromatic rhizome or root of Curcuma longa, a perennial plant of the ginger family which is widely cultivated in the tropics. Turmeric roots grow about the same size and shape as those of ginger. They are bright yellow or orange in color with a clean, fresh odor and a distinctive, aromatic flavor. Turmeric is ordinarily used in the ground form and is a flavoring and coloring agent in curry powder, pickles, relishes, and prepared mustard.

Sizeable quantities of the spices covered in this summary are used to make extracts, essences, and essential oils (see separate summaries on items 450.10-452.80). These latter products are used in the manufacture of bakery products, candies, prepared meats, liqueurs, and medicinals and are not usually marketed for household use. They are often carried on soluble bases such as salt, sugar, and dextrose. Extracts, essences, and essential oils are used rather than the spices themselves because they have a more concentrated and consistent flavor, are free of bacteria, and do not contain the fiber present in spices.

U.S. tariff treatment and other requirements

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) of dill and Bombay or wild mace are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade conference (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
161.31	Dill-----	10% ad val.	8% ad val.	5% ad val.
161.43	Mace: Bombay or wild, not ground.	18¢ per lb.	14.4¢ per lb.	9¢ per lb.

February 1969

1:9

SPICES, CRUDE OR PROCESSED; AND CERTAIN
SPICES, UNGROUND

The tabulation above shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second (that in effect during 1969) and final (fifth) stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages). Inasmuch as there have been no imports of Bombay or wild mace for the specified years, no ad valorem equivalent of the rate of duty can be calculated.

Imports of all items covered by this summary, except dill and Bombay or wild mace, are free of duty. The duty free status is bound on all these items, except cummin, as a result of concessions made by the United States under the GATT.

Imported spices must pass Food and Drug Administration inspection; sizeable quantities are rejected each year because of damage or contamination.

U.S. consumption, producers, and production

U.S. consumption of the spices included in this summary is supplied almost entirely by imports. A small amount of ginger root is produced in Hawaii. Fennel and dill are grown and processed in the Pacific Northwest, principally for their essential oils. Dill foliage is also dried commercially in California while an unknown quantity of dill is produced in home gardens for use principally in making dill pickles.

The average annual U.S. consumption (as indicated by imports) of the spices included herein was about 25 percent larger during the period 1963-67 than in 1950-54. Of the individual spices, the consumption of anise, cardamon, cloves, and mace declined, that of nutmeg remained about the same, while the use of caraway, cassia, cinnamon, coriander, cummin, fennel, ginger, and turmeric increased. Population growth and a growing demand for prepared bakery products, meats, and other foods which contain spices are two principal reasons for increased spice utilization.

U.S. imports and exports

Total U.S. imports of the spices included herein increased from 87.6 million pounds, valued at \$24.0 million in 1963, to 98.1 million pounds, valued at \$31.9 million in 1967 (table 1), principally as a result of larger imports of black pepper and cassia; in 1966 imports declined to 84.4 million pounds, valued at \$33.1 million, as a result of reductions of stocks of black pepper and increased prices for cassia.

February 1969

1:9

Imports of anise seed ranged irregularly from 548 thousand pounds, valued at \$139 thousand, in 1967 to 266 thousand pounds, valued at \$73 thousand, in 1966 and averaged about 48 percent less for the period 1963-67 than for the period 1950-54. Spain, Turkey, and Syria have been the principal sources of imported anise seed in recent years. Imports of caraway seed averaged about 6.9 million pounds, valued at \$1.1 million annually during 1963-67 and were about 14 percent larger than the average annual imports during 1950-54. The Netherlands has been the principal source of caraway seed imports in recent years. Cardamon imports averaged about 163 thousand pounds, valued at \$401 thousand annually during 1963-67 and were about 5 percent smaller than the average annual imports in 1950-54. In recent years Guatemala has been the principal source of U.S. imports of cardamon while additional supplies have come from India and Ceylon.

Imports of cassia increased from 13.5 million pounds, valued at \$2.3 million in 1963 to 15.8 million pounds, valued at \$4.8 million in 1965. The quantity imported declined in 1966 and 1967, amounting to 8.5 million pounds in 1967; however, the value rose, amounting to \$5.8 million in 1967. Average annual imports of cassia were about the same as in 1950-54. Indonesia and South Vietnam have been the principal sources of imports. Imports of cinnamon increased from 1.5 million pounds, valued at \$0.7 million in 1963 to 4.4 million pounds, valued at \$1.8 million in 1967. Average annual imports of cinnamon in 1963-67 were more than double those in 1950-54. Ceylon and the Seychelles Islands have been the principal sources of cinnamon. Annual imports of cloves in the period 1963-67 ranged from 2.1 million pounds, valued at \$719 thousand in 1966 to 2.8 million pounds, valued at \$951 thousand in 1965, and averaged about 16 percent less in the period 1963-67 than in the period 1950-54. The Malagasy Republic and Tanzania have been the principal sources of U.S. clove imports in recent years.

U.S. imports of coriander averaged 3.0 million pounds, with a value of \$208 thousand annually during 1963-67, or about 37 percent more than during the period 1950-54. Morocco and Rumania have supplied the bulk of these imports in recent years. U.S. imports of cummin seed averaged 3.4 million pounds, valued at \$0.8 million annually during 1963-67, or about 26 percent more than during 1950-54. Iran and Morocco have been the principal sources of imported cummin in recent years. U.S. imports of dill averaged 551 thousand pounds, valued at \$60 thousand annually during 1963-67. Dill imports were not separately reported prior to August 31, 1963, but they are believed to have increased at least proportionately to population growth during the last 2 decades. Imports of fennel averaged 762 thousand pounds, valued at \$123 thousand annually during 1963-67, or about 73 percent more than average annual imports during 1950-54.

Imports of ginger root averaged 3.9 million pounds, valued at \$857 thousand annually during 1963-67, or about 5 percent more than

during the period 1950-54. Nigeria, Jamaica, and India have been the principal sources of imported ginger in recent years. Annual imports of mace and nutmeg averaged 599 thousand pounds and 4.3 million pounds, valued at \$611 thousand and \$3.0 million, respectively, during the period 1963-67, or 9 percent less than in 1950-54 for mace and 10 percent less for nutmeg. Indonesia and the Leeward and Windward Islands have been the principal sources of both mace and nutmeg.

U.S. imports of black pepper, the world's most popular spice, ranged from 33.9 million pounds, valued at \$12.2 million to 51.4 million pounds, valued at \$14.2 million annually in the period 1963-67 (table 2) and averaged about 45 percent more per year than in 1950-54. The average for 1963-67 was 15 percent lower than for the period 1935-39 when imports were very large in anticipation of war caused shortages in U.S. supplies. Indonesia, India, and Brazil have been the principal sources of imports in recent years. Imports of white pepper averaged 3.9 million pounds, valued at \$1.6 million annually during 1963-67, or more than double the average imports in 1950-54. Imports of white pepper, like those of black pepper, were at a much higher level in the period 1935-39. Indonesia and Brazil have been the principal sources of imports of white pepper in recent years.

U.S. imports of pimento or allspice averaged 1.3 million pounds, valued at \$1.0 million annually during the period 1963-67 or about 28 percent less than the average imports during 1950-54. The principal sources of U.S. imports of allspice in recent years have been Jamaica, Honduras, Mexico, and Guatemala. U.S. imports of turmeric averaged 3.0 million pounds, valued at \$462 thousand annually during the period 1963-67, or nearly double the average imports during the period 1950-54. India, Jamaica, and Haiti have been the principal sources of imported turmeric in recent years.

U.S. exports of the spices included in this summary are not separately reported. Total U.S. exports of such spices (ground and unground spices and crude and processed herbs) ranged from 4.3 to 6.7 million pounds annually while the value ranged from \$3.0 to \$5.3 million during the period 1963-67 (table 3). Most U.S. exports of foreign merchandise (1.7 million pounds valued at \$1.1 million in 1967) are believed to have consisted of unground spices. Most of the exports classified as domestic merchandise consisted of ground spices, and crude or processed herbs. Although none of the spices included in this summary are grown commercially in significant quantities in the United States, spices exported in the whole form are domestic merchandise for statistical purposes if the product has been enhanced in value by processing in the United States. Imported spices which are cleaned, sorted, or graded in the United States are considered to be domestic articles when exported. U.S. exports of spices have gone to many countries, but the principal destinations in recent years have been Canada, Mexico, and Western Europe.

World production and trade

Although spices no longer occupy the dominant position in world trade that they held centuries ago, they are still important items of trade and certain spices are very important to the economy of several countries. Spices are grown in tropical or subtropical countries and are exported (usually in the whole form) principally to the United States, Canada, Western Europe, and other temperate areas; an exception is cloves, which are produced, as well as consumed, in large amounts in Indonesia.

Pepper, the most important spice, is produced principally in Indonesia, India, Malaysia, and Brazil; exports from these countries averaged about 139 million pounds annually during 1962-66 (table 4). The United States and the United Kingdom have been the principal importing countries in recent years. Singapore does a large volume of business in imported spices (particularly pepper), cleaning and grading them for export.

Ginger root is produced principally in India, Nigeria, Sierra Leone, and Jamaica; total exports from these countries averaged about 19 million pounds annually during 1962-66. The principal importing countries are the United Kingdom, the United States, Saudi Arabia, and Egypt. Cloves are produced in Tanzania, the Malagasy Republic, and Indonesia; while Tanzania and the Malagasy Republic are clove exporters, Indonesia is the world's largest clove importing country. Exports of cloves from Tanzania and the Malagasy Republic averaged 30 million pounds annually during 1962-66.

Ceylon and the Seychelles Islands are the principal exporters of cinnamon; together they exported an average of 9.3 million pounds annually during 1962-66. Indonesia and South Vietnam together exported an average of 21.0 million pounds of cassia per year in 1961-65. The principal world markets for cinnamon and cassia include the United States, India, Pakistan, Mexico, the United Kingdom, and West Germany.

Nutmegs and mace (excluding Bombay or wild mace) are products of the same tree. They are produced principally in Indonesia, Grenada, and Ceylon; total exports from these producing areas averaged 10.8 million pounds annually for nutmegs and 1.9 million pounds annually for mace in the period 1961-65. In recent years the principal importers of nutmegs and mace have been the United States, West Germany, Netherlands, and the United Kingdom.

Table 1.--Certain spices: U.S. imports for consumption,
by types, 1963-67

Commodity	1963	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Anise-----	355	432	385	266	548
Caraway-----	6,725	7,175	6,758	7,151	6,838
Cardamon-----	120	183	116	208	187
Cassia, not ground-----	13,543	13,555	15,840	10,583	8,523
Cinnamon, not ground-----	1,475	1,261	3,054	2,313	4,353
Cloves, not ground-----	2,241	2,311	2,812	2,098	2,490
Coriander-----	2,328	3,686	2,553	3,465	2,743
Cummin-----	2,736	3,744	3,224	3,452	4,020
Dill-----	1/ 517	470	583	677	508
Fennel-----	652	594	881	765	921
Ginger root, not ground--	3,074	3,949	3,665	5,212	3,695
Mace, not ground-----	559	649	619	527	637
Nutmeg, not ground-----	5,125	3,505	5,231	4,180	3,675
Pepper, black, not ground-----	40,442	43,655	44,119	33,939	51,418
Pepper, white, not ground-----	3,725	3,817	3,600	3,827	4,723
Pimento (allspice), not ground-----	1,284	1,130	874	1,926	882
Turmeric-----	2,672	3,570	3,252	3,794	1,925
Total-----	87,573	93,686	97,566	84,383	98,086
	Value (1,000 dollars)				
Anise-----	79	85	82	73	139
Caraway-----	1,070	1,058	1,006	1,260	1,118
Cardamon-----	174	272	292	682	587
Cassia, not ground-----	2,324	2,861	4,808	6,218	5,774
Cinnamon, not ground-----	728	683	1,089	1,021	1,776
Cloves, not ground-----	788	769	951	719	830
Coriander-----	118	201	143	293	285
Cummin-----	408	862	1,071	1,110	755
Dill-----	1/ 35	45	66	86	69
Fennel-----	82	86	168	128	154
Ginger root, not ground--	858	1,083	829	948	566

See footnote at end of table.

Table 1.--Certain spices: U.S. imports for consumption,
by types, 1963-67--continued

Commodity	1963	1964	1965	1966	1967
	Value (1,000 dollars)				
Mace, not ground-----	460	534	746	663	651
Nutmeg, not ground-----	3,039	2,139	3,747	3,494	2,332
Pepper, black, not ground-----	11,099	11,901	17,193	12,185	14,181
Pepper, white, not ground-----	1,378	1,397	1,450	1,939	1,761
Pimento (allspice), not ground-----	887	780	701	1,774	684
Turmeric-----	431	668	516	487	208
Total-----	23,958	25,424	34,858	33,080	31,870

1/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 2.--Black pepper, unground: U.S. imports for consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Indonesia-----	29,365	33,989	18,902	15,415	39,567
India-----	8,273	3,809	12,242	12,770	3,226
Brazil-----	2,154	4,681	6,651	4,440	7,158
Malaysia <u>1</u> /-----	331	218	4,727	921	882
All other-----	319	958	1,597	393	585
Total-----	40,442	43,655	44,119	33,939	51,418
Value (1,000 dollars)					
Indonesia-----	8,067	9,220	7,543	5,330	10,867
India-----	2,335	1,170	5,107	4,830	1,035
Brazil-----	517	1,189	2,294	1,535	1,850
Malaysia <u>1</u> /-----	92	57	1,724	342	248
All other-----	88	265	525	148	181
Total-----	11,099	11,901	17,193	12,185	14,181

1/ Including the former Federation of Malaya, Sarawah, North Borneo, and Singapore.

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

Table 3.--Spices: U.S. exports of domestic and foreign merchandise, 1963-67

	1963	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Domestic merchandise-----	2,793	3,605	3,522	4,574	4,923
Foreign merchandise-----	1,464	1,896	1,628	1,739	1,740
Total-----	4,257	5,501	5,150	6,313	6,663
	Value (1,000 dollars)				
Domestic merchandise-----	2,266	2,810	3,164	3,998	4,054
Foreign merchandise-----	695	1,043	1,252	1,261	1,078
Total-----	2,961	3,853	4,416	5,259	5,132

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

Note.--The data in this table probably include small amounts of crude and processed herbs not included in this summary; ground and prepared mustard is also included in the data for 1963-64. Exports of domestic merchandise include products grown or manufactured in the United States and products of foreign origin which have been enhanced in value or changed from the form in which imported by further manufacture or processing in the United States.

Table 4.--Exports of specified spices by major producing countries, 1962-66

(In thousands of pounds)					
Item and country	1962	1963	1964	1965	1966
Black and white pepper:					
Indonesia-----	38,850	96,127	51,656	27,272	46,304
India-----	55,142	41,736	36,217	50,025	54,803
Malaysia-----	25,935	25,627	27,136	39,455	29,241
Brazil-----	6,094	5,240	8,920	16,305	14,060
Malagasy Republic----	2,357	1,989	4,215	3,402	2,440
Cambodia-----	1,803	1,915	1,814	3,976	3,259
Ceylon-----	101	208	1,236	1,531	677
Total-----	130,282	172,842	131,194	141,966	150,784
Ginger root:					
India-----	15,176	11,066	8,725	8,758	11,357
Nigeria-----	3,766	5,766	5,905	4,171	6,270
Sierra Leone-----	1,131	1,313	1,547	1,828	1,027
Jamaica-----	1,020	1,281	1,426	1,941	1,844
Total-----	21,093	19,426	17,603	16,698	20,498
Cloves:					
Tanzania-----	17,308	25,091	17,942	18,906	30,257
Malagasy Republic----	9,900	4,533	10,688	9,751	7,437
Total-----	27,208	29,624	28,630	28,657	37,694
Cinnamon:					
Ceylon-----	6,515	6,298	6,367	6,135	6,076
Seychelles Islands----	2,676	2,251	2,643	4,230	3,447
Total-----	9,191	8,549	9,010	10,365	9,523
Cassia:					
Indonesia-----	24,689	21,162	19,010	15,655	1/
South Vietnam-----	527	723	1,219	853	1/
Total-----	25,216	21,885	20,229	16,508	1/
Nutmegs:					
Indonesia-----	7,915	9,341	9,949	8,684	1/
Grenada-----	1,331	1,581	971	3,277	1,987
Ceylon-----	155	574	366	179	314
St. Vincent-----	159	108	133	205	1/
Trinidad & Tobago----	78	113	78	129	90
St. Lucia-----	20	8	1/	1/	1/
Total-----	9,658	11,725	11,497	12,474	2,393

See footnote at end of table.

Table 4.--Exports of specified spices by major
producing countries, 1962-66--continued

(In thousands of pounds)

Item and country	1962	1963	1964	1965	1966
Mace (except Bombay or wild):					
Indonesia-----	1,532:	1,728:	2,165:	<u>1/</u>	<u>1/</u>
Grenada-----	322:	369:	197:	111:	<u>1/</u>
Ceylon-----	9:	37:	31:	4:	<u>1/</u>
St. Vincent-----	25:	20:	20:	<u>1/</u>	<u>1/</u>
Trinidad & Tobago-----	3:	7:	2:	6:	<u>1/</u>
St. Lucia-----	2:	1:	<u>1/</u>	<u>1/</u>	<u>1/</u>
Total-----	1,893:	2,162:	2,415:	121:	<u>1/</u>

1/ Not available.

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

Note.--This table includes all forms of the named spices; however, virtually all trade is in the crude or unprocessed form.

<u>Commodity</u>	<u>TSUS item</u>
Basil-----	161.03
Laurel (bay) leaves-----	161.39
Marjoram-----	161.51
Mint leaves-----	161.55
Origanum-----	161.67
Parsley-----	161.73
Rosemary-----	161.90
Sage, not ground-----	161.94
Savory-----	162.01
Tarragon-----	162.05
Thyme-----	162.09

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

The herbs considered here are not grown to any extent in the United States except for parsley, basil, mint leaves, and thyme; the United States imports all but a small part of its total requirements. Exports, if any, are small.

Description and uses

This summary covers the above-listed herbs (aromatic leaves, stems, and flower heads), except for sage, only in a crude or unmanufactured form. Where such products, whether dried or not, are broken up to some extent incidental to cleaning operations, but not further processed, they are crude or unmanufactured. In the case of sage, item 161.94, the product is in an "unground" condition. For the purposes of convenience, hereafter in this summary the products noted as "crude" also refers to "unmanufactured" or "not ground", as applicable.

Basil is the leaves and tender shoots of Ocimum basilicum, an annual of the mint family. It is used in soups, meat pies, and for seasoning vegetables. Basil's flavor is sweet and warm with a pungent undertone.

Laurel or bay leaves are the aromatic leaves of the sweet bay or laurel tree (Laurus nobilis). They add a pungent flavor to meats, potatoes, stews, soups, sauces, and fish. They are also used in pickling and in the manufacture of certain vinegars.

Marjoram is the leaves of a perennial (Majorana hortensis) of the mint family. This gray-green herb is used to lend a distinctive aromatic flavor with a somewhat bitter undertone. It is used with vegetables such as lima beans, peas, and string beans, as well as with lamb and mutton and in stews, soups, sausages, and poultry stuffings.

Mint leaves are the leaves of an herbaceous perennial. Only two species of mint are used as important food adjuncts: spearmint (Mentha spicata), and peppermint (Mentha piperita). Both impart a sweet, tangy taste and a cool after-taste. They are used to flavor lamb, mint jelly, chewing gum, confections, mint juleps, and sauces for meat and fish.

Origanum or oregano is the leaves of an herbaceous perennial (Lippia spp.) also known as oreganum, Mexican oregano, Mexican sage, and origan. The flavor is strong and aromatic having an assertive, pleasantly bitter undertone. Origanum is an essential ingredient of chili powder and is used in chili con carne and many other Mexican dishes. It is widely used in making pizzas and other tomato-type dishes.

Parsley (Petroselinum crispum) is grown domestically in sufficient quantities to satisfy consumption needs. Parsley is used either green or dry as a garnish or flavoring in soups, salads, meat, fish, sauces, and vegetable dishes.

Rosemary is the dried leaves of an evergreen shrub (Rosmarinus officinalis) of the mint family. Most of the rosemary used in the United States comes from France, Spain, and Portugal. The flavor is distinctively fresh and sweet. It is used in soups, stews, lamb dishes, and certain vegetable dishes.

Sage is one of the most popular flavoring or seasoning herbs in the United States. It is the dried leaves of Salvia officinalis, a member of the mint family. The taste is warm, somewhat astringent, and a little bitter. Large quantities are used by the meat-packing industry.

Savory, also known as summer savory (Satureia hortensis), and winter savory (Satureia montana), is the leaves of an herb of the mint family. It is used as a flavoring for meats, dressings, chicken, soups, salads, and sauces. The flavor of savory is distinctively warm and slightly resinous.

Tarragon is the leaves and flowering tops of a perennial (Artemisia dracunculus). Its flavor closely resembles that of anise, having a sweet taste. Tarragon is used in pickles, prepared mustard, and vinegar.

Thyme is the leaves of a perennial plant (*Thymus vulgaris*), which is a member of the mint family. The flavor is distinctively warm, aromatic and pungent. It is used as a seasoning for clam chowder, meat, fish sauces, croquettes, chipped beef, and fricassees.

U.S. tariff treatment

The column 1 rates of duty applicable to imports under item 161.94 (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective	Final stage, effective
			Jan. 1, 1969	Jan. 1, 1972
161.94	Sage, ground or rubbed--	1¢ per lb.	0.8¢ per lb.	0.5¢ per lb.

The tabulation above shows the column 1 rate of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second and final (fifth) stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages). The ad valorem equivalent of the 1-cent-per-pound rate of duty averaged 4.3 percent in 1967, while the range of ad valorem equivalents by country of origin was from 0.3 percent to 13.2 percent.

