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THIRTY-FIRST SESSION

(10 June 1959)

REPORT OF THE THIRTY-FIRST SESSION

of the

COMMITTEE ON COMMODITY PROBLEMS

The attached Report of the Thirty-First Session of the
Committee on Commodity Problems is circulated for consideration
at the Thirty-First Session of the Council.

COMMITTEE ON COMMODITY PROBLEMS
REPORT OF THE THIRTY-FIRST SESSION

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COMMITTEE ON COMMODITY PROBLEMS
REPORT OF THE THIRTY-FIRST SESSION

1. The Committee on Commodity Problems held its Thirty-First Session from 1 to 12 June 1959 under the Chairmanship of Dr. C. F. Wilson (Canada). The Session was attended by representatives from 22 member countries of the Committee and observers from 25 countries and 14 international organizations.

I. AGENDA

2. The Provisional Agenda for the Thirty-First Session (CCP 59/1) was adopted.

II. SUMMARY RECORD OF THIRTIETH SESSION

3. The Provisional Summary Record of the Thirtieth Session (CCP 58/19 and CCP 58/19, Addendum) was approved.

III. REPORT OF THE TWENTY-NINTH SESSION OF THE COUNCIL

4. An extract from the Report of the Twenty-Ninth Session of the Council relating to commodity matters was noted.

IV. WORLD AGRICULTURAL COMMODITY SITUATION

(1) Current Situation

5. The Committee made its customary survey of developments in the world commodity situation since its last Session held in June 1958, based on information supplied in document CCP 59/8.

6. After a slight setback in 1957/58, the expansion in world agricultural production was resumed in 1958/59, with higher output of crops and livestock products in most regions. World output ^{1/} of wheat, rice, maize, fruits and coffee reached record levels.

7. This rise in world agricultural output was not matched by an equally large increase in consumption and world trade, although consumer demand for food in industrial countries generally remained fairly strong throughout 1958/59. Demand for agricultural raw materials increased in the latter part of the period under the impetus of continuing recovery of the United States economy and the recent upturn of economic activity in Western Europe. The volume of world commodity trade in 1958/59 remained at about the same level as in 1957/58, and below the level reached in 1956/57.

8. The steep and general decline in international commodity prices was halted in the middle of 1958. Most prices had since remained at around the levels prevailing in the second quarter of 1958, although prices of some commodities declined further. In May 1959, international prices of wheat, coarse grains, most fats and oils and wool were about the same as a year earlier. Prices of coffee, cotton, sugar, cocoa and citrus fruits were lower. On the other hand, the beginning of a general expansion of demand in industrial countries had already been reflected to some extent in increases

^{1/} Excluding Eastern Europe, the USSR and Mainland China

in some commodity prices. By May, the price of rubber had reached its highest point since January 1957. Wool prices advanced sharply in the first half of 1959, regaining all the loss of the second half of 1958. Prices of sisal, butter, cheese, copra and beef were also higher.

9. In the view of the Committee, the salient features of the world commodity situation were: (a) the persistence and continued growth of surpluses; (b) the unfavourable trend in the terms of trade of agricultural exporting countries; (c) the growing need for adjustment of national agricultural policies; and (d) the trend toward regional arrangements.

(a) Surpluses

10. The semi-permanent nature of the world surplus problem was recognized by the FAO Conference in 1957. Since then, stocks of the major surplus commodities have increased despite special export measures and programs in various countries. On the other hand, the butter problem of early 1958 was eased, possibly only temporarily, through higher consumption levels due to lower market prices, special consumer price measures and disposal schemes. At the end of the 1958/59 season, there were particularly marked increases in world stocks of coffee (30 percent), wheat (20 percent), sorghum (60 percent) and maize (23 percent). World stocks of barley as well as stocks of cotton in exporting countries were also higher.

11. Most of the increase in carryovers of wheat was due to higher stocks in the United States where the 1958 wheat crop was 54 percent higher than a year before. In Canada further stock reductions had taken place, while in Australia wheat stocks increased in consequence of the recovery of output in 1958/59. Despite continuing heavy exports and domestic use of coarse grains, carryovers in the United States were expected to rise by 25 percent by the end of 1958/59. Most of the increase was in maize, but stocks of sorghum rose from around 2 million tons at the beginning of 1957/58 to 13 million tons at the opening of 1959/60. The problem of coffee is also becoming more acute. Brazil stocks almost doubled in 1958/59 and world stocks represent today approximately 70 percent of annual world imports. The increase in cotton stocks was limited to exporting countries, other than the United States where the carryover was not greatly different from a year earlier. In importing countries, stocks of cotton and coffee declined.

(b) Terms of Trade of Agricultural Exporting Countries

12. The unfavourable trend in the terms of trade of agricultural exporting countries continues to reflect comparatively low or declining agricultural prices and stable or rising prices of non-agricultural goods. The effect of this movement on earnings is all the more serious because of the limited opportunities these countries have for expanding their exports to industrial countries to the extent which would enable them to pay for imports of consumer goods and capital equipment increasingly needed for economic development.