The other herbs covered by the summary are free of duty under the TSUS, the same as they were under the provisions of paragraph 1722 of the Tariff Act of 1930, as originally enacted. The duty-free status for each of these articles has been bound by a concession granted by the United States in the GATT.

Imported herbs must pass inspection by the Food and Drug Administration and sizeable quantities are rejected each year because of damage or contamination.

U.S. consumption and production

Data on consumption of individual crude herbs in the United States are not separately reported. It is known, however, that consumption in the aggregate has increased because of an increase in population.

Of the herbs included in this summary, only basil, mint leaves, parsley and thyme are produced commercially in the United States. Production figures are not available, but it is known that domestic production provides for most of the domestic needs. Most of the mint grown in the United States is distilled to produce mint oil.

U.S. exports and imports

U.S. exports of crude herbs are not reported, either individually or as a class. Exports, if any, are small.

With the exception of basil, mint leaves, parsley, and thyme, imports supply virtually all of the crude herbs included in this summary that are consumed in the United States. In 1967 sage, origanum, thyme, and marjoram accounted for 6.7 million pounds or 83 percent of the total quantity of crude herb imports (table 1). These four herbs had a value of \$1,612,000 which was 87 percent of the total value of crude herb imports in that year.

In 1964-67, imports of marjoram averaged 1.0 million pounds, valued at \$240,000 annually (table 2). The principal suppliers of marjoram were Mexico and France. Annual imports of origanum for the period 1964-67 averaged 2.2 million pounds, valued at \$554,000 (table 3). All but a small part of these imports were from Greece and Mexico. Sage imports for the 5-year period 1963-67 averaged 1.7 million pounds per year, valued at \$420,000 (table 4). Yugoslavia, Albania, and Italy supply nearly all of the sage imported into the United States. Nearly all of the thyme imported in 1964-67 came from Spain and France. These imports averaged 924,000 pounds, valued at \$174,000 (table 5).

Table 1.--Herbs, crude: U.S. imports for consumption, by type
September-December 1963 and 1964-67

Herb	Sept.-Dec. 1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Basil-----	11	42	54	138	100
Laurel leaves-----	229	754	440	535	517
Marjoram-----	270	706	867	1,482	822
Mint leaves-----	19	91	29	44	81
Origanum-----	1,026	1,701	1,796	2,524	2,772
Parsley-----	-	10	-	28	22
Rosemary-----	212	264	339	352	533
Sage, not ground-----	1,270	1,430	2,360	1,479	2,191
Savory-----	105	31	96	106	63
Tarragon-----	-	18	19	14	34
Thyme-----	483	890	1,067	785	953
Total-----	3,625	5,937	7,067	7,487	8,088
Value (1,000 dollars)					
Basil-----	4	16	16	40	35
Laurel leaves-----	29	111	73	98	96
Marjoram-----	73	199	231	315	214
Mint leaves-----	11	53	14	26	37
Origanum-----	216	363	421	730	702
Parsley-----	-	1	-	5	4
Rosemary-----	10	16	19	23	39
Sage, not ground-----	322	319	597	352	511
Savory-----	13	3	11	11	4
Tarragon-----	-	7	7	8	21
Thyme-----	73	152	198	164	185
Total-----	751	1,240	1,587	1,772	1,848
Unit value (cents per pound)					
Basil-----	36	38	30	29	35
Laurel leaves-----	13	15	17	18	19
Marjoram-----	27	28	27	21	26
Mint leaves-----	58	58	48	59	46
Origanum-----	21	21	23	29	25
Parsley-----	-	10	-	18	18
Rosemary-----	5	6	6	7	7
Sage, not ground-----	25	22	25	24	23
Savory-----	12	10	11	10	6
Tarragon-----	-	39	37	57	62
Thyme-----	15	17	19	21	19
Average-----	21	21	22	24	23

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

CERTAIN HERBS, CRUDE

Table 2.--Marjoram, crude: U.S. imports for consumption, by principal sources, September-December 1963, 1964-67

Source	Sept.-Dec. 1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
France-----	107	318	322	314	308
Mexico-----	123	272	396	1,014	461
Rumania-----	-	-	43	43	-
Peru-----	-	23	22	17	7
All other-----	40	93	84	94	46
Total-----	270	706	867	1,482	822
Value (1,000 dollars)					
France-----	45	135	132	124	125
Mexico-----	24	37	58	151	71
Rumania-----	-	-	15	13	-
Peru-----	-	10	8	6	2
All other-----	4	17	18	21	16
Total-----	73	199	231	315	214
Unit value (cents per pound)					
France-----	42	43	41	39	41
Mexico-----	19	13	15	15	15
Rumania-----	-	-	35	30	-
Peru-----	-	41	37	35	29
All other-----	10	18	21	22	35
Average-----	27	28	27	21	26

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

Table 3.--Origanum, crude: U.S. imports for consumption, by principal sources, September-December 1963, 1964-67

Source	Sept.-Dec. 1963	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Greece-----	739	1,094	1,080	1,747	1,718
Mexico-----	263	484	617	562	935
All other-----	24	123	99	215	119
Total-----	1,026	1,701	1,796	2,524	2,772
	Value (1,000 dollars)				
Greece-----	164	262	317	578	516
Mexico-----	46	72	84	113	158
All other-----	6	29	20	39	28
Total-----	216	363	421	730	702
	Unit value (cents per pound)				
Greece-----	22	24	29	33	30
Mexico-----	18	15	14	20	17
All other-----	24	24	20	18	24
Average-----	21	21	23	29	25

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

Table 4.--Sage, unground: U.S. imports for consumption, by principal sources, 1963-67

Source	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Yugoslavia-----	888	642	1,521	819	1,145
Albania <u>1</u> /-----	275	453	466	592	719
Italy-----	90	250	281	26	159
All other-----	17	85	92	42	168
Total-----	1,270	1,430	2,360	1,479	2,191
Value (1,000 dollars)					
Yugoslavia-----	255	186	448	247	344
Albania <u>1</u> /-----	40	75	83	96	118
Italy-----	16	45	53	4	33
All other-----	11	13	13	5	16
Total-----	322	319	597	352	511
Unit value (cents per pound)					
Yugoslavia-----	29	29	29	30	30
Albania <u>1</u> /-----	15	17	18	16	16
Italy-----	17	18	19	15	20
All other-----	60	15	14	12	10
Average-----	25	22	25	24	23

1/ Imports from Albania (a communist country) are subject to the column 2 rate of duty of 1¢ per pound; imports from non-communist countries are dutiable at the column 1 rate (see tariff treatment section).

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

Table 5.--Thyme, crude: U.S. imports for consumption, by principal sources, September-December 1963, 1964-67

Source	: Sept.-Dec. : : 1963 :	: 1964 :	: 1965 :	: 1966 :	: 1967
	Quantity (1,000 pounds)				
France-----	196 :	335 :	324 :	405 :	400
Spain-----	285 :	553 :	743 :	369 :	539
Portugal-----	- :	2 :	- :	- :	2
Yugoslavia-----	2 :	- :	- :	- :	-
All other-----	- :	- :	- :	11 :	12
Total-----	483 :	890 :	1,067 :	785 :	953
	Value (1,000 dollars)				
France-----	41 :	81 :	88 :	111 :	115
Spain-----	31 :	71 :	110 :	51 :	66
Portugal-----	- :	<u>1</u> :	- :	- :	<u>1</u>
Yugoslavia-----	1 :	- :	- :	- :	-
All other-----	- :	- :	- :	2 :	4
Total-----	73 :	152 :	198 :	164 :	185
	Unit value (cents per pound)				
France-----	21 :	24 :	27 :	27 :	29
Spain-----	11 :	13 :	15 :	14 :	12
Portugal-----	- :	9 :	- :	- :	16
Yugoslavia-----	38 :	- :	- :	- :	-
All other-----	- :	- :	- :	18 :	33
Total-----	15 :	17 :	19 :	21 :	19

1/ Less than \$500.

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

<u>Commodity</u>	<u>TSUS item</u>
Herbs, processed:	
Basil-----	161.05
Laurel (bay) leaves-----	161.41
Marjoram-----	161.53
Mint leaves-----	161.57
Origanum-----	161.69
Parsley-----	161.75
Rosemary-----	161.92
Sage, ground or rubbed-----	161.96
Savory-----	162.03
Tarragon-----	162.07
Thyme-----	162.11

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Herbs enter international trade principally in the crude form; world trade in processed herbs is very small. Processed herbs are produced in the United States from imported crude herbs and from those grown domestically. Exports, though small, have exceeded imports.

Description and uses

This summary includes the following herbs which are in processed form: basil, laurel, marjoram, mint, origanum, parsley, rosemary, savory, tarragon, thyme, and ground or rubbed sage. Inasmuch as the description and uses of the herbs are covered in the summary on certain crude herbs included in this volume, they are not repeated here. In general, these herbs are used as seasoning or garnishment for foods.

Herbs are prepared for use by grinding, chopping, or crushing, or by cleaning and packaging the whole leaves, stems, or flower heads. All of the herbs covered here are available in whole form, after cleaning and packaging. In addition, basil and tarragon are sold in the chopped form; laurel leaves are crushed or cracked; marjoram, rosemary, savory, and thyme are ground; and mint, origanum, parsley, and sage are available in the rubbed (crushed) and ground forms.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade conference (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
	Herbs, other than crude or unmanu- factured:			
161.05	Basil-----	10% ad val.	<u>1/</u>	<u>1/</u>
161.41	Laurel (bay) leaves.	10% ad val.	8% ad val.	5% ad val.
161.53	Marjoram-----	10% ad val.	9% ad val.	7.5% ad val.
161.57	Mint leaves-----	10% ad val.	<u>2/</u>	7.5% ad val.
161.69	Origanum-----	10% ad val.	<u>2/</u>	7.5% ad val.
161.75	Parsley-----	20% ad val.	<u>2/</u>	15% ad val.
161.92	Rosemary-----	10% ad val.	9% ad val.	7.5% ad val.
161.96	Sage, ground or rubbed.	3¢ per lb.	<u>2/</u>	1.5¢ per lb.
162.03	Savory-----	10% ad val.	9% ad val.	7.5% ad val.
162.07	Tarragon-----	10% ad val.	<u>2/</u>	7.5% ad val.
162.11	Thyme-----	10% ad val.	<u>2/</u>	7.5% ad val.

1/ Duty not affected by the trade conference.

2/ The first staged rate which became effective Jan. 1, 1968, continues in effect until Jan. 1, 1970.

No ad valorem equivalent has been computed for the 3-cents-per-pound rate of duty previously applicable to ground or rubbed sage inasmuch as there have been no reported imports in recent years.

U.S. consumption, producers and production

The consumption of processed herbs has increased in recent years due to population growth and the wider use of seasonings both in home and in restaurant preparation of foods. Data are not available on U.S. production of individual herbs; however, total shipments of spices (including herbs) by processors were valued at \$152.7 million in 1963. On a quantity basis, 40 percent of these products were sold in consumer size packages and 60 percent were packaged for use by food processors.

There are an estimated 110 processors of the herbs included here located throughout the United States. Most processors of herbs process all spices and usually handle other products, such as coffee and tea. Spices usually account for a major portion of the processor's income.

U.S. exports and imports

U.S. exports of the prepared herbs included in this summary are not separately reported but are believed to have been small. Canada, Mexico, and Western Europe have been the principal destinations for exported herbs.

Most herbs enter the United States in the crude form and imports of processed herbs are small. Separate data are not available on imports of processed herbs prior to August 31, 1963. Total imports of the herbs included in this summary averaged about 127,000 pounds, valued at \$61,000 annually during 1964-67 (table 1). The principal items imported were mint leaves and parsley leaves. Imports of mint leaves, which averaged 30,000 pounds, valued at \$19,000 annually in 1964-67, were principally from West Germany and Egypt (table 2). Imports of parsley averaged 89,000 pounds, valued at \$39,000 annually in 1964-67 (table 3) and were principally from West Germany, the Netherlands, Yugoslavia and Belgium.

CERTAIN HERBS, PROCESSED

Table 1.--Processed herbs: U.S. imports for consumption
by type, Sept.-Dec. 1963 and 1964-67

Herb	Sept.-Dec. 1963	1964	1965	1966	1967
Quantity (pounds)					
Marjoram----	-	5,727	-	-	-
Mint-----	1,446	32,092	18,881	44,545	25,690
Origanum----	2,000	9,600	9,651	5,000	-
Parsley-----	8,448	57,629	111,462	47,373	141,034
Savory-----	-	135	-	-	-
Tarragon----	-	-	-	-	220
Thyme-----	1,430	-	-	-	-
Total----	13,324	105,183	139,994	96,918	166,724
Value					
Marjoram----	-	\$1,475	-	-	-
Mint-----	\$2,348	15,278	\$14,628	\$24,611	\$23,449
Origanum----	400	2,280	2,470	1,600	-
Parsley-----	4,696	21,390	50,564	19,773	64,702
Savory-----	-	102	-	-	-
Tarragon----	-	-	-	-	419
Thyme-----	398	-	-	-	-
Total----	7,842	40,525	67,662	45,984	88,151
Unit value (per pound)					
Marjoram----	-	\$0.25	-	-	-
Mint-----	\$1.62	.48	\$0.77	\$0.55	\$0.91
Origanum----	.20	.24	.26	.32	-
Parsley-----	.56	.37	.45	.42	.46
Savory-----	-	.76	-	-	-
Tarragon----	-	-	-	-	1.90
Thyme-----	.28	-	-	-	-
Average--	.59	.39	.48	.47	.53

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

Note.--There were no reported imports of the other items included in this summary in the period September 1963 through 1967.

Table 2.--Mint leaves, other than crude or unmanufactured: U.S. imports for consumption, by principal sources, September-December 1963 and 1964-67

Source	Sept.-Dec. 1963	1964	1965	1966	1967
Quantity (pounds)					
West Germany--:	1,375	4,354	5,833	18,276	6,620
Egypt-----:	-	15,901	9,296	15,524	12,083
Switzerland---:	-	-	-	-	4,862
Italy-----:	-	-	-	6,639	-
All other-----:	71	11,837	3,752	4,106	2,125
Total-----:	1,446	32,092	18,881	44,545	25,690
Value					
West Germany--:	\$2,087	\$5,828	\$9,563	\$13,631	\$12,845
Egypt-----:	-	5,895	3,429	6,471	5,927
Switzerland---:	-	-	-	-	4,114
Italy-----:	-	-	-	3,051	-
All other-----:	261	3,555	1,636	1,458	563
Total-----:	2,348	15,278	14,628	24,611	23,449
Unit value (per pound)					
West Germany--:	\$1.52	\$1.34	\$1.64	\$0.75	\$1.94
Egypt-----:	-	.37	.37	.42	.49
Switzerland---:	-	-	-	-	.85
Italy-----:	-	-	-	.46	-
All other-----:	3.68	.30	.44	.36	.26
Average---:	1.62	.48	.77	.55	.91

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

CERTAIN HERBS, PROCESSED

Table 3.--Parsley, other than crude or unmanufactured; U.S. imports for consumption, by principal sources, September-December 1963 and 1964-67

Source	Sept.-Dec. 1963	1964	1965	1966	1967
Quantity (pounds)					
West Germany--	8,448	18,096	50,507	21,637	52,274
Belgium-----	-	4,409	19,393	9,104	47,423
Portugal-----	-	-	7,008	-	6,420
Yugoslavia----	-	32,920	18,292	7,531	9,438
Hungary-----	-	-	-	2,205	6,923
Netherlands---	-	-	14,162	6,896	5,906
All other-----	-	2,204	2,100	-	12,650
Total-----	8,448	57,629	111,462	47,373	141,034
Value					
West Germany--	\$4,696	\$8,693	\$28,920	\$11,840	\$29,141
Belgium-----	-	1,153	4,725	2,454	18,423
Portugal-----	-	-	4,056	-	3,732
Yugoslavia----	-	10,883	4,748	2,040	3,525
Hungary-----	-	-	-	1,004	3,401
Netherlands---	-	-	7,515	2,435	2,928
All other-----	-	661	600	-	3,552
Total-----	4,696	21,390	50,564	19,773	64,702
Unit value (cents per pound)					
West Germany--	56	48	57	55	56
Belgium-----	-	26	24	27	39
Portugal-----	-	-	58	-	58
Yugoslavia----	-	33	26	27	37
Hungary-----	-	-	-	46	49
Netherlands---	-	-	53	35	50
All other-----	-	30	28	-	28
Average---	56	37	45	42	46

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

<u>Commodity</u>	<u>TSUS item</u>
Capers-----	161.07

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Capers are not grown in the United States; imports, almost entirely from Spain, Morocco, and Algeria, ranged in value from \$368,000 to \$537,000 annually during 1963-67.

Comment

Capers are the unopened flower buds of the caper bush, a climbing shrub which grows wild or semiwild in the countries bordering the Mediterranean Sea. Capers are picked during the summer and fall months, dried, and stored in vinegar. They are graded according to size and shipped in barrels or bottles, with vinegar, salt, or brine. Capers are used as pickles, and as a garnish or condiment in gourmet sauces, salads, and fish dishes.

The column 1 rate of duty applicable to imports (see general headnote 3 in the TSUSA-1969) is 16 percent ad valorem.

Item 161.07 was not one on which the United States granted a concession in the recently concluded sixth (Kennedy) round of trade negotiations conducted under the General Agreement on Tariffs and Trade (GATT). The 16 percent ad valorem rate of duty became effective on January 1, 1964; from the effective date of the TSUS on August 31, 1963, to December 31, 1963, the GATT rate of duty was 18 percent ad valorem.

Domestic consumption of capers is supplied entirely by imports; there is no known domestic production of capers. Capers are imported in bulk and in small containers; those imported in bulk are for re-packaging in this country or for use by food manufacturers. Most of the imports enter in the bulk form. During the period 1963-67, U.S. imports of capers averaged 2.1 million pounds, valued at \$441,000, annually (see accompanying table). Virtually all of the imports in this period were from Spain, Morocco, and Algeria. Most of the imports from Spain and Algeria went to Puerto Rico whereas those from Morocco entered at New York.

U.S. exports of capers are not separately reported but are believed to be nil.

Data on world production and trade is unavailable; however, it is known that production is limited principally to Spain, France, Italy, Greece, Turkey, Algeria, and Morocco.

Capers: U.S. imports for consumption, by principal sources, 1963-67

Country	1963 ^{1/}	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Spain-----	893	945	999	1,215	1,309
Morocco-----	971	1,031	807	1,264	865
Algeria-----	106	169	22	-	77
All other-----	14	3	26	3	^{2/}
Total-----	1,984	2,148	1,854	2,482	2,251
	Value (1,000 dollars)				
Spain-----	181	213	197	217	282
Morocco-----	188	210	161	226	242
Algeria-----	23	37	5	-	13
All other-----	3	1	5	2	^{3/}
Total-----	395	461	368	445	537

^{1/} Data for 1963 are estimated.

^{2/} Less than 500 pounds.

^{3/} Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Capers are not produced in the United States; U.S. exports of capers are believed to be nil.

<u>Commodity</u>	<u>TSUS item</u>
Cassia, cassia buds, and cassia vera; ground---	161.15
Cinnamon and cinnamon chips, ground-----	161.19
Cloves and clove stems, ground-----	161.23
Curry and curry powder-----	161.29
Ginger root, not candied or preserved, ground--	161.37
Mace:	
Bombay or wild, ground-----	161.45
Other, ground-----	161.49
Nutmegs, ground-----	161.65
Pepper, black or white, ground-----	161.79
Pimento (allspice), ground-----	161.88
Mixed spices, and spices and spice seeds, not elsewhere enumerated-----	162.15

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

In the United States most of the ground spices are processed from imported crude spices. Imports of ground spices are negligible and are exceeded by exports. The imports have consisted principally of curry powder and of mixed spices formulated for use in manufacturing food products such as sausage.

Description and uses

This summary includes the following ground spices: cassia, cinnamon, cloves, ginger root, mace (including Bombay or wild), nutmegs, black or white pepper, and pimento or allspice. The description and uses of these spices is included in a preceding summary in this volume on "Spices, crude or processed; and certain spices, unground" (beginning with TSUS item 161.01 through item 162.13). In addition, this summary includes curry and curry powder, mixed spices in crude or other forms, and spices and spice seeds not elsewhere enumerated in crude or other forms.

The curry of domestic commerce is ordinarily curry powder, a blend of numerous ground spices prepared according to various formulas. The ingredients most frequently used include tumeric, fenugreek, ginger, black and cayenne pepper, coriander, and caraway. Other spices which can be used are anise, laurel, cinnamon, celery seed, cloves, cummin, dill, fennel, garlic, mace, mustard, paprika, and saffron. Among the many uses for curry powder are the flavoring of

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
161.15:	Cassia, cassia buds, and cassia vera; ground.	3¢ per lb.	2.4¢ per lb.	1.5¢ per lb.
161.19:	Cinnamon and cinnamon chips, ground.	3¢ per lb.	2.4¢ per lb.	1.5¢ per lb.
161.23:	Cloves and clove stems, ground.	3¢ per lb.	<u>1/</u>	<u>1/</u>
161.29:	Curry and curry powder--	1.2¢ per lb.	0.7¢ per lb.	Free
161.37:	Ginger root, not candied; or preserved, ground.	2¢ per lb.	1.6¢ per lb.	1¢ per lb.
	Mace:			
161.45:	Bombay or wild, ground.	15¢ per lb.	12¢ per lb.	7.5¢ per lb.
161.49:	Other, ground-----	4¢ per lb.	2.4¢ per lb.	Free
161.65:	Nutmegs, ground-----	3¢ per lb.	2.4¢ per lb.	1.5¢ per lb.
161.79:	Pepper, black or white, ground.	3¢ per lb.	2.4¢ per lb.	1.5¢ per lb.
161.88:	Pimento (allspice), ground.	2¢ per lb.	1.6¢ per lb.	1¢ per lb.
162.15:	Mixed spices, and spices, and spice seeds, not elsewhere enumerated.	10% ad val.	9% ad val. <u>2/</u>	7.5% ad val.

1/ Duty not affected by the trade conference.

2/ The first staged rate which became effective Jan. 1, 1968 continues in effect until Jan. 1, 1970.

The tabulation above shows the column 1 rates of duty in effect under the TSUS prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade. Only the second and final (fifth) stages of the annual rate modifications are shown above (see the TSUSA-1969 for the other stages).

rice, veal, chicken, shrimp, fish, meat, stews, eggs, vegetables, and other dishes.

The mixed spices included in this summary consist principally of those used in pickling and in seasoning sausages and other prepared meats; the formulas for these spice mixtures vary widely. Those spices referred to as "herbs, leaves, flowers, barks, roots, seeds, or other parts of certain plants, which have practically no food value but are capable of being directly used . . . for culinary purposes as a seasoning or garnishment" and which are not elsewhere enumerated in the tariff schedules, are also included in this summary. The term spices as used hereafter in this summary, when referring to spices generally, includes herbs and the other products noted in the preceding sentence. One of the more important nonenumerated spices included here is dried and roasted chili pepper seed which is used in making chili powder. Saffron, which is used both for culinary purposes and as a dye, is provided for as a dyeing or tanning product under TSUS items 470.10-470.15. Celery seed is provided for as a garden or field seed under item 126.21.

170 CERTAIN GROUND SPICES; MIXED SPICES; AND NONENUMERATED SPICES

The average ad valorem equivalents of the specific rates of duty in effect at the end of 1967, based on dutiable imports in 1967, were as follows:

<u>TSUS item</u>	<u>Percent</u>
161.29-----	1.8
161.37-----	<u>1/</u> 2.9
161.65-----	<u>2/</u> 16.4
161.79-----	1.1

1/ Based on imports in 1966; there were no imports in 1967.

2/ Based on imports in 1965; there were no imports in 1966 or 1967.

The ad valorem equivalents shown above were representative of the level of duty on the bulk of imports of the respective items. No ad valorem equivalents have been calculated for the other ground spices subject to specific rates of duty as there have been no reported imports of these products in recent years.

U.S. consumption, producers, and production

U.S. annual consumption of ground spices, measured by U.S. imports of spices in crude form, was 30 percent greater in 1963-65 than in 1948-50. Most of the imported crude spices are ground by spice packers before sale to consumers and food processors. The total value of spice and herb shipments by processors in 1963 amounted to \$152.7 million. On a quantity basis, 40 percent of the spices are packaged for home use and 60 percent for use by food processors and institutional users.

There are an estimated 110 spice processors located throughout the United States. Most spice processors also handle other products, such as coffee and tea; spices, however, usually account for a major portion of the processor's income.

U.S. exports and imports

U.S. exports of the spices included in this summary are not separately reported; however, they are known to have been larger than the imports. During each of the years 1963-67, exports were estimated at less than 3 million pounds, valued at about \$2.5 million. Canada and Mexico have been the principal destinations.

U.S. imports of ground spices have been negligible principally because domestic food processors usually prefer whole or domestically processed spices to those imported in the ground form. Ground spices

February 1969

1:9

lose their volatile flavor constituents much more rapidly than do whole spices and, consequently, cannot be stored for as long a time as whole spices. In addition, it is easier to maintain quality control over whole spices than on ground spices.

Curry powder and mixed spices have been the principal articles imported. Imports of curry powder averaged 41,000 pounds, valued at \$21,000 annually during 1963-67 (see accompanying table). India and Japan have been the principal sources in most recent years. During 1963-67 the quantity of imported mixed spices and spices not enumerated elsewhere ranged from 20,000 pounds to 165,000 pounds per year while the value ranged from \$16,000 to \$31,000 annually. The most important and consistent supplier of imported mixed spices in recent years has been West Germany. Imports of mixed spices have consisted principally of special formulations for use in seasoning sausages and other prepared foods. Imports from Mexico in 1964, amounting to 132,000 pounds, valued at \$7,000, consisted entirely of dried and roasted chili pepper seed for use in the manufacture of chili powder.

Spices generally move in international trade in the whole form; ground spices are minor items in such trade.

172 CERTAIN GROUND SPICES; MIXED SPICES; AND NONENUMERATED SPICES

Certain ground spices; mixed spices; and spices not elsewhere
enumerated: U.S. imports for consumption, by type, 1963-67

Spice <u>1/</u>	1963	1964	1965	1966	1967
	Quantity (pounds)				
Curry powder-----	40,075	33,289	60,666	22,697	47,435
Ginger root-----	-	-	-	11,230	-
Nutmegs-----	<u>2/</u> 533	-	40,500	-	-
Pepper, black or					
white-----	-	-	-	3,000	1,000
Mixed spices and					
spices not elsewhere:					
enumerated <u>3/</u> -----	71,242	165,410	19,526	66,882	46,383
Total-----	111,850	198,699	120,692	103,809	94,818
	Value				
Curry powder-----	\$20,204	\$18,609	\$23,199	\$12,128	\$31,720
Ginger root-----	-	-	-	4,263	-
Nutmegs-----	<u>2/</u> 395	-	7,421	-	-
Pepper, black or					
white-----	-	-	-	575	2,770
Mixed spices and					
spices not elsewhere:					
enumerated <u>3/</u> -----	28,650	22,293	15,920	21,206	30,997
Total-----	49,249	40,902	46,540	38,172	65,487

1/ There were no imports of cassia, cinnamon, cloves, mace, and pimento during 1963-67.

2/ Data are for the class "ground cinnamon, clove stems, nutmegs, and black and white pepper."

3/ Data for 1963 does not include reported imports from India, all of which are believed to have consisted of dill seed (see TSUS item 161.31).

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

<u>Commodity</u>	<u>TSUS item</u>
Mustard, ground or prepared-----	161.59

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

U.S. foreign trade in ground and prepared mustard is small in comparison to domestic production. The United States is a net exporter of prepared mustard; exports in 1965-67 averaged about 2.3 million pounds (about 1 percent of U.S. production), valued at \$524,000 annually and consisted principally of prepared mustard. Imports during the period 1963-67 averaged 1.1 million pounds (about one-half percent of U.S. consumption), valued at \$500,000 annually and consisted principally of mustard flour.

Description and uses

This summary includes: (1) Ground mustard seed or mustard meal, the ground unhulled seed; (2) mustard flour, the ground seed with most of the hulls removed and with or without the removal of part of the fixed oil; and (3) prepared mustard, a paste composed of a mixture of ground mustard seed or mustard flour and sweetening agents, salt, vinegar and other spices (often including tumeric). Most of the mustard consumed in the United States is in the form of prepared mustard.

Most mustard flour is used in the production of prepared mustard. Some is also used in the manufacture of certain types of pickles and for seasoning various prepared foods. Prepared mustard is a popular seasoning for meats (particularly sandwich meats) meat dishes, and other prepared foods.

MUSTARD, GROUND OR PREPARED

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
161.59	Mustard, ground or prepared	3.4¢ per lb.	2.8¢ per lb.	2¢ per lb.

The above tabulation shows the column 1 rate in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second and final (fifth) stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the rate stages).

The 3.4-cents-per-pound rate, which was in effect prior to January 1, 1968, had been in effect since January 1, 1964; from the effective date of the TSUS on August 31, 1963, to December 31, 1963, the rate of duty was 3.8¢ per pound. The 3.4-cents-per-pound rate of duty was equivalent to 7.2 percent ad valorem, based on the imports in 1967; based on imports from individual countries, the ad valorem equivalent of the duty ranged from 4.2 percent on the imports from France to 8.6 percent on these from Denmark.

U.S. consumption, producers, and production

U.S. consumption of prepared mustard has increased slowly with population growth. Shipments by domestic manufacturers increased 12 percent from 1958 to 1963, or from 21.6 million gallons, valued at \$21.6 million to 24.1 million gallons, valued at \$30.4 million.

In 1965 there were about 50 firms producing prepared mustard. These firms vary widely in size and are distributed throughout the country. A few large firms distributing nationally advertised brands control a large share of the market.

U.S. exports and imports

U.S. exports of ground or prepared mustard were not separately reported prior to 1965. In 1965-67, annual exports averaged 2.3 million pounds, valued at \$524,000 (table 1) and consisted principally of prepared mustard. Canada and Mexico were the principal destinations.

Annual U.S. imports of mustard (most of it mustard flour) during the period 1963-67 averaged about 1.1 million pounds, valued at \$500,000 (table 2) or about 14 percent more per year than during 1958-62. The United Kingdom supplied about 84 percent of the ground or prepared mustard imported during 1963-67; mustard flour from the United Kingdom is mixed with domestic mustard flour in the preparation of prepared or wet mustard. Most of the mustard imported from France consists of high quality prepared mustard which sells at prices above those of the domestic product.

MUSTARD, GROUND OR PREPARED

Table 1.--Mustard, ground or prepared: U.S. exports of domestic merchandise, by principal destinations, 1965-67

Country	1965	1966	1967
Quantity (1,000 pounds)			
Canada-----	1,149	2,023	253
Mexico-----	310	243	262
Japan-----	83	82	69
Ecuador-----	57	65	51
Republic of South Africa-----	40	307	28
Bolivia-----	68	73	10
Jamaica-----	44	5	5
All other-----	535	465	676
Total-----	2,286	3,263	1,354
Value (1,000 dollars)			
Canada-----	286	517	79
Mexico-----	34	27	31
Japan-----	18	18	16
Ecuador-----	14	19	14
Republic of South Africa-----	12	37	8
Bolivia-----	15	12	3
Jamaica-----	13	1	1
All other-----	130	114	152
Total-----	522	745	304

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

Note.--Exports of ground or prepared mustard were not separately reported prior to 1965.

Table 2.--Mustard, ground or prepared: U.S. imports for consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
United Kingdom-----	877	851	1,002	962	955
France-----	64	79	93	95	127
West Germany-----	71	64	67	85	73
All other-----	20	23	22	17	10
Total-----	1,032	1,017	1,184	1,159	1,165
Value (1,000 dollars)					
United Kingdom-----	373	363	404	375	406
France-----	45	62	65	77	102
West Germany-----	39	33	36	44	39
All other-----	9	9	9	6	5
Total-----	466	467	514	502	552
Unit value (cents per pound)					
United Kingdom-----	42.5	42.6	40.3	39.0	42.5
France-----	70.9	78.8	70.4	80.6	80.1
West Germany-----	54.7	51.9	53.7	51.0	53.0
All other-----	46.0	40.6	39.7	46.3	56.5
Average-----	45.2	45.9	43.4	43.3	47.4

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

<u>Commodity</u>	<u>TSUS item</u>
Mustard seeds, whole-----	161.61

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Mustard seed is of minor importance as a field crop in the United States. The United States is a net importer of mustard seed. In recent years imports have supplied about half of the mustard seed consumed in the United States.

Description and uses

Mustard seeds are small, round, and smooth seeds of several annual plants of the genus Brassica. The kinds used commercially include yellow (or white) mustard seed, brown (or black) mustard seed, and oriental mustard seed. All three kinds are used principally for making prepared mustard and mustard flour. Brown and oriental mustard seeds are mild or bland while yellow mustard seed is hot or pungent; such differences affect the characteristics and the quality of the products made from the seed. Mustard seed is also used in the manufacture of pickles, as an ingredient in spice mixtures, and in certain medical preparations. A further use for mustard seed is as an oilseed. Oriental mustard seed is higher in oil content than yellow and brown mustard seed; however, in the United States, not even oriental mustard seed is produced specifically for oil production. In certain areas of the world, mustard seed is produced for its oil content. This summary includes only whole mustard seeds; mustard flour and prepared mustard (item 161.59) are covered by a separate summary.

U.S. tariff treatment

The column 1 rates of duty applicable to imports (see general headnote 3 in the TSUSA-1969) are as follows:

MUSTARD SEED

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
161.61	Mustard seeds, whole----	0.875¢ per lb.	0.7¢ per lb.	0.43¢ per lb.

The above tabulation shows the column 1 rate of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade. Only the second and final stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the rate stages).

The ad valorem equivalent of the 0.875-cent-per-pound rate of duty averaged 12.6 percent based on imports in 1967. Based on imports from individual countries, the ad valorem equivalent of the duty ranged from 4.4 to 13.1 percent.

U.S. consumption

Annual consumption estimates based solely on production, import, and export data without adjustment for stocks, fluctuate too widely to accurately reflect year-to-year changes (table 1). Available information indicates that domestic consumption of mustard seed had increased slowly, averaging about 66 million pounds annually during 1961-65 compared with about 51 million pounds in 1955-59. Population growth is the principal cause of increased mustard seed consumption.

U.S. producers and production

The production of mustard seed has shifted geographically in recent years. Prior to 1962, Montana and California were the principal producing States; recently, production in these areas declined while that in North Dakota and Minnesota increased. In Montana, California, and North Dakota, mustard seed is the product of dry farming and is raised in conjunction with wheat; mustard seed (or wheat) is alternated with fallow to produce a crop in the semiarid areas. In Minnesota, mustard is included in the crop rotation, often taking the place of small grains as a nurse crop in establishing hay crops. Most producers derive the greater part of their income from crops other than mustard seed.

February 1969

1:1

In 1963 mustard seed was grown on 35,000 acres in Montana, 25,000 acres in Minnesota, and 380 acres in California. The number of acres devoted to mustard seed in North Dakota is not available. Production of mustard seed has fluctuated widely from year to year depending on weather conditions and the relative advantages of growing alternative crops, particularly wheat. In the last decade, U.S. production ranged irregularly from 13 to 60 million pounds and averaged about 30 million pounds annually. Most of the mustard seed produced in the United States in recent years was grown under contract with seed dealers.

U.S. exports and imports

U.S. exports of oriental mustard seed declined from 1.1 million pounds, valued at \$73,000, in 1960 to 43,000 pounds, valued at \$2,000, in 1964, the decline coinciding with the shift in production from Montana, where most of the oriental seed was grown, to North Dakota and Minnesota, where yellow mustard seed is the principal type produced (exports of this seed have not been separately reported since 1964). There were no large consistent markets for U.S. exports of oriental mustard seed in recent years (table 2). The Republic of South Africa and Venezuela have regularly received small shipments with occasional large shipments going to Canada, West Germany, and Japan. U.S. exports of yellow and brown mustard seed are not separately reported but are believed to be negligible.

During the period 1963-67, U.S. imports of mustard seed averaged 38.3 million pounds annually and ranged from 67.6 million pounds, valued at \$4.7 million, to 22.2 million pounds, valued at \$1.3 million. Imports during 1963-67 were 47 percent larger than those in 1958-62. The volume of imports depends primarily on the price in the U.S. market, which fluctuates with the size of the domestic crop and consumer requirements. Canada and Denmark have been the principal sources of imports in recent years (table 3).

Mustard seed imported from Canada is comparable in quality to domestically produced seed and is not distinguished from it on the domestic market. Much of the mustard seed imported from Canada was produced under contract with U.S. seed dealers, an arrangement resulting in part from a lack of interest in producing mustard seed by U.S. farmers. Yellow mustard seed from Europe is preferred by some domestic manufacturers of mustard products for certain uses. In recent years imports have supplied about 60 percent of the total mustard seed consumed in the United States.

MUSTARD SEED

Table 1.--Mustard seeds, whole: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1963-67

(In thousands of pounds)						
Year	Production	Imports	Exports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption	
1963-----	55,000	28,681	133	83,548		34.3
1964-----	60,000	22,226	43	82,183		27.0
1965-----	51,000	30,492	2/	2/		2/
1966-----	2/	52,383	2/	2/		2/
1967-----	2/	67,575	2/	2/		2/

^{1/} Oriental mustard seed only; exports of yellow and brown mustard seed are not separately reported, but are believed to be negligible.

^{2/} Not available.

Source: Production compiled from official statistics of the U.S. Department of Agriculture; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Oriental mustard seeds: U.S. exports of domestic merchandise, by principal markets, 1960-64

Market	1960	1961	1962	1963	1964
	Quantity (1,000 pounds)				
Republic of South Africa <u>1</u> /-----	-	37	37	37	33
Venezuela-----	10	10	11	67	10
Italy-----	-	-	-	16	-
Guatemala-----	-	-	-	13	-
West Germany-----	68	-	543	-	-
Canada-----	-	389	432	-	-
Mexico-----	-	82	-	-	-
Republic of the Philippines-----	-	17	-	-	-
Japan-----	1,053	-	-	-	-
Hong Kong-----	4	-	-	-	-
Total-----	1,136	535	1,023	133	43
	Value (1,000 dollars)				
Republic of South Africa <u>1</u> /-----	-	2	1	1	1
Venezuela-----	1	1	1	4	1
Italy-----	-	-	-	1	-
Guatemala-----	-	-	-	1	-
West Germany-----	5	-	30	-	-
Canada-----	-	22	22	-	-
Mexico-----	-	4	-	-	-
Republic of the Philippines-----	-	1	-	-	-
Japan-----	67	-	-	-	-
Hong Kong-----	1	-	-	-	-
Total-----	73	30	54	7	2

1/ Formerly the Union of South Africa.

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

Note.--Data for 1965-67 are not available.

MUSTARD SEED

Table 3.--Mustard seeds, whole: U.S. imports for consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
	Quantity (1,000 pounds)				
Canada-----	17,603	16,542	24,510	50,261	62,737
Denmark-----	9,889	5,084	4,901	1,005	3,751
Italy-----	280	205	383	259	429
Ethiopia-----	448	176	372	390	404
United Kingdom-----	188	218	272	219	232
Netherlands-----	2	1	-	-	-
France-----	71	-	-	-	-
All other-----	200	-	54	249	22
Total-----	28,681	22,226	30,492	52,383	67,575
	Value (1,000 dollars)				
Canada-----	1,063	955	1,493	3,114	4,192
Denmark-----	539	274	338	92	317
Italy-----	31	24	47	36	85
Ethiopia-----	34	14	34	58	62
United Kingdom-----	16	18	27	28	29
Netherlands-----	1/	1/	-	-	-
France-----	3	-	-	-	-
All other-----	17	-	13	37	3
Total-----	1,703	1,285	1,952	3,365	4,688

1/ Less than \$500.

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

<u>Commodity</u>	<u>TSUS item</u>
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Paprika, ground or not ground-- 161.71

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Imports supplied about 60 percent of the paprika consumed in the United States during 1963-67. Imports and domestic production both increased in this period; in 1967 the farm value of production was about \$2.1 million. Exports have been negligible in recent years.

Description and uses

Paprika is the dried ripe fruit of several sweet or very mildly pungent varieties of the red pepper plant (Capsicum annum). The sweet varieties contain no capsaicin while the mildly pungent varieties contain small amounts. Capsaicin is the ingredient in peppers that, when eaten, gives the tongue a burning sensation.

Paprika peppers are usually grown on irrigated land and require a long growing season. The peppers are harvested by hand when fully mature; several pickings are necessary inasmuch as not all of the crop ripens at once and the color of the fruit is important in the quality of paprika. The ripe peppers are sliced or chopped and dried (usually in gas-fired tunnel dehydrators in the United States and are sun-dried in foreign countries). The peppers lose about 80 percent of their weight in the dehydration process. The dried peppers (paprika) are ground and stored under refrigeration before being blended to established grades of color, moisture, and capsaicin content.

Paprika is used in the ground form as a seasoning and coloring agent in prepared meats, catsup, sauces, and various other food products, and as a garnish with meals. Food manufacturers use both the sweet and mildly pungent types; in home cooking sweet paprika is used more extensively than the mildly pungent varieties. There is no difference in usage between imported and domestic paprika.

U.S. tariff treatment

The current column 1 rate of duty applicable to imports (see general headnote 3 of the TSUSA-1969) is as follows:

<u>TSUS</u> <u>item</u>	<u>Commodity</u>	<u>Rate of duty</u>
161.71	Paprika, ground or not ground-----	5¢ per lb.

Paprika is not one of the items on which the United States granted concessions in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT) and no previous GATT concession was granted on this article. The rates of duty for paprika are the same, 5 cents per pound, for both columns 1 and 2 of the TSUSA; this rate, therefore, is applicable whether or not the paprika is the product of a Communist country or area.

Paprika is one of the few spices for which the rate of duty is the same on the ground and unground forms and most of the imports enter in the ground form. The ad valorem equivalent of the duty on paprika--14.1 percent on 1967 imports--is not meaningful because of the variations in unit value of the imports by country and by year. During 1963-67 the average unit values of the imports by country (in cents per pound) ranged as follows:

Spain-----	30-37
Bulgaria-----	27-36
Morocco-----	25-31
Yugoslavia-----	27-33
Hungary-----	28-60
All other-----	20-33

U.S. consumption

Annual U.S. apparent consumption of paprika increased from 16.3 million pounds in 1963 to 19.8 million pounds in 1967. Imports supplied from 57 to 64 percent of the paprika consumed annually in the period 1963-67. Consumption has increased in part with the greater production of prepared meats, catsup, and chili sauce; it also appears there has been some increase in the use of spices in restaurant and home cooking.

U.S. producers and production

Domestic production of paprika is virtually confined to California. Four major processors have accounted for about 95 percent of U.S. production of ground paprika in recent years. Paprika has accounted for

February 1969

about 25 percent of the processors' sales; chili powder and chili pepper have made up most of the remainder.

The peppers from which paprika is ground are grown to a limited extent by some of the processing companies; however, independent farmers, under contract to the processing firms, account for most of the production. During the period 1963-67 annual U.S. production of paprika (table 1) increased rapidly from 6.2 million pounds (dry weight) in 1963 to 8.1 million pounds in 1967 and averaged about twice as large as that in the preceding 5-year period. The acreage of paprika peppers harvested for drying increased from 875 in 1958 to 2,800 in 1967.

U.S. trade

U.S. exports of paprika are not separately reported, but are believed to be negligible. Trade sources indicate that Canada is the only foreign market for U.S. paprika.