13. Export earnings of primary producing countries were generally lower in 1958 than in 1957, and, although a large number of such countries obtained grants and loans in the course of the year, the foreign exchange position of some of them remained under heavy stress. Some of them had to impose restrictions on imports in consequence of the decline in their export earnings.

14. In so far as unfavourable terms of trade, and the resulting balance of payments difficulties, of primary producing countries were due mainly to the slowing down in world economic activity in

1957 and 1958, the position of some of them improved in the first half of 1959 following upon the economic recovery in industrial countries. In particular, exporters of wool, rubber, butter and cheese obtained some relief from their foreign exchange difficulties and it is likely, if the present indications of a more general economic expansion are borne out, that there may be further improvements in the position of some commodities, although this is more likely to affect those agricultural commodities which are industrial raw materials rather than foodstuffs.

15. At the same time, the Committee recognized that commodity price movements in recent years cannot be regarded merely as the outcome of cyclical swings in economic activity and demand of industrial countries. On the contrary, developments in prices and stocks in 1958/59 were largely reflections of changes in the supply position of individual commodities. Moreover, several commodities, including grains, coffee and fibers are affected by long-term structural problems in both supply and demand, such as excess productive capacity and output, competition from synthetic and other products, the difficulties associated with the disposal of surpluses and in some cases agricultural protectionism. These problems, as noted in paragraph 12 above, present formidable obstacles to economic development. Moreover, the persistence of factors limiting the export outlets and earnings of agricultural exporting countries provides a brake on expansion of world trade generally.

(c) Adjustment of National Agricultural Policies

16. The Committee again laid stress on the need for adjusting national agricultural policies in such a way as to promote a better balance between supply and demand in international markets, and for correcting the growing divergence in standards of living between countries in different stages of economic development. It was felt that some of the problems which have been dealt with recently on an ad hoc emergency basis require long-term solutions. For example, there is no doubt that the collective restrictions of coffee exports of the type now in force have for the present helped to prevent a price collapse. It was recognized at the same time that such a scheme cannot by itself remove the basic imbalance between world supply and demand. Similarly, the critical butter situation of early 1958 fully warranted emergency action on the part of the exporting and importing countries concerned, but the basic factors responsible for the crisis are still in operation, and can only be removed by appropriate adjustments in national policies.

17. National agricultural policies and problems arising from them have been studied in various international fora. The Committee is of the opinion that such discussions can contribute substantially to a better understanding of the problems involved and that there is need to give continuing attention to the basic issues of national policies and their international effects. Such understanding can help toward removing some of the causes of the present disequilibrium in the world economy.

(d) Regional Arrangements

18. The Committee recognized the growing trend in recent years towards regional arrangements. Such regional arrangements aim at promoting within the regional units concerned greater freedom of trade, higher rates of economic growth, closer political and economic integration and, in some cases, at providing a basis for intergovernmental emergency action. The most prominent example of such arrangements is the Treaty of Rome, setting up the European Economic Community. However, current discussions on a regional basis in many parts of the world and recent intergovernmental

arrangements on coffee and cotton reflect a growing belief that, while many problems facing individual countries call for world-wide solutions, there may be cases in which there are advantages in starting intergovernmental action on a regional basis.

19. Most regional arrangements at present in force or under study may well have repercussions in the field of agricultural commodities both through their immediate impact on the volume of international trade and prices and because of their long-term effects on the whole pattern of international trade. The interest in such arrangements tends, therefore, to spread beyond the immediate parties concerned. The Committee emphasized that in working out such arrangements great care should be taken to avoid restricting trade opportunities of third countries and aggravating the existing imbalance in international commodity markets.

(2) European Economic Community

20. The Committee noted with interest the information supplied by the Secretariat in documents CCP 59/8 and CCP 59/9. Several delegates reiterated their concern regarding possible effects on third countries of tariff and agricultural provisions of the Rome Treaty and of the preferential treatment accorded under the Treaty to the Associated Territories.

21. The Delegates of the EEC countries stated that the fears expressed by third countries were premature in view of the fact that their common agricultural policy was still under discussion among the Six. These apprehensions seemed to them also not well founded in that expanding consumption within the Common Market and Associated Territories, combined with the need of the member states to expand their trade with third countries, were likely to result in an appreciable increase of demand for imports.

22. Some delegates were of the opinion that the implications of the European Common Market in the field of food and agriculture were of such importance as to justify in the future the treatment of the subject under a separate item of the CCP agenda. After discussion, the Committee decided that the subject should not be made a separate item on the CCP agenda but that all relevant developments in EEC and in other regional arrangements should be considered by the Committee in its review of the commodity situation.