U.S. imports of paprika, 11.7 million pounds valued at \$4.2 million in 1967 (table 2), increased irregularly until 1965 and have since declined slightly. Annual U.S. imports averaged about 11.2 million pounds in 1963-67 and were about 25 percent larger than the annual average imports during the preceding 5-year period. Imports, which have historically provided most of the paprika consumed in the United States, accounted for 61 percent of the consumption in 1963-67.

In the period 1963-67 Spain supplied about half of the annual U.S. imports of paprika; Bulgaria, Morocco, Yugoslavia, and Hungary were the other principal suppliers. These countries of the southern European and Mediterranean basin area, which have a climate favorable to the growing of paprika, are major world producers of paprika.

PAPRIKA

Table 1.--Paprika: U.S. production, imports for consumption, and apparent consumption, 1963-67

(Quantity in thousands of pounds; value in thousands of dollars)

Year	Production	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity				
1963-----	6,200	10,081	16,281	62
1964-----	7,600	10,067	17,667	57
1965-----	7,120	12,439	19,559	64
1966-----	7,320	11,890	19,210	62
1967-----	8,060	11,727	19,787	59
Value				
1963-----	<u>1/</u> 1,621	3,125	<u>2/</u>	<u>2/</u>
1964-----	<u>1/</u> 2,101	3,435	<u>2/</u>	<u>2/</u>
1965-----	<u>1/</u> 1,930	3,576	<u>2/</u>	<u>2/</u>
1966-----	<u>1/</u> 2,039	4,094	<u>2/</u>	<u>2/</u>
1967-----	<u>1/</u> 2,104	4,168	<u>2/</u>	<u>2/</u>

1/ Estimated farm value based on average unit value of chili and paprika peppers for drying.

2/ Not meaningful.

Source: Production compiled from official statistics of the U.S. Department of Agriculture; imports compiled from official statistics of the U.S. Department of Commerce.

Note.--U.S. exports of paprika are not reported separately but are believed to be negligible.

PAPRIKA

Table 2.--Paprika: U.S. imports for consumption,
by principal sources, 1963-67

Source	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Spain-----	5,365	5,173	6,791	5,931	5,314
Morocco-----	1,143	1,680	1,632	2,131	2,712
Bulgaria-----	1,309	908	1,861	2,321	1,637
Hungary-----	153	356	343	485	518
Yugoslavia-----	938	1,161	1,317	390	708
All other-----	1,173	789	495	632	838
Total-----	10,081	10,067	12,439	11,890	11,727
Value (1,000 dollars)					
Spain-----	1,760	1,937	2,045	2,206	1,971
Morocco-----	345	516	407	619	787
Bulgaria-----	343	278	570	814	586
Hungary-----	54	146	97	162	311
Yugoslavia-----	289	363	356	120	236
All other-----	334	195	101	173	277
Total-----	3,125	3,435	3,576	4,094	4,168
Unit value (cents per pound)					
Spain-----	32.8	37.4	30.1	37.2	37.1
Morocco-----	30.2	30.7	25.0	29.0	29.0
Bulgaria-----	26.6	30.6	30.6	35.1	35.8
Hungary-----	35.3	41.0	28.3	33.4	60.1
Yugoslavia-----	30.8	31.3	27.0	30.8	33.3
All other-----	28.5	24.7	20.4	27.4	33.1
Average-----	31.0	34.1	28.7	34.4	35.5

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

<u>Commodity</u>	<u>TSUS item</u>
Capsicum, cayenne, or red pepper:	
Not ground:	
Anaheim and ancho-----	161.80
If product of Cuba-----	161.82
Other-----	161.83
Ground-----	161.84

Note.--For the statutory description, see the Tariff Schedules of the United States Annotated (TSUSA-1969).

U.S. trade position

Imports have supplied more than half of the U.S. consumption of the milder types and about a third of the pungent types of the capsicum peppers considered here. Notable increases have occurred recently in imports of both the milder forms that compete with U.S. mild peppers and the very hot types that are blended with domestic hot peppers for greater pungency.

Description and uses

Capsicum, cayenne, or red pepper is the dried fruit of the pungent varieties of the plant genus Capsicum, family Solanaceae. The fruit are used principally in the dried and ground form as a seasoning for foods (e.g., for soups, prepared meats, chili con carne, stews, curries, and sauces) and in pharmaceutical preparations. In the green or immature state such peppers (which are classifiable in item 137.10) are sometimes consumed fresh, although most of them in that stage of growth are used in the production of hot pickle preparations and relishes. Other capsicum peppers not included in this summary are (1) sweet garden or bell peppers (item 137.10), which are generally consumed as vegetables; (2) pimientos (item 141.60), which are sweet peppers used in salads and for stuffing olives; and (3) paprika (item 161.71), a mild or neutral capsicum used principally in the ground form as a food garnish. Black or white pepper (items 161.77 to 161.79, of the genus Piper) is unrelated botanically to capsicum peppers.

Capsicum peppers, usually grown on irrigated land, are hand harvested when fully mature. They are dried in gas-fired tunnel dryers, where about 80 percent of the weight of the fresh peppers is lost. The dried peppers are stored under refrigeration until they are ground and blended to various grades, based on the pungency or capsaicin content of the peppers. Capsaicin is the ingredient in these peppers which gives the tongue a burning sensation.

A number of varieties having different degrees of pungency are grown commercially. The large, heart-shaped ancho peppers and the Anaheim or "California long" are red, mildly hot varieties grown chiefly in the Southwestern United States and used principally in ground chili pepper (ground pepper with nothing added), and in chili powder (a blend of chili pepper and origanum, cummin seed, and other spices, classifiable in item 162.15). Capsicum peppers imported from Mexico are similar to and directly competitive with the aforementioned types.

Cayenne peppers are much smaller and hotter than the foregoing varieties and are grown chiefly in the Southern States for use in the production of hot red pepper and hot sauces. Most of the different varieties of capsicum peppers imported from Japan and Africa are blended with the less pungent varieties of domestic cayenne peppers to increase the pungency of ground red (cayenne) pepper and the sauces prepared from them. All of the peppers included herein are frequently referred to as capsicum chili peppers.

U.S. Tariff Treatment

The column 1 rates of duty applicable to imports (see general headnote 3 of the TSUSA-1969) are as follows:

TSUS item	Commodity	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
			Second stage, effective Jan. 1, 1969	Final stage, effective Jan. 1, 1972
	Capsicum, cayenne, or red pepper:			
	Not ground:			
161.80:	Anaheim or ancho-----	5¢ per lb.	<u>1</u> /	<u>1</u> /
161.82:	If product of Cuba--	4¢ per lb.	<u>1</u> /	<u>1</u> /
161.83:	Other-----	5¢ per lb.	4¢ per lb.	2.5¢ per lb.
161.84:	Ground-----	5.1¢ per lb.	<u>1</u> /	<u>1</u> /
<u>1</u> / Rate of duty not affected by the trade conference.				

The above tabulation shows the column 1 rates of duty in effect prior to January 1, 1968, and modifications therein as a result of concessions granted by the United States in the sixth round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). Only the second and final (fifth) stages of the annual rate modifications are shown above (see the TSUSA-1969 for all the stages).

The rate of duty applicable to unground Anaheim or ancho capsicum pepper (item 161.80) is that originally provided in the Tariff Act of 1930, under paragraph 781; it is not a trade-agreement rate. The rate of duty for item 161.80 is the same in columns 1 and 2 of the TSUSA and the 5 cents per pound rate is thus applicable whether or not the unground pepper is the product of a Communist country or area. The rates shown for other unground capsicum pepper (item 161.83) and ground capsicum pepper (item 161.84) have been in effect since January 1, 1969, and June 30, 1958, respectively, and reflect concessions granted by the United States in the GATT. The rate shown for item 161.82, the preferential rate for products of Cuba, was suspended on May 24, 1962. Imports from Cuba have been prohibited since February 7, 1962.

The ad valorem equivalent of the 5-cent-per-pound rate of duty on unground capsicum, cayenne, or red pepper, based on imports in 1967, averaged 22.6 percent. By country, it ranged from 30.1 percent for the imports from Mexico to 3.9 percent for those from Canada; the average of 22.6 percent, however, was representative for the bulk of the imports in 1967. Inasmuch as no peppers were imported from Cuba during 1963-67, no ad valorem equivalent of the specific rate has been calculated. The ad valorem equivalent of the 5.1-cents-per-pound rate applicable to the ground product averaged 20.3 percent in 1967, and was representative of the ad valorem rate of duty paid on imports from Mexico, which supplied the bulk of the imports in that year. The ad valorem equivalents of the rate of duty on the imports of such ground peppers from other countries ranged from 2.5 percent for the imports from West Germany to 26.9 percent for those from Pakistan.

U.S. consumption

U.S. consumption of capsicum chili peppers, which averaged about 26.2 million pounds (dry weight) annually during 1963-67 (table 1) has increased slowly in recent years. Consumption increased greatly during World War II when black and white pepper were in short supply and increased slowly since that time. The increased use of prepared meats and the growing popularity of Latin American dishes are in part responsible for the increased consumption of capsicum chili peppers.

U.S. producers and production

The 1959 United States Census of Agriculture indicated that capsicum chili peppers were produced on 11,600 acres, on 2,450 farms, in 37 States in that year. California, New Mexico, Louisiana, North Carolina, and South Carolina were the principal producing States. Production in California and New Mexico is largely of the type of pepper used in the production of chili powder and chili pepper. Output in other States is composed mostly of small, highly pungent peppers used in making ground cayenne or red pepper; they are also used to some extent fresh, canned, pickled, and in hot sauces and relishes. For most of the growers, capsicum chili peppers are one of several crops grown and supply only a small part of the producers' income.

The production of dried chili peppers in California, the only State for which annual data are available, has been declining irregularly in recent years. The following tabulation shows California production of dried chili peppers for the years 1963-67, as reported by the U.S. Department of Agriculture:

Year	Quantity	Value
	<u>1,000</u>	<u>1,000</u>
	<u>pounds</u>	<u>dollars</u>
1963-----	5,800	1,517
1964-----	4,520	1,250
1965-----	3,380	916
1966-----	5,240	1,459
1967-----	4,620	1,206

Production in other States is estimated to have averaged about 8 million pounds annually during 1963-67.

The number of firms processing capsicum chili peppers is small; a few large firms, most of them in California, account for the major part of the production. The equipment used to dehydrate and grind capsicum peppers has no other uses. For most of these firms, the processing of capsicum chili pepper provides the principal source of income.

U.S. exports and imports

U.S. exports of capsicum chili pepper are not separately reported but are believed to be small. Canada and Mexico are probably the principal markets for such exports.

During the period 1963-67, total annual U.S. imports of capsicum chili pepper increased from 7.3 million pounds, valued at \$1.5 million, in 1963 to 14.8 million pounds, valued at \$3.4 million, in 1967. The increased imports of capsicum peppers in recent years were accompanied by a partial shift in domestic production from capsicum chili peppers to a larger production of the milder paprika peppers. Imports of unground capsicum chili pepper ranged from 7.0 million pounds in 1963 to 11.5 million pounds in 1964 (table 2) and averaged about 50 percent more during 1963-67 than in the preceding 5-year period. Imports of the ground product increased greatly from 299,000 pounds, valued at \$7,000, in 1963 to 4.2 million pounds, valued at \$1.1 million, in 1967 (table 3). Mexico was the source of over 50 percent of the unground capsicum chili pepper and virtually all of the ground product imported during the period 1963-67. Other countries supplying unground chili pepper included Japan, Turkey, and Uganda.

Imports from Mexico are used in the production of chili powder and chili pepper. They are directly competitive with the capsicum chili peppers grown in California, Arizona, and New Mexico. Capsicum chili peppers imported from Japan, Turkey, Uganda, Ethiopia, and other African countries, because of their high capsaicin content, are blended with domestic peppers produced in Louisiana, Mississippi, and North and South Carolina to produce the hot grades of red and cayenne pepper.

Table 1.--Capsicum, cayenne, or red pepper, ground or unground: U.S. production, imports for consumption, and apparent consumption, 1963-67

(In thousands of pounds)

Year	Production	Imports	Apparent consumption	Ratio (percent) of imports to consumption
1963-----	13,800	7,291	21,091	35
1964-----	12,520	11,830	24,350	49
1965-----	11,380	13,024	24,404	53
1966-----	13,240	14,512	27,752	52
1967-----	12,620	14,807	27,427	54

Source: Production estimated, based on data on California production and Census of Agriculture; imports compiled from official statistics of the U.S. Department of Commerce.

Note.--Exports are not separately reported but are believed to be negligible.

Table 2.--Capsicum, cayenne, or red pepper, not ground: U.S.
imports for consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Mexico-----	2,946	7,447	5,630	6,500	5,700
Japan-----	3,007	2,251	3,174	2,881	3,063
Turkey-----	481	585	806	364	1,119
Uganda-----	1/ 323	179	220	299	70
All other-----	235	1,028	343	661	660
Total-----	6,992	11,490	10,173	10,705	10,612
Value (1,000 dollars)					
Mexico-----	601	1,501	1,105	1,208	945
Japan-----	612	467	641	704	874
Turkey-----	92	103	133	93	295
Uganda-----	1/ 56	26	66	139	22
All other-----	37	195	62	156	214
Total-----	1,398	2,292	2,007	2,300	2,350

1/ Data shown are for British East Africa and include shipments from the present political units of Kenya and Tanzania.

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

Table 3.--Capsicum, cayenne, or red pepper, ground: U.S. imports for consumption, by principal sources, 1963-67

Country	1963	1964	1965	1966	1967
Quantity (1,000 pounds)					
Mexico-----	197	190	2,788	3,769	4,118
Kenya-----	<u>1</u> / 100	93	30	19	4
Japan-----	2	2	11	19	<u>2</u> /
Turkey-----	-	43	22	-	-
All other-----	-	12	-	-	72
Total-----	299	340	2,851	3,807	4,194
Value (1,000 dollars)					
Mexico-----	28	41	699	944	1,022
Kenya-----	<u>1</u> / 28	15	5	4	1
Japan-----	1	1	2	5	<u>3</u> /
Turkey-----	-	8	4	-	-
All other-----	-	1	-	-	30
Total-----	57	66	710	953	1,053

1/ Data shown are for British East Africa and include shipments from the present political units of Uganda and Tanzania.

2/ Less than 500 pounds.

3/ Less than \$500.

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

A P P E N D I X A

Tariff Schedules of the United States Annotated (1969):
General headnotes and rules of interpretation, and
excerpts relating to the items included in this
volume.

NOTE: The shaded areas in this appendix cover
headnotes and TSUS items not included in the
summaries in this volume.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

GENERAL HEADNOTES AND RULES OF INTERPRETATION

Page 3

1. **Tariff Treatment of Imported Articles.** All articles imported into the customs territory of the United States from outside thereof are subject to duty or exempt therefrom as prescribed in general headnote 3.

2. **Customs Territory of the United States.** The term "customs territory of the United States", as used in the schedules, includes only the States, the District of Columbia, and Puerto Rico.

3. **Rates of Duty.** The rates of duty in the "Rates of Duty" columns numbered 1 and 2 of the schedules apply to articles imported into the customs territory of the United States as hereinafter provided in this headnote:

(a) **Products of Insular Possessions.**

(i) Except as provided in headnote 6 of schedule 7, part 2, subpart E, [and] except as provided in headnote 4 of schedule 7, part 7, subpart A, articles imported from insular possessions of the United States which are outside the customs territory of the United States are subject to the rates of duty set forth in column numbered 1 of the schedules, except that all such articles the growth or product of any such possession, or manufactured or produced in any such possession from materials the growth, product, or manufacture of any such possession or of the customs territory of the United States, or of both, which do not contain foreign materials to the value of more than 50 percent of their total value, coming to the customs territory of the United States directly from any such possession, and all articles previously imported into the customs territory of the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which were shipped from the United States, without remission, refund, or drawback of such duties or taxes, directly to the possession from which they are being returned by direct shipment, are exempt from duty.

(ii) In determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 percent, no material shall be considered foreign which, at the time such article is entered, may be imported into the customs territory from a foreign country, other than Cuba or the Philippine Republic, and entered free of duty.

(b) **Products of Cuba.** Products of Cuba imported into the customs territory of the United States, whether imported directly or indirectly, are subject to the rates of duty set forth in column numbered 1 of the schedules. Preferential rates of duty for such products apply only as shown in the said column 1. 1/

(c) **Products of the Philippine Republic.**

(i) Products of the Philippine Republic imported into the customs territory of the United States, whether imported directly or indirectly, are subject to the rates of duty which are set forth in column numbered 1 of the schedules or to fractional parts of the rates in the said column 1, as hereinafter prescribed in subdivisions (c)(ii) and (c)(iii) of this headnote.

(ii) Except as otherwise prescribed in the schedules, a Philippine article, as defined in subdivision (c)(iv) of this headnote, imported into the customs

1/ By virtue of section 401 of the Tariff Classification Act of 1962, the application to products of Cuba of either a preferential or other reduced rate of duty in column 1 is suspended. See general headnote 3(e), *infra*. The provisions for preferential Cuban rates continue to be reflected in the schedules because, under section 401, the rates therefor in column 1 still form the bases for determining the rates of duty applicable to certain products, including "Philippine articles".

territory of the United States and entered on or before July 3, 1974, is subject to that rate which results from the application of the following percentages to the most favorable rate of duty (i.e., including a preferential rate prescribed for any product of Cuba) set forth in column numbered 1 of the schedules:

(A) 20 percent, during calendar years 1963 through 1964,

(B) 40 percent, during calendar years 1965 through 1967,

(C) 60 percent, during calendar years 1968 through 1970,

(D) 80 percent, during calendar years 1971 through 1973,

(E) 100 percent, during the period from January 1, 1974, through July 3, 1974.

(iii) Except as otherwise prescribed in the schedules, products of the Philippine Republic, other than Philippine articles, are subject to the rates of duty (except any preferential rates prescribed for products of Cuba) set forth in column numbered 1 of the schedules.

(iv) The term "Philippine article", as used in the schedules, means an article which is the product of the Philippines, but does not include any article produced with the use of materials imported into the Philippines which are products of any foreign country (except materials produced within the customs territory of the United States) if the aggregate value of such imported materials when landed at the Philippine port of entry, exclusive of any landing cost and Philippine duty, was more than 20 percent of the appraised customs value of the article imported into the customs territory of the United States.

(d) **Products of Canada.**

(i) Products of Canada imported into the customs territory of the United States, whether imported directly or indirectly, are subject to the rates of duty set forth in column numbered 1 of the schedules. The rates of duty for a Canadian article, as defined in subdivision (d)(ii) of this headnote, apply only as shown in the said column numbered 1.

(ii) The term "Canadian article", as used in the schedules, means an article which is the product of Canada, but does not include any article produced with the use of materials imported into Canada which are products of any foreign country (except materials produced within the customs territory of the United States), if the aggregate value of such imported materials when landed at the Canadian port of entry (that is, the actual purchase price, or if not purchased, the export value, of such materials, plus, if not included therein, the cost of transporting such materials to Canada but exclusive of any landing cost and Canadian duty) was --

(A) with regard to any motor vehicle or automobile truck tractor entered on or before December 31, 1967, more than 60 percent of the appraised value of the article imported into the customs territory of the United States; and

(B) with regard to any other article (including any motor vehicle or automobile truck tractor entered after December 31, 1967), more than 50 percent of the appraised value of the article imported into the customs territory of the United States.

(e) **Products of Communist Countries.** Notwithstanding any of the foregoing provisions of this headnote, the rates of duty shown in column numbered 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e) (2) of the Trade Expansion Act of 1962, or to

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

General Headnotes and Rules of Interpretation

Page 4

action taken by the President thereunder:

Albania
Bulgaria
China (any part of which may be under Communist domination or control)
Cuba 1/
Czechoslovakia
Estonia
Germany (the Soviet zone and the Soviet sector of Berlin)
Hungary
Indochina (any part of Cambodia, Laos, or Vietnam which may be under Communist domination or control)
Korea (any part of which may be under Communist domination or control)
Kurile Islands
Latvia
Lithuania
Outer Mongolia
Rumania
Southern Sakhalin
Tanna Tuva
Tibet
Union of Soviet Socialist Republics and the area in East Prussia under the provisional administration of the Union of Soviet Socialist Republics.

(f) Products of All Other Countries. Products of all countries not previously mentioned in this headnote imported into the customs territory of the United States are subject to the rates of duty set forth in column numbered 1 of the schedules.

(g) Effective Date; Exceptions - Staged Rates of Duty. 2/ Except as specified below or as may be specified elsewhere, pursuant to section 501(a) of the Tariff Classification Act of 1962 (P.L. 87-456, approved May 24, 1962), the rates of duty in columns numbered 1 and 2 become effective with respect to articles entered on or after the 10th day following the date of the President's proclamation provided for in section 102 of the said Act. If, in column numbered 1, any rate of duty or part thereof is set forth in parenthesis, the effective date shall be governed as follows:

(i) If the rate in column numbered 1 has only one part (i.e., 8¢ (10¢) per lb.), the parenthetical rate (viz., 10¢ per lb.) shall be effective as to articles entered before July 1, 1964, and the other rate (viz., 8¢ per lb.) shall be effective as to articles entered on or after July 1, 1964.

(ii) If the rate in column numbered 1 has two or more parts (i.e., 5¢ per lb. + 50% ad val.) and has a parenthetical rate for either or both parts, each part of the rate shall be governed as if it were a one-part rate. For example, if a rate is expressed as "4¢ (4.5¢) per lb. + 8% (9%) ad val.", the rate applicable to articles entered before July 1, 1964, would be "4.5¢ per lb. + 9% ad val."; the rate applicable to articles entered on or after July 1, 1964, would be "4¢ per lb. + 8% ad val."

(iii) If the rate in column numbered 1 is marked with an asterisk (*), the foregoing provisions of (i) and (ii) shall apply except that "January 1, 1964" shall be substituted for "July 1, 1964", wherever this latter date appears.

1/ In Proclamation 3447, dated February 3, 1962, the President, acting under authority of section 620(a) of the Foreign Assistance Act of 1961 (75 Stat. 445), as amended, prohibited the importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba, subject to such exceptions as the Secretary of the Treasury determines to be consistent with the effective operation of the embargo.

2/ The purpose of headnote 3(g) was to provide for an effective date for the rates of duty initially contained in the Tariff Schedules of the United States. By Presidential Proclamation 3548 of August 21, 1963, these rates of duty, except as noted in subparagraphs (i), (ii), and (iii) of headnote 3(g), became effective on August 31, 1963.

4. Modification or Amendment of Rates of Duty. Except as otherwise provided in the Appendix to the Tariff Schedules --

(a) a statutory rate of duty supersedes and terminates the existing rates of duty in both column numbered 1 and column numbered 2 unless otherwise specified in the amending statute;

(b) a rate of duty proclaimed pursuant to a concession granted in a trade agreement shall be reflected in column numbered 1 and, if higher than the then existing rate in column numbered 2, also in the latter column, and shall supersede but not terminate the then existing rate (or rates) in such column (or columns);

(c) a rate of duty proclaimed pursuant to section 336 of the Tariff Act of 1930 shall be reflected in both column numbered 1 and column numbered 2 and shall supersede but not terminate the then existing rates in such columns; and

(d) whenever a proclaimed rate is terminated or suspended, the rate shall revert, unless otherwise provided, to the next intervening proclaimed rate previously superseded but not terminated or, if none, to the statutory rate.

5. Intangibles. For the purposes of headnote 1 --

(a) corpses, together with their coffins and accompanying flowers,

(b) currency (metal or paper) in current circulation in any country and imported for monetary purposes,

(c) electricity,

(d) securities and similar evidences of value, and

(e) vessels which are not "yachts or pleasure boats" within the purview of subpart D, part 6, of schedule 6,

are not articles subject to the provisions of these schedules.

6. Containers or Holders for Imported Merchandise.

For the purposes of the tariff schedules, containers or holders are subject to tariff treatment as follows:

(a) Imported Empty: Containers or holders if imported empty are subject to tariff treatment as imported articles and as such are subject to duty unless they are within the purview of a provision which specifically exempts them from duty.

(b) Not Imported Empty: Containers or holders if imported containing or holding articles are subject to tariff treatment as follows:

(i) The usual or ordinary types of shipping or transportation containers or holders, if not designed for, or capable of, reuse, and containers of usual types ordinarily sold at retail with their contents, are not subject to treatment as imported articles. Their cost, however, is, under section 402 or section 402a of the tariff act, a part of the value of their contents and if their contents are subject to an ad valorem rate of duty such containers or holders are, in effect, dutiable at the same rate as their contents, except that their cost is deductible from dutiable value upon submission of satisfactory proof that they are products of the United States which are being returned without having been advanced in value or improved in condition by any means while abroad.

(ii) The usual or ordinary types of shipping or transportation containers or holders, if designed for, or capable of, reuse, are subject to treatment as imported articles separate and distinct from their contents. Such holders or containers are not part of the dutiable value of their contents and are separately subject to duty upon each and every importation into the customs territory of the United States unless within the scope of a provision specifically exempting them from duty.

(iii) In the absence of context which requires otherwise, all other containers or holders are subject to the same treatment as specified in (ii) above for usual or ordinary types of shipping or transportation containers or holders designed for, or capable of, reuse.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

General Headnotes and Rules of Interpretation

Page 5

7. Commingling of Articles. (a) Whenever articles subject to different rates of duty are so packed together or mingled that the quantity or value of each class of articles cannot be readily ascertained by customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means:

- (i) sampling,
- (ii) verification of packing lists or other documents filed at the time of entry, or
- (iii) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury,

the commingled articles shall be subject to the highest rate of duty applicable to any part thereof unless the consignee or his agent segregates the articles pursuant to subdivision (b) hereof.

(b) Every segregation of articles made pursuant to this headnote shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 30 days (unless the Secretary authorizes in writing a longer time) after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the articles are commingled and that the quantity or value of each class of articles cannot be readily ascertained by customs officers. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

(c) The foregoing provisions of this headnote do not apply with respect to any part of a shipment if the consignee or his agent furnishes, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof --

- (i) that such part (A) is commercially negligible,
- (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and
- (ii) that the commingling was not intended to avoid the payment of lawful duties.

Any article with respect to which such proof is furnished shall be considered for all customs purposes as a part of the article, subject to the next lower rate of duty, with which it is commingled.

(d) The foregoing provisions of this headnote do not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof --

- (i) that the value of the commingled articles is less than the aggregate value would be if the shipment were segregated;
- (ii) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and
- (iii) that the commingling was not intended to avoid the payment of lawful duties.

Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate applicable to the material present in greater quantity than any other material.

(e) The provisions of this headnote shall apply only in cases where the schedules do not expressly provide a particular tariff treatment for commingled articles.

8. Abbreviations. In the schedules the following symbols and abbreviations are used with the meanings respectively indicated below:

\$	-	dollars
c	-	cents
%	-	percent
+	-	plus
ad val.	-	ad valorem
bu.	-	bushel
cu.	-	cubic
doz.	-	dozen
ft.	-	feet
gal.	-	gallon
in.	-	inches
lb.	-	pounds
oz.	-	ounces
sq.	-	square
wt.	-	weight
yd.	-	yard
pcs.	-	pieces
prs.	-	pairs
lin.	-	linear
I.R.C.	-	Internal Revenue Code

9. Definitions. For the purposes of the schedules, unless the context otherwise requires --

(a) the term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

(b) the term "entered for consumption" does not include withdrawals from warehouse for consumption;

(c) the term "withdrawn for consumption" means withdrawn from warehouse for consumption and does not include articles entered for consumption;

(d) the term "rate of duty" includes a free rate of duty; rates of duty proclaimed by the President shall be referred to as "proclaimed" rates of duty; rates of duty enacted by the Congress shall be referred to as "statutory" rates of duty; and the rates of duty in column numbered 2 at the time the schedules become effective shall be referred to as "original statutory" rates of duty;

(e) the term "ton" means 2,240 pounds, and the term "short ton" means 2,000 pounds;

(f) the terms "of", "wholly of", "almost wholly of", "in part of" and "containing", when used between the description of an article and a material (e.g., "furniture of wood", "woven fabrics, wholly of cotton", etc.), have the following meanings:

(i) "of" means that the article is wholly or in chief value of the named material;

(ii) "wholly of" means that the article is, except for negligible or insignificant quantities of some other material or materials, composed completely of the named material;

(iii) "almost wholly of" means that the essential character of the article is imparted by the named material, notwithstanding the fact that significant quantities of some other material or materials may be present; and

(iv) "in part of" or "containing" mean that the article contains a significant quantity of the named material.

With regard to the application of the quantitative concepts specified in subparagraphs (ii) and (iv) above, it is intended that the de minimis rule apply.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

General Headnotes and Rules of Interpretation

Page 6

10. General Interpretative Rules. For the purposes of these schedules --

(a) the general, schedule, part, and subpart headnotes, and the provisions describing the classes of imported articles and specifying the rates of duty or other import restrictions to be imposed thereon are subject to the rules of interpretation set forth herein and to such other rules of statutory interpretation, not inconsistent therewith, as have been or may be developed under administrative or judicial rulings;

(b) the titles of the various schedules, parts, and subparts and the footnotes therein are intended for convenience in reference only and have no legal or interpretative significance;

(c) an imported article which is described in two or more provisions of the schedules is classifiable in the provision which most specifically describes it; but, in applying this rule of interpretation, the following considerations shall govern:

(i) a superior heading cannot be enlarged by inferior headings indented under it but can be limited thereby;

(ii) comparisons are to be made only between provisions of coordinate or equal status, i.e., between the primary or main superior headings of the schedules or between coordinate inferior headings which are subordinate to the same superior heading;

(d) if two or more tariff descriptions are equally applicable to an article, such article shall be subject to duty under the description for which the original statutory rate is highest, and, should the highest original statutory rate be applicable to two or more of such descriptions, the article shall be subject to duty under that one of such descriptions which first appears in the schedules;

(e) in the absence of special language or context which otherwise requires --

(i) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of articles of that class or kind to which the imported articles belong, and the controlling use is the chief use, i.e., the use which exceeds all other uses (if any) combined;

(ii) a tariff classification controlled by the actual use to which an imported article is put in the United States is satisfied only if such use is intended at the time of importation, the article is so used, and proof thereof is furnished within 3 years after the date the article is entered;

(f) an article is in chief value of a material if such material exceeds in value each other single component material of the article;

(g) a headnote provision which enumerates articles not included in a schedule, part, or subpart is not necessarily exhaustive, and the absence of a particular article from such headnote provision shall not be given weight in determining the relative specificity of competing provisions which describe such article;

(h) unless the context requires otherwise, a tariff description for an article covers such article, whether assembled or not assembled, and whether finished or not finished;

(i) a provision for "parts" of an article covers a product solely or chiefly used as a part of such article, but does not prevail over a specific provision for such part.

11. Issuance of Rules and Regulations. The Secretary of the Treasury is hereby authorized to issue rules and regulations governing the admission of articles under the provisions of the schedules. The allowance of an Importer's claim for classification, under any of the provisions of the schedules which provide for total or partial relief from duty or other import restrictions on the basis of facts which are not determinable from an examination of the article itself in its condition as imported, is dependent upon his complying with any rules or regulations which may be issued pursuant to this headnote.

12. The Secretary of the Treasury is authorized to prescribe methods of analyzing, testing, sampling, weighing, gauging, measuring, or other methods of ascertainment whenever he finds that such methods are necessary to determine the physical, chemical, or other properties or characteristics of articles for purposes of any law administered by the Customs Service.

General statistical headnotes:

1. Statistical Requirements for Imported Articles. Persons making customs entry or withdrawal of articles imported into the customs territory of the United States shall complete the entry or withdrawal forms, as provided herein and in regulations issued pursuant to law, to provide for statistical purposes information as follows:

(a) the number of the Customs district and of the port where the articles are being entered for consumption or warehouse, as shown in Statistical Annex A of these schedules;

(b) the name of the carrier or the means of transportation by which the articles were transported to the first port of unloading in the United States;

(c) the foreign port of lading;

(d) the United States port of unloading;

(e) the date of importation;

(f) the country of origin of the articles expressed in terms of the designation therefor in Statistical Annex B of these schedules;

(g) a description of the articles in sufficient detail to permit the classification thereof under the proper statistical reporting number in these schedules;

(h) the statistical reporting number under which the articles are classifiable;

(i) gross weight in pounds for the articles covered by each reporting number when imported in vessels or aircraft;

(k) the net quantity in the units specified herein for the classification involved;

(l) the U.S. dollar value in accordance with the definition in Section 402 or 402a of the Tariff Act of 1930, as amended, for all merchandise including that free of duty or dutiable at specific rates; and

(m) such other information with respect to the imported articles as is provided for elsewhere in these schedules.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

General Headnotes and Rules of Interpretation

Page 7

2. Statistical Annotations. (a) The statistical annotations to the Tariff Schedules of the United States consist of --

- (i) the 2-digit statistical suffixes,
- (ii) the indicated units of quantity,
- (iii) the statistical headnotes and annexes, and
- (iv) the italicized article descriptions.

(b) The legal text of the Tariff Schedules of the United States consists of the remaining text as more specifically identified in headnote 10(a) of the general headnotes and rules of interpretation.

(c) The statistical annotations are subordinate to the provisions of the legal text and cannot change their scope.

3. Statistical Reporting Number. (a) General Rule: Except as provided in paragraph (b) of this headnote, and in the absence of specific instructions to the contrary elsewhere, the statistical reporting number for an article consists of the 7-digit number formed by combining the 5-digit item number with the appropriate 2-digit statistical suffix. Thus, the statistical reporting number for live monkeys dutiable under item 100.95 is "100.9520".

(b) Wherever in the tariff schedules an article is classifiable under a provision which derives its rate of duty from a different provision, the statistical reporting number is, in the absence of specific instructions to the contrary elsewhere, the 7-digit number for the basic provision followed by the item number of the provision from which the rate is derived. Thus, the statistical reporting number of mixed apple and grape juices, not containing over 1.0 percent of ethyl alcohol by volume, is "165.6500-165.40".

4. Abbreviations. (a) The following symbols and abbreviations are used with the meanings respectively indicated below:

s. ton	-	short ton
C.	-	one hundred
Cwt.	-	100 lbs.
mg.	-	milligram
M.	-	1,000
bd. ft.	-	board feet
M. bd. ft.	-	1,000 board feet
mc.	-	millicurie
cord	-	128 cubic feet
square	-	amount to cover 100 square feet of surface
sup. ft.	-	superficial foot
oz.	-	ounces avoirdupois
fl. oz.	-	fluid ounce
oz. troy	-	troy ounce
pf. gal.	-	proof gallon

(b) An "X" appearing in the column for units of quantity means that no quantity (other than gross weight) is to be reported.

(c) Whenever two separate units of quantity are shown for the same article, the "v" following one of such units means that the value of the article is to be reported with that quantity.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

HISTORICAL NOTES

Notes p. 1
General
Headnotes

Amendments and ModificationsPROVISIONS

Gen Hdnte--Language "Except as provided in headnote 6 of
3(a)(1) schedule 7, part 2, subpart E," added; language
"except that all articles" deleted and language
"except that all such articles" inserted in
lieu thereof. Pub. L. 89-805, Secs. 1(a), (c),
Nov. 10, 1966, 80 Stat. 1521, 1522, effective
date Jan. 1, 1967.
Language "Except as provided in headnote 4 of
schedule 7, part 7, subpart A," added. Pub. L.
89-806, Secs. 2(b), (c), Nov. 10, 1966, 80 Stat.
1523, effective date March 11, 1967.

PROVISIONS

Gen Hdnte--Headnotes 3(d), (e), and (f) redesignated as
3(d), (e), headnotes 3(e), (f), and (g), respectively,
(f) and (g) and new headnote 3(d) added. Pub. L. 89-283,
Secs. 401(a), 403, Oct. 21, 1965, 79 Stat.
1021, 1022; entered into force Oct. 22, 1965,
by Pres. Proc. 3682, Oct. 21, 1965, 3 CFR,
1965 Supp., p. 68.
Gen Hdnte--Language "and containers of usual types ordi-
6(b)(i) narily sold at retail with their contents,"
added. Pub. L. 89-241, Secs. 2(a), 4,
Oct. 7, 1965, 79 Stat. 933, 934, effective
date Dec. 7, 1965.

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

10

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part 1 - Live Animals

Part 2 - Meats

- A. Bird Meat
- B. Meats Other Than Bird Meat

Part 3 - Fish and Shellfish

- A. Fish, Fresh, Chilled, or Frozen
- B. Fish, Dried, Salted, Pickled, Smoked, or Kippered
- C. Fish in Airtight Containers
- D. Other Fish Products
- E. Shellfish

Part 4 - Dairy Products; Birds' Eggs

- A. Milk and Cream
- B. Butter, Oleomargarine, and Butter Substitutes
- C. Cheeses
- D. Other Milk Products
- E. Poultry and Other Birds' Eggs

Part 5 - Hides, Skins, and Leather; Furskins

- A. Hides, Skins, and Leather
- B. Furskins

Part 6 - Live Plants; Seeds

- A. Live Plants
- B. Seeds

Part 7 - Cereal Grains, Milled Grain Products, and Malts and Starches

- A. Grains
- B. Milled Grain Products
- C. Malts and Starches

Part 8 - Vegetables

- A. Vegetables, Fresh, Chilled, or Frozen
- B. Vegetables, Dried, Desticated, or Dehydrated
- C. Vegetables, Packed in Salt, in Brine, Pickled, or Otherwise Prepared or Preserved
- D. Mushrooms and Truffles

Part 9 - Edible Nuts and Fruits

- A. Edible Nuts
- B. Edible Fruits
- C. Fruit Flours, Peels, Pastes, Pulps, Jellies, Jams, Marmalades, and Butters
- D. Glacé Nuts, Fruits, and Other Vegetable Substances

Part 10 - Sugar, Cocoa; Confectionery

- A. Sugars, Sirups, and Molasses
- B. Cocoa
- C. Confectionery

Part 11 - Coffee, Tea, Maté, and Spices

- A. Coffee and Coffee Substitutes, Tea, Maté
- B. Spices and Spice Seeds

Part 12 - Beverages

- A. Fruit Juices
- B. Non-Alcoholic Beverages
- C. Fermented Alcoholic Beverages
- D. Spirits, Spirituous Beverages and Beverage Preparations

Part 13 - Tobacco and Tobacco Products

Part 14 - Animal and Vegetable Oils, Fats and Greases

- A. Oil-Bearing Vegetable Materials
- B. Vegetable Oils, Crude or Refined
- C. Animal Oils, Fats, and Greases, Crude or Refined
- D. Hardened Oils, Fats, and Greases; Mixtures

Part 15 - Other Animal and Vegetable Products

- A. Products of American Fisheries
- B. Edible Preparations
- C. Animal Feeds
- D. Feathers, Downs, Bristles, and Hair
- E. Shellac and Other Lacs; Natural Gums, Gum Resins, Resins, and Balsams; Turpentine and Rosin
- F. Miscellaneous Animal Products
- G. Miscellaneous Vegetable Products

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part 10. - Sugar; Cocoa; Confectionery

Page 53

1 - 10 - A

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p>PART 10. - SUGAR; COCOA; CONFECTIONERY ^{1/}</p> <p>Subpart A. - Sugars, Sirups, and Molasses ^{2/}</p> <p>Subpart A headnotes:</p> <p>1. The term "degree", as used in the "Rates of Duty" columns of this subpart, means sugar degree as determined by polariscopic test.</p> <p>2. The rates in column numbered 1 in items 155.20 and 155.30 on January 1, 1968, shall be effective only during such time as title 11 of the Sugar Act of 1948 or substantially equivalent legislation is in effect in the United States, whether or not the quotas, or any of them, authorized by such legislation, are being applied or are suspended: <u>Provided</u>,</p> <p>(i) That, if the President finds that a particular rate not lower than such January 1, 1968, rate, limited by a particular quota, may be established for any articles provided for in item 155.20 or 155.30, which will give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, he shall proclaim such particular rate and such quota limitation, to be effective not later than the 90th day following the termination of the effectiveness of such legislation;</p> <p>(ii) That any rate and quota limitation so established shall be modified if the President finds and proclaims that such modification is required or appropriate to give effect to the above considerations; and</p> <p>(iii) That the January 1, 1968, rates shall resume full effectiveness, subject to the provisions of this headnote, if legislation substantially equivalent to title 11 of the Sugar Act of 1948 should subsequently become effective.</p>			
		<p>^{1/} Imports of cane and beet sugar and articles in chief value thereof are, in certain circumstances, subject to an additional import duty. See Appendix to Tariff Schedules.</p> <p>^{2/} Imports of cane and beet sugar are subject to absolute quotas under the Sugar Act of 1948, as amended and extended (7 U.S.C. 1100 et seq.).</p>			

Page 54

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part 10. - Sugar; Cocoa; Confectionery

1 - 10 - A
155.10-155.30

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
155.10	00	Sugar beets and sugar cane:			
		In their natural state:			
155.12	00	Sugar beets.....	S. ton..	80¢ per short ton	80¢ per short ton
155.15	00	Sugar cane.....	S. ton..	\$2.50 per short ton	\$2.50 per short ton
		In other forms suitable for the commercial extraction of sugar.....	Lb. total sugars.	0.5¢ per lb. of total sugars	1.5¢ per lb. of total sugars
155.20		Sugars, sirups, and molasses, derived from sugar cane or sugar beets:			
		Principally of crystalline structure or in dry amorphous form.....		0.6625¢ per lb. less 0.009375¢ per lb. for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 0.428125¢ per lb.	1.9875¢ per lb. less 0.028125¢ per lb. for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 1.284375¢ per lb.
	10	Over 99°.....	Lb.		
	20	Over 98° but not over 99°.....	Lb.		
	30	Over 97° but not over 98°.....	Lb.		
	40	Over 96° but not over 97°.....	Lb.		
	50	Over 95° but not over 96°.....	Lb.		
	60	Over 85° but not over 95°.....	Lb.		
	70	Over 75° but not over 85°.....	Lb.		
	80	Not over 75°.....	Lb.		
155.21		If products of Cuba.....		0.53¢ per lb. less 0.0075¢ per lb. for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 0.3425¢ per lb. (s)	
155.30	00	Not principally of crystalline structure and not in dry amorphous form: Containing soluble non-sugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6% or less by weight of the total soluble solids.....	Lb. total sugars.	Dutiable on total sugars at the rate per lb. applicable under Item 155.20 to sugar testing 100 degrees	Dutiable on total sugars at the rate per lb. applicable under Item 155.20 to sugar testing 100 degrees

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

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part 10. - Sugar; Cocoa; Confectionery

Page 55

1 - 10 - A, B
155.31-156.45

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
155.31		Sugars, sirups, and molasses, etc. (con.): Not principally of crystalline structure, etc. (con.): Containing soluble non-sugar solids, etc. (con.): If products of Cuba.....		Dutiable on total sugars at the rate per lb. applicable under Item 155.21 to sugar testing 100 degrees (s) 2.9¢ per gal. 2.1¢ per gal. (s)	
155.35	00	Other.....	Gal.....		6.8¢ per gal.
155.36		If products of Cuba.....		2.1¢ per gal. (s)	
155.40	00	Molasses, including dried molasses, imported for use other than (a) the commercial extraction of sugar, or (b) human consumption.....	Gal. v 1/ lb. total sugars.	0.012¢ per lb. of total sugars	0.03¢ per lb. of total sugars
155.41		If product of Cuba.....		0.01¢ per lb. of total sugars (s)	
155.50	00	Maple sugar.....	Lb.....	1¢ per lb.	6¢ per lb.
155.55	00	Maple sirup.....	Lb.....	0.9¢ per lb.	4¢ per lb.
155.60	00	Dextrose.....	Lb.....	1.6¢ per lb.	2¢ per lb.
155.65	00	Dextrose sirup.....	Lb.....	1.6¢ per lb.	2¢ per lb.
155.70	00	Honey.....	Lb.....	1¢ per lb.	3¢ per lb.
155.75	00	Sugars, sirups, and molasses, described in this subpart, flavored; and sirups, flavored or unflavored, consisting of blends of any of the products described in this subpart.....	Lb.....	18% ad val.	20% ad val.
Subpart B. - Cocoa					
<u>Subpart B headnote:</u>					
1. The term "chocolate", as used in this subpart, shall be limited to products (whether or not confectionery) consisting wholly of ground cocoa beans, with or without added fat, sweetening, milk, flavoring, or emulsifying agents.					
156.10	00	Cocoa beans.....	Lb.....	Free	Free
Chocolate:					
156.20	00	Not sweetened.....	Lb.....	0.3¢ per lb.	3¢ per lb.
Sweetened:					
156.25	00	In bars or blocks weighing 10 pounds or more each.....	Lb.....	0.5¢ per lb.	4¢ per lb.
156.30	00	In any other form.....	Lb.....	8% ad val.	40% ad val.
156.35	00	Cocoa butter.....	Lb.....	5% ad val.	25% ad val.
156.40	00	Cocoa, not sweetened, and cocoa cake suitable for reduction to cocoa powder.....	Lb.....	0.6¢ per lb.	3¢ per lb.
156.45	00	Cocoa, sweetened.....	Lb.....	8% ad val.	40% ad val.
(s) = Suspended. See general headnote 3(b).					
1/ Report gallons of dried molasses on basis of 6 pounds total sugars to one gallon.					

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 56

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS
Part 10. - Sugar; Cocoa; Confectionery

1 - 10 - B, C
 156.47-157.11

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
156.47	00	Confectioners' coatings and other products (except confectionery) containing by weight not less than 6.8 percent non-fat solids of the cocoa bean nib and not less than 15 percent of vegetable fats other than cocoa butter.....	Lb.....	4% ad val.	35% ad val.
		Cocoa cake not suitable for reduction to cocoa powder, and other residues from the processing of cocoa beans:			
156.50	00	Cocoa bean shells.....	Lb.....	Free	Free
156.55	00	Other.....	Lb.....	2% ad val.	10% ad val.
Subpart C. - Confectionery					
<u>Subpart C headnotes:</u>					
1. If chocolate, candy, cakes, glazed fruits or nuts, or other confections are mixed or packed together, they shall be treated as a tariff entirety subject to the highest rate of duty applicable to any product in the assortment.					
2. The term "confectionery", as used in this subpart, covers confections or sweetmeats ready for consumption. This subpart does not cover all confectionery (see subpart B of this part, part 9 of schedule 1, and subpart B of part 15 of schedule 1 for other provisions covering confectionery).					
157.10		Candy, and other confectionery, not specially provided for.....		11% ad val.	40% ad val.
	20	Not containing cocoa or chocolate.....	Lb.		
	40	Containing cocoa or chocolate.....	Lb.		
157.11	*	If products of Cuba.....		10% ad val. (s)	
(s) = Suspended. See general headnote 3(b).					

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

STAGED RATES AND HISTORICAL NOTES

Notes p. 1
Schedule 1,
Part 10

Staged Rates

Modifications of column 1 rates of duty by Pres. Proc. 3822 (Kennedy Round), Dec. 16, 1967, 32 F.R. 19002:

TSUS item	Prior rate	Rate of duty, effective with respect to articles entered on and after January 1 --				
		1968	1969	1970	1971	1972
155.50	2¢ per lb.	1.5¢ per lb.	1¢ per lb.	0.8¢ per lb.	0.4¢ per lb.	Free
155.55	1.5¢ per lb.	1.2¢ per lb.	0.9¢ per lb.	0.5¢ per lb.	0.3¢ per lb.	Free
155.75	20% ad val.	19% ad val.	18% ad val.	17% ad val.	16% ad val.	15% ad val.
156.20	0.625¢ per lb.	0.5¢ per lb.	0.3¢ per lb.	0.2¢ per lb.	0.1¢ per lb.	Free
156.25	0.8¢ per lb.	0.7¢ per lb.	0.5¢ per lb.	0.5¢ per lb.	0.4¢ per lb.	0.4¢ per lb.
156.30	10% ad val.	9% ad val.	8% ad val.	7% ad val.	6% ad val.	5% ad val.
156.35	6.25% ad val.	5.5% ad val.	5% ad val.	4% ad val.	3.5% ad val.	3% ad val.
156.40	0.75¢ per lb.	0.65¢ per lb.	0.6¢ per lb.	0.5¢ per lb.	0.45¢ per lb.	0.37¢ per lb.
156.45	10% ad val.	9% ad val.	8% ad val.	7% ad val.	6% ad val.	5% ad val.
156.47	5% ad val.	4% ad val.	4% ad val.	3% ad val.	3% ad val.	2.5% ad val.
156.55	4% ad val.	3% ad val.	2% ad val.	1.5% ad val.	0.5% ad val.	Free
157.10 <u>1/</u>	14% ad val.	12.5% ad val.	11% ad val.	9.5% ad val.	8% ad val.	7% ad val.

1/ Subordinate Cuban provision (item 157.11) deleted, effective Jan. 1, 1970.

Other Amendments and ModificationsPROVISION

Subpt A--Headnote 2 added. Pres. Proc. 3822 (Kennedy Round),
hdnte 2 Dec. 16, 1967, 32 F.R. 19002, effective date Jan. 1,
1968.

155.76--Item 155.76 (Cuba--16% ad val.) deleted. Pres. Proc. 3822
(Kennedy Round), Dec. 16, 1967, 32 F.R. 19002, effective
date Jan. 1, 1968.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 57

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part II. - Coffee, Tea, Maté, and Spices

1 - 11 - A
160.10-160.65

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		PART II. - COFFEE, TEA, MATÉ, AND SPICES			
		Subpart A. - Coffee and Coffee Substitutes, Tea, Maté			
		<u>Subpart A headnotes:</u>			
		1. The rates of duty specified in items 160.10, 160.20, and 160.21, shall not apply to any product imported into Puerto Rico upon which a duty is imposed under the authority of section 319 of this Act.			
		2. All immediate containers and wrappings, and all intermediate containers, of tea (item 160.50) in packages of less than 5 pounds, net, each are dutiable at the rates applicable to such containers and wrappings if imported empty.			
		3. Pursuant to 21 U.S.C. 41 the importation of impure tea is prohibited, except as provided for in part 5D of schedule 8.			
160.10		Coffee, crude, roasted, or ground, whether or not the caffeine has been removed.....	.....	Free	Free
	20	Crude.....	Lb.		
	40	Roasted or ground.....	Lb.		
		Coffee extracts, essences, and concentrates (including soluble or instant coffee):			
160.20	00	Soluble or instant coffee (containing no admixture of sugar, cereal, or other additive).....	Lb.....	Free	Free
160.21	00	Other.....	Lb.....	1.5¢ per lb.	3¢ per lb.
		Chicory roots: <u>1/</u>			
160.30	00	Crude.....	Lb.....	0.8¢ per lb.	2¢ per lb.
160.35	00	Ground or otherwise prepared.....	Lb.....	2.1¢ per lb.	4¢ per lb.
160.40	00	Other coffee substitutes, and mixtures of coffee with coffee substitutes.....	Lb.....	2.4¢ per lb.	3¢ per lb.
160.50	00	Tea, crude or prepared.....	Lb.....	Free	Free
		Maté:			
160.60	00	Crude.....	Lb.....	Free	Free
160.65	00	Prepared.....	Lb.....	3% ad val.	10% ad val.
		 <u>1/</u> Rates temporarily reduced by legislation. See Appendix to Tariff Schedules.			

Page 58

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS

Part II. - Coffee, Tea, Maté, and Spices

1 - II - B

161.01-161.41

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		Subpart B. - Spices and Spice Seeds			
		<u>Subpart B headnotes:</u>			
		1. The articles described in this subpart embrace only such herbs, leaves, flowers, barks, roots, seeds, or other parts of plants which have practically no food value, and are suited, and capable of being directly used, either whole, divided or ground, for culinary purposes as a seasoning or garnishment.			
		2. No allowance shall be made for dirt or other foreign matter in the articles in this subpart.			
		3. The provisions in this subpart for seeds shall include such seeds whether to be used for seeding or other purposes.			
		4. The importation of pepper shells, ground or unground, is hereby prohibited.			
161.01	00	Anise.....	Lb.....	Free	Free
		Basil:			
161.03	00	Crude or not manufactured.....	Lb.....	Free	Free
161.05	00	Other.....	Lb.....	10% ad val.	25% ad val.
161.07	00	Capers.....	Lb.....	16% ad val.	20% ad val.
161.09	00	Caraway.....	Lb.....	Free	Free
161.11	00	Cardamon.....	Lb.....	Free	Free
		Cassia, cassia buds, and cassia vera:			
161.13	00	Not ground.....	Lb.....	Free	Free
161.15	00	Ground.....	Lb.....	2.4¢ per lb.	5¢ per lb.
		Cinnamon and cinnamon chips:			
161.17	00	Not ground.....	Lb.....	Free	Free
161.19	00	Ground.....	Lb.....	2.4¢ per lb.	5¢ per lb.
		Cloves and clove stems:			
161.21	00	Not ground.....	Lb.....	Free	Free
161.23	00	Ground.....	Lb.....	3¢ per lb.	6¢ per lb.
161.25	00	Coriander.....	Lb.....	Free	Free
161.27	00	Cumin.....	Lb.....	Free	Free
161.29	00	Curry and curry powder.....	Lb.....	0.7¢ per lb.	5¢ per lb.
161.31	00	Dill.....	Lb.....	8% ad val.	25% ad val.
161.33	00	Fennel.....	Lb.....	Free	Free
		Ginger root, not candied or preserved:			
161.35	00	Not ground.....	Lb.....	Free	Free
161.37	00	Ground.....	Lb.....	1.6¢ per lb.	5¢ per lb.
		Laurel (bay) leaves:			
161.39	00	Crude or not manufactured.....	Lb.....	Free	Free
161.41	00	Other.....	Lb.....	8% ad val.	25% ad val.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 59

SCHEDULE 1. - ANIMAL AND VEGETABLE PRODUCTS
Part II. - Coffee, Tea, Maté, and Spices1 - II - B
161.43-162.15

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		Mace:			
161.43	00	Bombay or wild:			
		Not ground.....	Lb.....	14.4¢ per lb.	18¢ per lb.
161.45	00	Ground.....	Lb.....	12¢ per lb.	22¢ per lb.
		Other:			
161.47	00	Not ground.....	Lb.....	Free	Free
161.49	00	Ground.....	Lb.....	2.4¢ per lb.	8¢ per lb.
		Marjoram:			
161.51	00	Crude or not manufactured.....	Lb.....	Free	Free
161.53	00	Other.....	Lb.....	9% ad val.	25% ad val.
		Mint leaves:			
161.55	00	Crude or not manufactured.....	Lb.....	Free	Free
161.57	00	Other.....	Lb.....	9% ad val.	25% ad val.
161.59	00	Mustard, ground or prepared.....	Lb.....	2.8¢ per lb.	10¢ per lb.
161.61	00	Mustard seeds, whole.....	Lb.....	0.7¢ per lb.	2¢ per lb.
		Nutmegs:			
161.63	00	Not ground.....	Lb.....	Free	Free
161.65	00	Ground.....	Lb.....	2.4¢ per lb.	5¢ per lb.
		Origanum:			
161.67	00	Crude or not manufactured.....	Lb.....	Free	Free
161.69	00	Other.....	Lb.....	9% ad val.	25% ad val.
161.71	00	Paprika, ground or not ground.....	Lb.....	5¢ per lb.	5¢ per lb.
		Parsley:			
161.73	00	Crude or not manufactured.....	Lb.....	Free	Free
161.75	00	Other.....	Lb.....	18% ad val.	20% ad val.
		Pepper:			
		Black or white:			
161.77	20	Not ground.....	.....	Free	Free
	40	Black.....	Lb.		
		White.....	Lb.		
161.79	00	Ground.....	Lb.....	2.4¢ per lb.	5¢ per lb.
		Capsicum or cayenne or red:			
		Not ground:			
161.80	00	Anaheim and ancho.....	Lb.....	5¢ per lb.	5¢ per lb.
161.82		If product of Cuba.....	.....	4¢ per lb. (s)	
161.83	00	Other.....	Lb.....	4¢ per lb.	5¢ per lb.
161.84	00	Ground.....	Lb.....	5.1¢ per lb.	8¢ per lb.
		Pimento (allspice):			
161.86	00	Not ground.....	Lb.....	Free	Free
161.88	00	Ground.....	Lb.....	1.6¢ per lb.	3¢ per lb.
		Rosemary:			
161.90	00	Crude or not manufactured.....	Lb.....	Free	Free
161.92	00	Other.....	Lb.....	9% ad val.	25% ad val.
		Sage:			
161.94	00	Not ground.....	Lb.....	0.8¢ per lb.	1¢ per lb.
161.96	00	Ground or rubbed.....	Lb.....	2.4¢ per lb.	3¢ per lb.
		Savory:			
162.01	00	Crude or not manufactured.....	Lb.....	Free	Free
162.03	00	Other.....	Lb.....	9% ad val.	25% ad val.
		Tarragon:			
162.05	00	Crude or not manufactured.....	Lb.....	Free	Free
162.07	00	Other.....	Lb.....	9% ad val.	25% ad val.
		Thyme:			
162.09	00	Crude or not manufactured.....	Lb.....	Free	Free
162.11	00	Other.....	Lb.....	9% ad val.	25% ad val.
162.13	00	Turmeric.....	Lb.....	Free	Free
162.15	00	Mixed spices, and spices, and spice seeds not specially provided for.....	Lb.....	9% ad val.	25% ad val.

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

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

STAGED RATES AND HISTORICAL NOTES

Notes p. 1
Schedule 1,
Part IIStaged Rates

Modifications of column 1 rates of duty by Pres. Proc. 3822 (Kennedy Round), Dec. 16, 1967, 32 F.R. 19002:

TSUS item	Prior rate	Rate of duty, effective with respect to articles entered on and after January 1 --				
		1968	1969	1970	1971	1972
160.21	3¢ per lb.	2¢ per lb.	1.5¢ per lb.	1¢ per lb.	Free	Free
160.30	1¢ per lb.	0.9¢ per lb.	0.8¢ per lb.	0.7¢ per lb.	0.6¢ per lb.	0.5¢ per lb.
160.35	2.5¢ per lb.	2.3¢ per lb.	2.1¢ per lb.	1.9¢ per lb.	1.7¢ per lb.	1.5¢ per lb.
160.40	3¢ per lb.	2.5¢ per lb.	2.4¢ per lb.	2¢ per lb.	1.5¢ per lb.	1.5¢ per lb.
160.65	5% ad val.	4% ad val.	3% ad val.	2% ad val.	1% ad val.	Free
161.15	3¢ per lb.	2.7¢ per lb.	2.4¢ per lb.	2.1¢ per lb.	1.8¢ per lb.	1.5¢ per lb.
161.19	3¢ per lb.	2.7¢ per lb.	2.4¢ per lb.	2.1¢ per lb.	1.8¢ per lb.	1.5¢ per lb.
161.29	1.2¢ per lb.	0.9¢ per lb.	0.7¢ per lb.	0.4¢ per lb.	0.2¢ per lb.	Free
161.31	10% ad val.	9% ad val.	8% ad val.	7% ad val.	6% ad val.	5% ad val.
161.37	2¢ per lb.	1.8¢ per lb.	1.6¢ per lb.	1.4¢ per lb.	1.2¢ per lb.	1¢ per lb.
161.41	10% ad val.	9% ad val.	8% ad val.	7% ad val.	6% ad val.	5% ad val.
161.43	18¢ per lb.	16.2¢ per lb.	14.4¢ per lb.	12.6¢ per lb.	10.8¢ per lb.	9¢ per lb.
161.45	15¢ per lb.	13.5¢ per lb.	12¢ per lb.	10.5¢ per lb.	9¢ per lb.	7.5¢ per lb.
161.49	4¢ per lb.	3.2¢ per lb.	2.4¢ per lb.	1.6¢ per lb.	0.8¢ per lb.	Free
161.53	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
161.57	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
161.59	3.4¢ per lb.	3¢ per lb.	2.8¢ per lb.	2.5¢ per lb.	2.2¢ per lb.	2¢ per lb.
161.61	0.875¢ per lb.	0.78¢ per lb.	0.7¢ per lb.	0.6¢ per lb.	0.5¢ per lb.	0.43¢ per lb.
161.65	3¢ per lb.	2.7¢ per lb.	2.4¢ per lb.	2.1¢ per lb.	1.8¢ per lb.	1.5¢ per lb.
161.69	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
161.75	20% ad val.	19% ad val.	18% ad val.	17% ad val.	16% ad val.	15% ad val.
161.79	3¢ per lb.	2.7¢ per lb.	2.4¢ per lb.	2.1¢ per lb.	1.8¢ per lb.	1.5¢ per lb.
161.83	5¢ per lb.	4.5¢ per lb.	4¢ per lb.	3.5¢ per lb.	3¢ per lb.	2.5¢ per lb.
161.88	2¢ per lb.	1.8¢ per lb.	1.6¢ per lb.	1.4¢ per lb.	1.2¢ per lb.	1¢ per lb.
161.92	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
161.94	1¢ per lb.	0.9¢ per lb.	0.8¢ per lb.	0.7¢ per lb.	0.5¢ per lb.	0.5¢ per lb.
161.96	3¢ per lb.	2.7¢ per lb.	2.4¢ per lb.	2.1¢ per lb.	1.8¢ per lb.	1.5¢ per lb.
162.03	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
162.07	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
162.11	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.
162.15	10% ad val.	9% ad val.	9% ad val.	8% ad val.	8% ad val.	7.5% ad val.

Other Amendments and ModificationsPROVISION

Subpt A--Reference to item 160.22 added. Pub. L. 88-337, Secs. 1(b),
hdntc 1 2, June 30, 1964, 78 Stat. 232, effective date June 30,
1964.

Reference to item 160.22 deleted. Pres. Proc. 3822
(Kennedy Round), Dec. 16, 1967, 32 F.R. 19002, effective
date Jan. 1, 1968.

160.20--Item 160.20 (column 1 and 2 rate--3¢ per lb.) and item 160.21
160.21 (Cuba--2.4¢ per lb.) deleted and new items 160.20, 160.21,
and 160.22 and heading immediately preceding item 160.20
160.22 added in lieu thereof. Pub. L. 88-337, Secs. 1(a), 2,
June 30, 1964, 78 Stat. 232, effective date June 30, 1964.
Item 160.22 (Cuba--2.4¢ per lb.) deleted. Pres. Proc. 3822
(Kennedy Round), Dec. 16, 1967, 32 F.R. 19002, effective
date Jan. 1, 1968.

160.41--Item 160.41 (Cuba--2.4¢ per lb.) deleted. Pres. Proc. 3822
(Kennedy Round), Dec. 16, 1967, 32 F.R. 19002, effective
date Jan. 1, 1968.

PROVISION

161.07--Column 1 rate of duty of 18% ad val., reduced to
16% ad val. on Jan. 1, 1964. General headnote
3(g).

161.59--Column 1 rate of duty of 3.8¢ per lb. reduced to
3.4¢ per lb. on Jan. 1, 1964. General headnote
3(g).

161.80--Items 161.81 (column 1 and 2 rate--5¢ per lb.) and
161.81 161.82 (Cuba--4¢ per lb.) deleted and new items
161.82 161.80, 161.82, and 161.83 and heading immediately
161.83 preceding item 161.80 added in lieu thereof.
Pres. Proc. 3822 (Kennedy Round), Dec. 16, 1967,
32 F.R. 19002, effective date Jan. 1, 1968.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Notes p. 2
Schedule 1,
Part II

STAGED RATES AND HISTORICAL NOTES

<u>Statistical Notes</u>			
<u>PROVISION</u>	<u>Effective date</u>	<u>PROVISION</u>	<u>Effective date</u>
160.20--See Other Amendments and Modifications		160.35--See Amendments and Modifications	
00--Disc.(transferred to 160.2010 &		(item 903.21)	
160.2100).....June 30, 1964		161.07--See Other Amendments and Modifications	
Estab.(transferred from 160.2010).....Jan. 1, 1968		161.59--See Other Amendments and Modifications	
10--Estab.(transferred from 160.2000pt &		161.80--See Other Amendments and Modifications	
160.2100pt).....June 30, 1964		00--Estab.(transferred from 161.8100pt).....Jan. 1, 1968	
Disc.(transferred to 160.2000).....Jan. 1, 1968		161.81--See Other Amendments and Modifications	
160.21--See Other Amendments and Modifications		00--Disc.(transferred to 161.8000 &	
00--Soluble or instant coffee transferred to		161.8300).....Jan. 1, 1968	
160.2010; other coffee extracts,		161.83--See Other Amendments and Modifications	
transferred from 160.2000.....June 30, 1964		00--Estab.(transferred from 161.8100pt).....Jan. 1, 1968	
160.30--See Amendments and Modifications			
(item 903.20)			

APPENDIX TO THE TARIFF SCHEDULES

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

APPENDIX TO THE TARIFF SCHEDULES

526

Part 1 - Temporary Legislation

- A. Temporary Provisions for Additional Duties
- B. Temporary Provisions Amending the Tariff Schedules

Part 2 - Temporary Modifications Proclaimed Pursuant to Trade-Agreements Legislation

- A. Escape-Clause Actions
- B. Temporary Modifications Pursuant to Section 252 of the Trade Expansion Act of 1962

Part 3 - Additional Import Restrictions Proclaimed Pursuant to Section 22 of the Agricultural Adjustment Act, as AmendedAppendix Headnotes:

1. The provisions of this Appendix relate to legislation and to executive and administrative actions pursuant to duly constituted authority, under which --

(a) one or more of the provisions in schedules 1 through 8 are temporarily amended or modified, or

(b) additional duties or other import restrictions are imposed by, or pursuant to, collateral legislation.

2. Unless the context requires otherwise, the general headnotes and rules of interpretation and the respective schedule, part, and subpart headnotes in schedules 1 through 8 apply to the provisions of this Appendix.

Appendix statistical headnotes:

1. For statistical reporting of merchandise provided for herein --

(a) unless more specific instructions appear in the parts or subparts of this appendix, report the 5-digit item number (or 7-digit number, if any) found in the appendix in addition to the 7-digit number appearing in schedules 1-7 which would be applicable but for the provisions of this appendix; and

(b) the quantities reported should be in the units provided in schedules 1-7.

2. For those items herein for which no rate of duty appears (i.e., those items for which an absolute quota is prescribed), report the 5-digit item number herein followed by the appropriate 7-digit reporting number from schedules 1-7. The quantities reported should be in the units provided in schedules 1-7.

Page 527

9 - 1 - A
901.00

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		Effective Period
				1	2	
		<p>PART 1. - TEMPORARY LEGISLATION</p> <p>Subpart A. - Temporary Provisions for Additional Duties</p> <p><u>Subpart A headnotes:</u></p> <p>1. The duties provided for in this subpart are cumulative duties which apply in addition to the duties, if any, otherwise imposed on the articles involved. The duties provided for in this subpart apply only with respect to articles entered during the period specified in the last column.</p> <p>2. Sections 536 and 550 of this Act (the so-called flexible tariff and trade-agreements provisions, respectively) shall not apply with respect to the duty provided for in item 901.00.</p> <p>3. With respect to any articles upon which the duty imposed under item 901.00 has been paid and which, on the date of termination of the tax provided for in section 4501, I.R.C., are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer an amount equal to the duty paid on such articles under item 901.00, if claim for such refund is filed with the Secretary or his delegate within 90 days after the date of termination of the tax.</p> <p><u>Subpart A statistical headnote:</u></p> <p>1. For statistical reporting purposes in this subpart (item 901.00) --</p> <p>(a) The 7-digit number found herein should follow the 7-digit reporting number found in schedules 1-7 for the imported article (see subpart A headnote 1).</p> <p>(b) The quantity required in this subpart is the total sugars content.</p> <p>(c) The value for the imported article should be reported only in connection with the 7-digit reporting number found in schedules 1-7.</p>				
901.00	1/	Sugars, sirups, and molasses provided for in items 155.20 to 155.31, inclusive, of part 10A of schedule 1, if not to be further refined or otherwise improved in quality, and articles of sugars, sirups, and molasses of the kinds described in such items, all the foregoing (except sugars, sirups, molasses, or articles to be used as livestock feed, or in the production of livestock feed, or for the distillation of alcohol).....	.....	The same as the tax imposed under sec. 4501, I.R.C.2/	The same as the tax imposed under sec. 4501, I.R.C.2/	For such time as the tax imposed under sec. 4501, I.R.C., is in effect 3/
20		Sugars, sirups, and molasses provided for in item 155.20.....	Lb. 1/			
40		Sugars, sirups, and molasses provided for in item 155.30.....	Lb. 1/			
60		Other.....	Lb. 1/			
		1/ See Subpart A statistical headnote 1. 2/ The tax rate is 0.53 cent per pound of total sugars. 3/ The tax terminates June 30, 1972.				

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

9 - 1 - B

903.20 - 903.21

APPENDIX TO THE TARIFF SCHEDULES

Part I. - Temporary Legislation

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		Effective Period
				1	2	
		<p>Subpart B. - Temporary Provisions Amending the Tariff Schedules</p> <p><u>Subpart B headnotes:</u></p> <p>1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive.</p> <p>2. Articles exempted under item 915.25 from the payment of duty shall be exempt also from the payment of any internal revenue tax imposed upon or by reason of importation.</p> <p>3. (a) Items 911.10, 911.11, 911.13, 911.14, 911.15, and 911.16 shall not apply when the market price of copper is under 35 cents per pound.</p> <p>(b) For purposes of subparagraph (a), the market price of copper has the meaning assigned to it by headnote 5(b) of the headnotes of schedule 8, part 2, subpart C.</p> <p>(c) For purposes of subparagraph (a), the market price of copper shall be considered to be under 35 cents per pound only on and after the 20th day after the date of a report by the United States Tariff Commission to the Secretary of the Treasury that it has determined that the market price has been under 35 cents per pound for one calendar month. After any such report, the market price shall be considered as not being under 35 cents per pound only on and after the 20th day after the date of a report by the Commission to the Secretary that it has determined that the market price has been 35 cents or more per pound for one calendar month.</p> <p>(d) Determinations by the Commission under this headnote shall be made in the manner prescribed by headnote 5(c) of schedule 6, part 2, subpart C.</p> <p><u>Subpart B statistical headnotes:</u></p> <p>1. For the purposes of statistical reporting of any item for which a unit of quantity (including 1) appears in this subpart no additional reporting number (from schedules 1-7) is to be furnished.</p> <p>2. No statistical reporting information for item 915.25 is required.</p>				
903.20	1/	Chicory roots (provided for in part 11A, schedule 1): Crude (item 160.30).....	1/	Free	Free	On or before 6/30/69
903.21	1/	Ground or otherwise prepared (item 160.35).....	1/	2¢ per lb.	2¢ per lb.	On or before 6/30/69
		1/ See Appendix statistical headnote 1.				

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 535

APPENDIX TO THE TARIFF SCHEDULES
 Part 3. - Additional Import Restrictions Proclaimed Pursuant to
 Section 22 of the Agricultural Adjustment Act, as Amended

9 - 3 --

Item	Stat. Suf- fix	Articles	Units of Quantity	Quota Quantity
		<p>PART 3. - ADDITIONAL IMPORT RESTRICTIONS PROCLAIMED PURSUANT TO SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT, AS AMENDED</p> <p><u>Part 3 headnotes:</u></p> <p>1. This part covers the provisions proclaimed by the President pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 USC 624), imposing import fees, herein referred to as duties, and quantitative limitations on articles imported into the United States. The duties provided for in this part are cumulative duties which apply in addition to the duties, if any, otherwise imposed on the articles involved. Unless otherwise stated, the duties and quantitative limitations provided for in this part apply until suspended or terminated.</p> <p>2. Exclusions.--The import restrictions provided for in this part do not apply with respect to --</p> <p>(a) articles imported by or for the account of any agency of the United States;</p> <p>(b) commercial samples of cotton or cotton waste of any origin in uncompressed packages each weighing not more than 50 pounds gross weight; and articles (except cotton and cotton waste) with an aggregate value not over \$10 in any shipment, if imported as samples for taking orders, for the personal use of the importer, or for research;</p> <p>(c) articles entered for exhibition, display, or sampling at a Trade Fair or for research, but only if written approval of the Secretary of Agriculture or his designated representative is presented at the time of entry or bond is furnished in a form prescribed by the Commissioner of Customs in an amount equal to the value of the merchandise as set forth in the entry plus the estimated duty as determined at the time of entry, conditioned upon the production of such written approval within six months from the date of entry;</p> <p>(d) certified or registered seed wheat for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production, if --</p> <p>(i) the individual shipment amounts to 100 bushels (or 60 pounds each for wheat) or less, or</p> <p>(ii) the individual shipment amounts to more than 100 bushels and the written approval of the Secretary of Agriculture or his designated representative is presented at the time of entry, or bond is furnished in a form prescribed by the Commissioner of Customs in an amount equal to the value of the merchandise as set forth in the entry, plus the estimated duty as determined at the time of entry, conditioned upon the production of such written approval within six months from the date of entry;</p>		

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 536

APPENDIX TO THE TARIFF SCHEDULES

9 - 3 --

Part 3. - Additional Import Restrictions Proclaimed Pursuant to
Section 22 of the Agricultural Adjustment Act, as Amended

Item	Stat. Suf- fix	Articles	Units of Quantity	Quota Quantity
		<p>(a) wheat flour, the product of Israel, which is certified to the Secretary of Agriculture by an authorized representative of the government of Israel or its designee as having been thoroughly safeguarded for ritual purposes under rabbinical supervision and which is imported into the United States for use solely for religious and ritual purposes in the making of matzos for Passover, if the written approval of the Secretary of Agriculture is presented at the time of entry, or withdrawal from warehouse, for consumption; and</p> <p>(1) cotton produced in the United States with respect to which the Secretary of Agriculture shall have certified that there has been exported without benefit of subsidy, as an offset to the proposed re-entry, an equal or greater number of pounds of cotton produced in the United States, of any grade or staple.</p> <p>5. (a) <u>Dairy products</u> --</p> <p>(i) Imported articles subject to the import quotas provided for in items 950.01 through 950.15, except 950.06, may be entered only by or for the account of a person or firm to which a license has been issued by or under the authority of the Secretary of Agriculture, and only in accordance with the terms of such license; except that no such license shall be required for up to 1,250,000 pounds per quota year of natural Cheddar cheese, the product of Canada, made from unpasteurized milk and aged not less than 9 months which prior to exportation has been certified to meet such requirements by an official of the Canadian government, of which amount not more than one-half may be entered during the first six months of a quota year. Such licenses shall be issued under regulations of the Secretary of Agriculture which he determines will, to the fullest extent practicable, result in (1) the equitable distribution of the respective quotas for such articles among importers or users and (2) the allocation of shares of the respective quotas for such articles among supplying countries, based upon the proportion supplied by such countries during previous representative periods, taking due account of any special factors which may have affected or may be affecting the trade in the articles concerned. No licenses shall be issued which will permit entry during the first six months of a quota year of more than one-half of the quantities specified for any of the cheeses or substitutes for cheese (items 950.07 through 950.10) in the column entitled "Quota Quantity."</p> <p>(iii) Not more than 1,400,250 pounds of the quota quantity specified for articles under item 950.08A for the period July 1, 1967, through December 31, 1967, and not more than 8,812,500 pounds of the annual quota quantity specified in such item for each subsequent 12-month period shall be products other than natural Cheddar cheese made from unpasteurized milk and aged not less than 9 months.</p> <p>(iii) For the purposes of items 950.10B, 950.10C, and 950.10D of this part, the purchase price shall be determined by the District Director of Customs on the basis of the aggregate price received by the exporter, including all expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, but excluding transportation, insurance, duty, and other charges incident to bringing the merchandise from the place of shipment from the country of exportation to the place of delivery in the United States.</p>		

(1st supp. 3/1/69)

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 537

APPENDIX TO THE TARIFF SCHEDULES
 Part 3. - Additional Import Restrictions Proclaimed Pursuant to
 Section 22 of the Agricultural Adjustment Act, as Amended

9 - 3 --
 949.80 - 949.90

Item	Stat. Suf- fix	Articles	Units of Quantity	Quota Quantity																																																																
		(b) Cotton waste. For the purposes of item 959.05, the minimum quota in column (A) is that part of the total quota in column (B) which must be reserved for combi waste made from cotton 1-3/16 inches or more in staple length, and the unreserved quota in column (B) is that part of the total quota available for any quota-type waste, including combi waste made from cotton 1-3/16 inches or more in staple length.																																																																		
		Whenever, in any 12-month period beginning January 1 in any year, the respective aggregate quantity specified below for one of the numbered classes of articles has been entered, no article in such class may be entered during the remainder of such period.																																																																		
949.80	1/	Milk and cream, fluid or frozen, fresh or sour, containing over 5.1 percent but not over 45 percent by weight of butterfat. For the 12-month period ending December 31, 1967: New Zealand..... Other..... For each subsequent year: New Zealand..... Other.....	1/ 1/ 1/ 1/	The quantity entered on or before June 30, 1967, plus 750,000 gallons None 1,500,000 gallons None																																																																
949.90	1/	Milk and cream, condensed or evaporated, classifiable for tariff purposes under items 115.30, 115.35, and 115.40. For the 12-month period ending December 31, 1968.....		The quantity entered on or before the date of this amendment, 2/ plus the following quantities:																																																																
				<table><tr><th colspan="2">Evaporated</th><th colspan="2">Condensed</th></tr><tr><th>In air-tight containers</th><th>Other</th><th>In air-tight containers</th><th>Other</th></tr><tr><th>(in pounds)</th><th>(in pounds)</th><th>(in pounds)</th><th>(in pounds)</th></tr><tr><td>Netherlands.....</td><td>None</td><td>169,000</td><td>None</td></tr><tr><td>Canada.....</td><td>None</td><td>1,096,000</td><td>2,500</td></tr><tr><td>Denmark.....</td><td>None</td><td>667,000</td><td>None</td></tr><tr><td>West Germany.....</td><td>None</td><td>None</td><td>None</td></tr><tr><td>Australia.....</td><td>None</td><td>101,000</td><td>None</td></tr><tr><td>Other.....</td><td>None</td><td>4,000</td><td>None</td></tr><tr><td colspan="4">For each subsequent 12-month period.....</td></tr><tr><td>Netherlands.....</td><td>None</td><td>138,000</td><td>None</td></tr><tr><td>Canada.....</td><td>None</td><td>2,192,000</td><td>5,000</td></tr><tr><td>Denmark.....</td><td>None</td><td>1,314,000</td><td>None</td></tr><tr><td>West Germany.....</td><td>None</td><td>None</td><td>None</td></tr><tr><td>Australia.....</td><td>None</td><td>202,000</td><td>None</td></tr><tr><td>Other.....</td><td>None</td><td>8,000</td><td>None</td></tr></table>	Evaporated		Condensed		In air-tight containers	Other	In air-tight containers	Other	(in pounds)	(in pounds)	(in pounds)	(in pounds)	Netherlands.....	None	169,000	None	Canada.....	None	1,096,000	2,500	Denmark.....	None	667,000	None	West Germany.....	None	None	None	Australia.....	None	101,000	None	Other.....	None	4,000	None	For each subsequent 12-month period.....				Netherlands.....	None	138,000	None	Canada.....	None	2,192,000	5,000	Denmark.....	None	1,314,000	None	West Germany.....	None	None	None	Australia.....	None	202,000	None	Other.....	None	8,000	None
Evaporated		Condensed																																																																		
In air-tight containers	Other	In air-tight containers	Other																																																																	
(in pounds)	(in pounds)	(in pounds)	(in pounds)																																																																	
Netherlands.....	None	169,000	None																																																																	
Canada.....	None	1,096,000	2,500																																																																	
Denmark.....	None	667,000	None																																																																	
West Germany.....	None	None	None																																																																	
Australia.....	None	101,000	None																																																																	
Other.....	None	4,000	None																																																																	
For each subsequent 12-month period.....																																																																				
Netherlands.....	None	138,000	None																																																																	
Canada.....	None	2,192,000	5,000																																																																	
Denmark.....	None	1,314,000	None																																																																	
West Germany.....	None	None	None																																																																	
Australia.....	None	202,000	None																																																																	
Other.....	None	8,000	None																																																																	
		1/ See Appendix Statistical headnote 1. 2/ June 10, 1968.																																																																		

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

Page 540

APPENDIX TO THE TARIFF SCHEDULES

Part 3. - Additional Import Restrictions Proclaimed Pursuant to
Section 22 of the Agricultural Adjustment Act, as Amended

9 - 3 --
950.10D ① 950.15

Item	Stat. Suf- fix	Articles	Units of Quantity	Quota Quantity (in pounds)
950.10D ①	1/	Whenever, in any 12-month period, etc. (con.): Cheeses and substitutes for cheese, etc. (con.): Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C, schedule 1, except cheese not containing cow's milk cheese, except cottage cheese, containing no butterfat or not over 0.5 percent by weight of butterfat, and arti- cles within the scope of other import quotas provided for in this part); all the foregoing, if shipped otherwise than in pursuance to a purchase, or if having a purchase price under 47 cents per pound (see headnote 1(a)(iii) of this part):		
		① Belgium.....	1/	207,000
		Denmark.....	1/	8,066,000
		Finland.....	1/	1,124,000
		France.....	1/	931,000
		Iceland.....	1/	560,000
		Ireland.....	1/	151,000
		Netherlands.....	1/	56,000
		Norway.....	1/	222,000
		Poland.....	1/	2,064,000
		Sweden.....	1/	1,535,000
		Switzerland.....	1/	34,000
		United Kingdom.....	1/	274,000
		West Germany.....	1/	989,000
		① New Zealand.....	1/	7,500,000
		Other.....	1/	488,000
950.11 ①	1/	Mixed milk, and articles of milk or cream, pro- vided for in item 118.30, part 4B, schedule 1....	1/	5,000
950.15 ①	1/	Chocolate provided for in item 156.30, of part 10, schedule 1, if containing over 5.5 percent by weight of butterfat (except articles for consumption at retail as candy or con- fection):		
		Ireland.....	1/	9,450,000
		United Kingdom.....	1/	7,450,000
		Netherlands.....	1/	100,000
		Other.....	1/	None

1/ See Appendix statistical headnote 2.

①

(1st supp. 3/1/69)

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1969)

HISTORICAL NOTES

Notes p. 1
Appendix,
Part 3

Amendments and Modifications

PROVISION

Part 3--Language "or for the personal use of the importer" deleted and language "for the personal use of the importer, or for research" inserted in lieu thereof. Pub. L. 89-241, Secs. 2(a), 88, Oct. 3, 1965, 79 Stat. 933, 950, effective date Dec. 7, 1965.

Part 3--Language "articles not exceeding 100 pounds in aggregate weight in any shipment, if entered for exhibition, display, or sampling at a Trade Fair, or for research, and if" deleted and language "articles entered for exhibition, display, or sampling at a Trade Fair or for research, but only if" inserted in lieu thereof. Pub. L. 89-241, Secs. 2(a), 88, Oct. 7, 1965, 79 Stat. 933, 950, effective date Dec. 7, 1965.

Part 3--Language "seed rye or" preceding "seed wheat" and language "of 56 pounds each for rye and" preceding "of 60 pounds each for wheat" deleted. Pres. Proc. 3597, July 7, 1964, 3 CFR, 1964 Supp., P. 51, effective date July 7, 1964.

Part 3--Headnote 3(a) modified. Pres. Proc. 3562, Nov. 26, 1963, 3 CFR, 1959-1963 Comp., P. 315, effective date Nov. 26, 1963.

Headnote 3(a) modified. Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

Headnote 3(a)(iii) added. Pres. Proc. 3870, Sept. 24, 1968, 33 F.R. 14443, effective date Sept. 24, 1968.

① Headnote 3(a)(i) modified. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

① Headnote 3(a)(iii) modified by deleting "950.10A, 950.10B, and 950.10C" and inserting "950.10B, 950.10C, and 950.10D" in lieu thereof. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

950.05--Heading immediately preceding item 950.06 modified.

950.01 Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

950.02

950.03

950.04

950.05

950.06

950.07

950.08A

950.08B

950.09

950.10

950.11

950.12

950.13

949.90--Added as item 950.00. Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

Redesignated as item 949.80. Pres. Proc. 3856, June 10, 1968, 33 F.R. 8579, effective date June 10, 1968.

949.90--Item 949.90 added. Pres. Proc. 3856, June 10, 1968, 33 F.R. 8579, 9143, effective date June 10, 1968.

① continued in force by Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235.

950.01--Heading immediately preceding item 950.01 modified by adding reference to dried whey, and article description for item 950.01 modified by adding reference

to item 118.05. Pres. Proc. 3597, July 7, 1964, 3 CFR, 1964 Supp., P. 51, effective date July 7, 1964.

PROVISION

950.06--Article description for item 950.06 modified by adding reference to butter oil. Pres. Proc. 3552, Oct. 5, 1963, 3 CFR, 1959-1963 Comp., P. 310, effective date Oct. 5, 1963.

950.07--Quota quantity increased from 4,167,000 pounds to 5,016,598 pounds. Pres. Proc. 3562, Nov. 26, 1963, 3 CFR, 1959-1963 Comp., P. 315, effective date Nov. 26, 1963.

950.08--Quota quantity provisionally increased from 2,785,100 pounds to 3,706,800 pounds for the quota year ending June 30, 1966. Pres. Proc. 3709, March 31, 1966, 3 CFR, 1966 Comp., P. 32, effective date March 31, 1966.

950.08--Item 950.08 deleted and item 950.08A added in lieu thereof. Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

950.08B--Item 950.08B added. Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

950.09--Item 950.09 redesignated as item 950.09A.

950.09A Pres. Proc. 3870, Sept. 24, 1968, 33 F.R. 14443, effective date Sept. 24, 1968.

950.09B--Item 950.09B added. Pres. Proc. 3870, Sept. 24, 1968, 33 F.R. 14443, effective date Sept. 24, 1968.

① continued in force by Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235.

950.10A--Items 950.10A, 950.10B, and 950.10C and heading immediately preceding item 950.10A added.

950.10C Pres. Proc. 3870, Sept. 24, 1968, 33 F.R. 14443, effective date Sept. 24, 1968.

① 950.10B

① Item 950.10C redesignated as item 950.10H and modified. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

① Items 950.10A and 950.10B redesignated as items 950.10B and 950.10C, respectively. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

① New item 950.10A added. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

950.12--Item 950.12 deleted and new items 950.12 and 950.13 and heading immediately preceding item 950.12 added in lieu thereof. Pres. Proc. 3790, June 30, 1967, 32 F.R. 9803, effective date June 30, 1967.

① 950.21

Article description for item 950.13 modified by deleting "182.91" and inserting "182.92" in lieu thereof. Pres. Proc. 3432 (Kennedy Round), Dec. 16, 1967, 32 F.R. 19003, effective date Jan. 1, 1968.

① Items 950.12 and 950.13 redesignated as items 950.22 and 950.23, respectively, and modified. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

① 950.15--Item 950.15 added. Pres. Proc. 3884, Jan. 6, 1969, 34 F.R. 235, effective date Jan. 6, 1969.

A P P E N D I X B

Value of U.S. imports for consumption, by TSUS
items included in the individual summaries
of this volume, total and from the 3 prin-
cipal suppliers, 1967.

Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1967

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page; TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount	Per-						
	in 1967	cent change from 1966	Country	Value	Country	Value	Country	Value
Sugar (p. 5)								
155.10	-	-	-	-	-	-	-	-
155.12	-	-	-	-	-	-	-	-
155.15	-	-	-	-	-	-	-	-
155.20	587,317	+17	Dom. Rep.	79,825	Brazil	71,525	Mexico	64,407
155.30	1,253	1/	Brazil	692	Colombia	395	Mexico	138
Sugars, sirups, and molasses (containing over 6 percent soluble nonsugar solids) (p. 23)								
155.35	735	-50	Fr. W. Indies	269	Barbados	259	Dom. Rep.	188
Molasses for feed and industrial uses (p. 29)								
155.40	42,688	+38	Mexico	14,094	Dom. Rep.	5,219	Jamaica	2,962
Maple sugar and maple sirup (p. 39)								
155.50	2,023	-29	Canada	2,023	-	-	-	-
155.55	4,331	+35	Canada	4,331	-	-	-	-
Dextrose and dextrose sirup (p. 45)								
155.60	67	1/	Canada	52	W. Germany	8	J.	3
155.65	41	+50	Netherlands	21	Canada	16	U.K.	4
Honey (p. 51)								
155.70	1,632	+53	Argentina	813	Mexico	630	W. Germany	33
Flavored sugars, sirups, and molasses; and blended sirups (p. 59)								
155.75	1,963	1/	Brazil	1,263	Colombia	381	Argentina	121
Cocoa beans, and cocoa bean shells and other cocoa residues (p. 65)								
156.10	147,211	+21	Ghana	36,583	Brazil	33,711	Nigeria	22,543
156.50	-	-	-	-	-	-	-	-
156.55	-	-	-	-	-	-	-	-
Semiprocessed cocoa and chocolate products (p. 71)								
156.20	2,479	+39	Haiti	786	Netherlands	573	Ghana	404
156.25	1,075	-10	Switzerland	564	Canada	396	Netherlands	47
156.35	12,289	+37	Ghana	2,991	Brazil	2,686	Ivory Coast	2,156
156.40	10,422	+43	Netherlands	6,503	W. Germany	1,512	Brazil	748
156.45	110	+44	Dom. Rep.	87	France	14	Netherlands	8
156.47	154	+6	Switzerland	152	Netherlands	2	-	-
Sweetened chocolate, not in bars or blocks weighing 10 pounds or more each, and confectionery, not elsewhere enumerated (p. 83)								
156.30	10,641	+39	U.K.	2,498	Netherlands	1,974	Ireland	1,949
157.10	27,339	+7	U.K.	11,311	Canada	3,044	Sweden	3,237

See footnotes at end of table.

Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1967

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page; TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount	Per-						
	in 1967	cent change from 1966	Country	Value	Country	Value	Country	Value
Coffee, crude, roasted, or ground; and coffee extracts, including soluble or instant coffee (p. 95)								
160.10	964,260	-10	Brazil	278,354	Colombia	163,236	Angola	59,387
160.20	30,073	+175	Brazil	23,502	France	3,396	Salvadore	1,014
160.21	3	-78	U.K.	2	Switzerland	1	Israel	1
Chicory and other coffee substitutes and mixtures of coffee and substitutes (p. 113)								
160.30	124	-62	Poland	114	Costa Rica	6	Belgium	4
160.35	403	-13	France	324	Belgium	75	Canada	4
160.40	96	+19	Switzerland	51	W. Germany	28	Netherlands	6
Tea (p. 121)								
160.50	58,128	+1	Ceylon	24,603	India	10,398	Indonesia	5,299
Maté (p. 129)								
160.60	2	1/	Brazil	2	-	-	-	-
160.65	19	-32	Argentina	17	Brazil	2	Paraguay	1
Spices, crude or processed; and certain spices, unground (p. 133)								
161.01	139	+90	Spain	112	Mexico	27	Lebanon	3/
161.09	1,118	-11	Netherlands	772	Poland	334	Denmark	11
161.11	587	-14	Guatemala	317	India	236	Ceylon	19
161.13	5,774	-7	Indonesia	5,515	Malaysia	98	S. Vietnam	59
161.17	1,776	+74	Ceylon	1,240	Seychelles	366	Malagasy	3
161.21	830	+15	Malagasy	736	Tanzania	43	Malaysia	27
161.25	285	-3	Morocco	180	Rumania	93	Poland	5
161.27	755	-32	Iran	711	Singapore	27	Turkey	11
161.31	69	-20	India	42	Mexico	27	-	-
161.33	154	+21	India	114	Bulgaria	22	Argentina	11
161.35	566	-40	Nigeria	232	Jamaica	84	Sierra Leone	80
161.43	-	-	-	-	-	-	-	-
161.47	651	-2	Indonesia	567	India	25	Leeward & Windward Is.	15
161.63	2,332	-33	Indonesia	1,799	Leeward & Windward Is.	343	Netherlands	94
161.77	15,942	+4	Indonesia	12,431	Brazil	1,989	India	1,043
161.86	684	-61	Jamaica	499	Honduras	67	Mexico	52
162.13	208	-57	India	197	Jamaica	11	-	-
Certain herbs, crude (p. 149)								
161.03	35	-13	Hungary	22	Indonesia	13	-	-
161.39	96	-23	Turkey	95	Mexico	1	-	-
161.51	214	-32	France	125	Mexico	71	Poland	5
161.55	37	+43	Egypt	21	Rumania	6	Bulgaria	5
161.67	702	-4	Greece	516	Mexico	158	Turkey	13
161.73	4	-24	Canada	2	W. Germany	1	Dom. Rep.	1
161.90	39	+68	Portugal	21	France	8	Yugoslavia	4
161.94	511	+45	Yugoslavia	344	Albania	118	Turkey	9
162.01	4	-62	Yugoslavia	3	France	1	-	-
162.05	21	+160	Yugoslavia	21	-	-	-	-
162.09	185	+13	France	115	Spain	66	Greece	2

See footnotes at end of table.

February 1969

1:9

**Value of U.S. imports for consumption, by TSUS items included in the individual summaries
of this volume, total and from the 3 principal suppliers, 1967**

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page; TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount in 1967	Per- cent change from 1966	Country	Value	Country	Value	Country	Value
Certain herbs, processed (p. 159)								
161.05	:	- :	- :	- :	- :	- :	- :	- :
161.41	:	- :	- :	- :	- :	- :	- :	- :
161.53	:	- :	- :	- :	- :	- :	- :	- :
161.57	:	23 :	-5 :	W. Germany	13 :	Egypt	6 :	Switzerland
161.69	:	<u>2/</u> :	-100 :	- :	- :	- :	- :	- :
161.75	:	65 :	<u>4/</u> :	W. Germany	29 :	Belgium	18 :	Portugal
161.92	:	- :	- :	- :	- :	- :	- :	- :
161.96	:	<u>2/</u> :	-100 :	- :	- :	- :	- :	- :
162.03	:	- :	- :	- :	- :	- :	- :	- :
162.07	:	<u>3/</u> :	<u>1/</u> :	France	<u>3/</u> :	- :	- :	- :
162.11	:	- :	- :	- :	- :	- :	- :	- :
Capers (p. 165)								
161.07	:	537 :	+21 :	Spain	282 :	Morocco	242 :	Algeria
Certain ground spices; mixed spices; and nonenumerated spices (p. 167)								
161.15	:	- :	- :	- :	- :	- :	- :	- :
161.19	:	- :	- :	- :	- :	- :	- :	- :
161.23	:	- :	- :	- :	- :	- :	- :	- :
161.29	:	32 :	+162 :	India	26 :	Japan	4 :	U.K.
161.37	:	<u>2/</u> :	- :	- :	- :	- :	- :	- :
161.45	:	- :	- :	- :	- :	- :	- :	- :
161.49	:	- :	- :	- :	- :	- :	- :	- :
161.65	:	- :	- :	- :	- :	- :	- :	- :
161.79	:	3 :	<u>4/</u> :	Canada	3 :	- :	- :	- :
161.88	:	- :	- :	- :	- :	- :	- :	- :
162.15	:	31 :	+46 :	W. Germany	17 :	Switzerland	3 :	Thailand
Mustard, ground or prepared (p. 173)								
161.59	:	552 :	+10 :	U.K.	406 :	France	102 :	W. Germany
Mustard seed (p. 179)								
161.61	:	4,688 :	+39 :	Canada	4,192 :	Denmark	317 :	Italy
Paprika (p. 185)								
161.71	:	4,168 :	+2 :	Spain	1,971 :	Morocco	787 :	Bulgaria
Capsicum, cayenne, or red pepper, ground or unground (p. 191)								
161.84	:	1,053 :	+10 :	Mexico	1,022 :	Ethiopia	25 :	Yugoslavia

1/ No imports in 1966.

2/ No imports in 1967.

3/ Less than \$500.

4/ More than 200 percent.

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

A P P E N D I X C

Value of U.S. imports for consumption, by TSUS
items included in the individual summaries
of this volume, total and from the 3 prin-
cipal suppliers, 1968.

Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1968

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page; TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount in 1968	Per-cent change from 1967	Country	Value	Country	Value	Country	Value
Sugar (p. 5)								
155.10	-	-	-	-	-	-	-	-
155.12	-	-	-	-	-	-	-	-
155.15	7	1/	Poland	7	-	-	-	-
155.20	640,685	+9	Phil. Rep.	138,094	Dom. Rep.	92,265	Mexico	80,658
155.30	21	-98	U.K.	21	-	-	-	-
Sugars, sirups, and molasses (containing over 6 percent soluble nonsugar solids) (p. 23)								
155.35	1,751	+138	Barbados	939	Dom. Rep.	801	Canada	10
Molasses for feed and industrial uses (p. 29)								
155.40	42,339	-1	Mexico	10,446	Australia	4,300	Dom. Rep.	3,299
Maple sugar and maple sirup (p. 39)								
155.50	2,513	+24	Canada	2,513	-	-	-	-
155.55	3,529	-19	Canada	3,529	-	-	-	-
Dextrose and dextrose sirup (p. 45)								
155.60	17	-75	W. Germany	11	Canada	3	Netherlands	2
155.65	189	2/	Canada	141	Netherlands	46	W. Germany	1
Honey (p. 51)								
155.70	1,747	+7	Mexico	1,037	Canada	271	Argentina	193
Flavored sugars, sirups, and molasses, and blended sirups (p. 59)								
155.75	99	-95	W. Germany	46	Hong Kong	20	Phil. Rep.	9
Cocoa beans, and cocoa bean shells and other cocoa residues (p. 65)								
156.10	136,029	-8	Ghana	45,515	Brazil	18,488	Nigeria	16,680
156.50	-	-	-	-	-	-	-	-
156.55	-	-	-	-	-	-	-	-
Semiprocessed cocoa and chocolate products (p. 71)								
156.20	3,145	+27	Netherlands	936	Mexico	859	Haiti	610
156.25	1,237	+15	Switzerland	737	Canada	234	Israel	75
156.35	12,573	+2	Netherlands	3,022	Brazil	2,784	Mexico	1,638
156.40	13,470	+29	Netherlands	7,409	W. Germany	1,825	Nigeria	1,042
156.45	116	+6	Dom. Rep.	98	U.K.	17	Israel	1
156.47	294	+91	Switzerland	223	Netherlands	63	Sweden	4
Sweetened chocolate, not in bars or blocks weighing 10 pounds or more each, and confectionery, not elsewhere enumerated (p. 83)								
156.30	17,704	+66	Ireland	3,766	Netherlands	3,693	U.K.	3,193
157.10	30,749	+13	U.K.	10,840	Canada	3,989	Netherlands	2,570

See footnotes at end of table.

Value of U.S. imports for consumption, by TSUS items included in the individual summaries of this volume, total and from the 3 principal suppliers, 1968

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount in 1968	Per- cent change from 1967	Country	Value	Country	Value	Country	Value
Coffee, crude, roasted, or ground; and coffee extracts, including soluble or instant coffee (p. 95)								
160.10	: 1,143,500	: +19	: Brazil	: 372,291	: Colombia	: 162,284	: Angola	: 71,558
160.20	: 21,853	: +27	: Brazil	: 16,865	: France	: 1,693	: Salvadore	: 994
160.21	: 6	: +100	: Australia	: 2	: France	: 1	: Canada	: 1
Chicory and other coffee substitutes and mixtures of coffee and substitutes (p. 113)								
160.30	: 195	: +57	: Poland	: 190	: France	: 3	: Belgium	: 2
160.35	: 502	: +25	: France	: 392	: Belgium	: 108	: Canada	: 2
160.40	: 178	: +85	: Switzerland	: 65	: W. Germany	: 61	: Belgium	: 14
Tea (p. 121)								
160.50	: 60,689	: +4	: Ceylon	: 20,833	: India	: 11,179	: Indonesia	: 6,032
Mate (p. 129)								
160.60	: 1	: -50	: Brazil	: 1	: -	: -	: -	: -
160.65	: 36	: +90	: Argentina	: 22	: Canada	: 11	: W. Port. Af.	: 2
Spices, crude or processed; and certain spices, unground (p. 133)								
161.01	: 88	: -37	: Spain	: 67	: Mexico	: 11	: Netherlands	: 5
161.09	: 1,222	: +9	: Netherlands	: 735	: Poland	: 465	: Denmark	: 12
161.11	: 310	: -47	: Guatemala	: 146	: India	: 115	: Seychelles	: 19
161.13	: 5,422	: -6	: Indonesia	: 5,262	: Malaysia	: 62	: Rep. of China	: 25
161.17	: 1,691	: -5	: Seychelles	: 856	: Ceylon	: 617	: Malagasy	: 36
161.21	: 1,525	: +84	: Malagasy	: 1,098	: Tanzania	: 244	: Indonesia	: 73
161.25	: 288	: +1	: Morocco	: 193	: Rumania	: 60	: Argentina	: 22
161.27	: 559	: -26	: Iran	: 548	: India	: 4	: Lebanon	: 3
161.31	: 84	: +22	: India	: 84	: Netherlands	4/	: -	: -
161.33	: 168	: +9	: India	: 141	: Argentina	: 13	: Greece	: 5
161.35	: 675	: +19	: Jamaica	: 204	: Nigeria	: 166	: Sierra Leone	: 158
161.43	: -	: -	: -	: -	: -	: -	: -	: -
161.47	: 265	: -59	: Indonesia	: 239	: India	: 16	: New Guinea	: 8
161.63	: 1,625	: -30	: Indonesia	: 1,295	: Leeward & Windward Is.	: 210	: W. Germany	: 46
161.77	: 14,345	: -10	: Indonesia	: 10,462	: Brazil	: 1,909	: India	: 822
161.86	: 708	: +4	: Jamaica	: 536	: Mexico	: 79	: Honduras	: 67
162.13	: 556	: +167	: India	: 445	: Jamaica	: 49	: Pakistan	: 18
Certain herbs, crude (p. 149)								
161.03	: 40	: +14	: Hungary	: 14	: Yugoslavia	: 13	: France	: 10
161.39	: 123	: +28	: Turkey	: 119	: Portugal	: 2	: Mexico	: 2
161.51	: 222	: +4	: France	: 136	: Mexico	: 54	: Lebanon	: 13
161.55	: 62	: +68	: Bulgaria	: 26	: W. Germany	: 14	: Egypt	: 10
161.67	: 782	: +11	: Greece	: 563	: Mexico	: 188	: Japan	: 24
161.73	: 2	: -50	: Dom. Rep.	: 1	: Canada	4/	: Yugoslavia	4/
161.90	: 57	: +46	: Portugal	: 35	: Spain	: 11	: Yugoslavia	: 5
161.94	: 674	: +32	: Yugoslavia	: 484	: Albania	: 150	: Italy	: 23
162.01	: 1	: -75	: Yugoslavia	4/	: Netherlands	4/	: -	: -
162.05	: 2	: -91	: Yugoslavia	: 2	: -	: -	: -	: -
162.09	: 101	: -45	: France	: 59	: Spain	: 41	: Netherlands	: 1

See footnotes at end of table.

**Value of U.S. imports for consumption, by TSUS items included in the individual summaries
of this volume, total and from the 3 principal suppliers, 1966**

(In thousands of dollars. The dollar value of imports shown is defined generally as the market value in the foreign country and therefore excludes U.S. import duties, freight, and transportation insurance)

Summary title and page TSUS item	All countries		First supplier		Second supplier		Third supplier	
	Amount	Per-						
	in 1968	cent change from 1967	Country	Value	Country	Value	Country	Value
Certain herbs, processed (p. 159)								
161.05	-	-	-	-	-	-	-	-
161.41	-	-	-	-	-	-	-	-
161.53	9	1/	Mexico	7	Poland	2	-	-
161.57	43	+87	W. Germany	20	Greece	17	Switzerland	6
161.69	-	-	-	-	-	-	-	-
161.75	27	-59	W. Germany	24	Hungary	3	Belgium	4/
161.92	-	-	-	-	-	-	-	-
161.96	-	-	-	-	-	-	-	-
162.03	-	-	-	-	-	-	-	-
162.07	3/	-100	-	-	-	-	-	-
162.11	-	-	-	-	-	-	-	-
Capers (p. 165)								
161.07	589	+10	Morocco	300	Spain	284	U.K.	2
Certain ground spices; mixed spices; and nonenumerated spices (p. 167)								
161.15	-	-	-	-	-	-	-	-
161.19	-	-	-	-	-	-	-	-
161.23	-	-	-	-	-	-	-	-
161.29	35	+9	India	26	Japan	6	U.K.	1
161.37	-	-	-	-	-	-	-	-
161.45	-	-	-	-	-	-	-	-
161.49	-	-	-	-	-	-	-	-
161.65	-	-	-	-	-	-	-	-
161.79	6	+100	India	6	W. Germany	4/	-	-
161.88	-	-	-	-	-	-	-	-
162.15	64	+106	W. Germany	18	Spain	13	France	10
Mustard, ground or prepared (p. 173)								
161.59	608	+10	U.K.	460	France	89	W. Germany	51
Mustard seed (p. 179)								
161.61	4,766	+2	Canada	3,954	Denmark	591	U.K.	95
Paprika (p. 185)								
161.71	4,153	-0.4	Spain	2,390	Bulgaria	861	Morocco	504
Capsicum, cayenne, or red pepper, ground or unground (p. 191)								
161.80	30	5/	Turkey	23	Japan	5	Mexico	2
161.83	2,701	5/	Japan	1,425	Mexico	801	Turkey	189
161.84	1,167	+11	Mexico	887	Ethiopia	192	Senegal	54

1/ No imports in 1967.

2/ More than 200 percent.

3/ No imports in 1968.

4/ Less than \$500.

5/ Not comparable to previous years due to change in import classification.

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

OTHER AVAILABLE VOLUMES OF THE SUMMARIES SERIES

<i>Schedule</i>	<i>Volume</i>	<i>Title</i>
1	1	Animals and Meats
1	2	Fish: Fresh, Chilled, Frozen, or Cured
1	3	Fish Products, Shellfish, and Shellfish Products
1	4	Dairy Products and Birds' Eggs
1	5	Live Plants and Seeds
1	6	Cereal Grains, Malts, Starches, and Animal Feeds
1	7	Vegetables and Edible Nuts
1	11	Tobacco and Tobacco Products
1	12	Animal and Vegetable Fats and Oils
1	13	Hides, Skins, Leather, Feathers, and Miscellaneous Articles of Animal Origin
2	1	Wood and Related Products I
2	2	Wood and Related Products II
2	3	Paper and Related Products I
3	4	Felts, Batting, Nonwoven Fabrics, Fish Nets, Machinery Belts and Clothing, Hose, Coated Fabrics, and Other Fabrics for Special Purposes
3	5	Textile Furnishings and Apparel
3	6	Cordage, Braids, Elastic Yarns and Fabrics, Trimmings, Packing, Polishing Cloths, Sacks, Labels, Lacings, Rags, and Other Miscellaneous Textile Products
4	2	Inorganic Chemicals I
4	3	Inorganic Chemicals II
4	4	Inorganic Chemicals III
4	6	Organic Chemicals II
4	9	Glue, Gelatin, Aromatic Substances, Toilet Preparations, Surface-Active Agents, Soaps, Dyes, and Tannins
4	10	Pigments, Inks, Paints, and Related Products
4	12	Fatty Substances, Waxes, and Miscellaneous Chemical Products

OTHER AVAILABLE VOLUMES OF THE SUMMARIES SERIES

<i>Schedule</i>	<i>Volume</i>	<i>Title</i>
5	2	Gems, Gemstones, Industrial Diamonds, Clays, Fluorspar, Talc, and Miscellaneous Nonmetallic Minerals and Products Thereof
5	4	Pressed and Blown Glassware
6	1	Nonferrous Metals I
6	4	Iron and Steel
6	5	Containers, Wire Products, Foil, Fasteners, and Specified Hardware
6	6	Hand Tools, Cutlery, Forks, and Spoons
6	10	Certain Electrical Appliances, Special- Industry Machinery, Machine Parts, and Electrical Apparatus
7	3	Photographic Equipment and Supplies, Recordings, and Musical Instruments
7	4	Arms and Ammunition; Fishing Tackle; Wheel Goods; Sporting Goods; Toys and Games
7	5	Furniture, Buttons, and other Fastening Devices, Brooms, Brushes, Umbrellas, Canes, and Clothespins
7	6	Jewelry and Related Articles, Decorative Materials, Combs, Smokers' Articles, Pens, Pencils, Works of Art, and Antiques
7	7	Rubber and Plastics Products
7	8	Pyrotechnics and Products Not Elsewhere Enumerated