(3) Medium and Long-Term Projections of Production and Demand

23. The Committee reviewed the work of FAO on projections of production of, and demand for, agricultural commodities (CCP 59/11 - Medium and Long-Term Economic Projections). It noted that work was going on or proposed on a number of projection studies comprising a detailed analysis of the major factors determining trends in demand and production and the formulation of projections for the year 1965. The objective of such work was to assess general trends in commodities, keep governments informed of work under way and thereby help in their analysis of the many economic patterns against which they may consider their production and marketing policies. Such work was being closely coordinated with similar activities in other international agencies.

24. Projections on a world basis had already been made for some commodities and it was intended gradually to deal with others. Work had also been initiated on a regional basis in close collaboration with national and regional organizations.

25. The Committee regarded this program as useful and requested the Director-General to pursue it to the maximum extent that was feasible within the limits of the available resources. It commended

the action taken by the Secretariat to ensure close cooperation with the other agencies working in the same field. A number of delegates stressed the value of such studies in national planning, especially with reference to the assessment of export prospects. Some delegates stressed the more useful nature of the shorter-term projections.

26. The Delegates for India and Japan expressed keen interest in the meeting on target setting in agriculture which had been proposed at the Fourth FAO Regional Conference for Asia and the Far East and hoped that this meeting could be held early in 1960.

V. AGRICULTURAL SURPLUSES

(1) Eighth Report of the CCP Consultative Sub-Committee on Surplus Disposal

27. The Eighth Report of the CCP Consultative Sub-Committee on Surplus Disposal (CCP 59/14) was introduced by Mr. R. C. Tetro (United States on behalf of Mr. P. Grabo (Sweden) the Chairman of the Sub-Committee who was unable to attend. The Committee expressed warm appreciation for the work of the Sub-Committee and paid tribute to the contributions made by the Secretariat and individual country representatives to the work of the Sub-Committee and its various working groups.

28. The Committee noted that the Sub-Committee had continued to review current problems in the surplus disposal field with special attention to the legislative and administrative aspects of surplus utilization programs. A wide range of problems had been discussed in the Sub-Committee, such as those arising from butter disposals in the United Kingdom market, the disposals of dried skim milk, and the reduction in export prices of dairy products held by the U.S. Government.

29. Some transactions under Public Law 480 agreements had also been the subject of consultation within the Sub-Committee. Overall surplus utilization programs and legislation had been considered by the Sub-Committee in several instances, particularly with reference to various provisions of U.S. agricultural legislation and to the utilization of local currencies deriving from transactions under Title I of Public Law 480 to finance agricultural research and market development projects.

30. Many delegations expressed appreciation of the active cooperation of exporting countries with the Sub-Committee with the view to minimizing undesirable effects in international markets. The Committee welcomed the growing measure of consultation both within the Sub-Committee and bilaterally between countries exporting surpluses and countries interested in commercial trade. Some delegations regretted, however, that these consultations had not always led to the results that they had hoped for.

31. Noting that a number of countries still found difficulty in providing appropriate representation at the meetings of the Sub-Committee, the Committee again stressed the need for regular and effective participation in the work of the Sub-Committee in order to increase its efficiency for the benefit of all countries concerned.

32. The Observer for the International Federation of Agricultural Producers (IFAP) announced that his Organization was working out some detailed suggestions for further work which might be undertaken by the Sub-Committee on Surplus Disposal on short-term commodity problems. The Committee decided to consider these proposals at its next session if in the meantime the IFAP would state them in detail so as to enable governments to study them.

(2) Report on the Operation and Adequacy of the FAO Principles of Surplus Disposal and Guiding Lines

33. The Sub-Committee's Report on the Operation and Adequacy of the FAO Principles of Surplus Disposal and Guiding Lines (CCP 59/14 Addendum 1) was introduced by Mr. D. W. Woodward (New Zealand), Chairman of the ad hoc Group entrusted by the Sub-Committee with the preparation of this document.

34. This Report represented the second part of an investigation undertaken by the Sub-Committee in response to the request made to it at the Committee's Twenty-Ninth Session that it should "examine and report on the operation and adequacy of the FAO Principles and Guiding Lines of Surplus Disposal over the past three years and recommend possible ways of ensuring that the disposal of surpluses is made without harmful interference with normal patterns of production and international trade". This request had been endorsed by the Ninth Session of the FAO Conference (Resolution No. 6/57). The Sub-Committee had submitted at the Thirtieth Session of the CCP a report on Consultative Machinery and Procedures (CCP 58/7 Addendum 1) which formed the first part of the task laid on it.

35. The Committee was informed that during the present Session the Government of Greece had notified the Director-General of its acceptance of the FAO Principles of Surplus Disposal.

36. The Report on the Operation and Adequacy of the FAO Principles of Surplus Disposal concluded that in general the FAO Principles and Guiding Lines of Surplus Disposal were as adequate today as they had been when first developed. However, the Sub-Committee felt that some refinements in language and certain re-arrangements could be made with advantage. In particular, the Sub-Committee recommended that part of the text of the Guiding Lines should be incorporated into Principles No. 1 and No. 5 with a restatement of those Principles and that some readjustment should be made in the text of the remaining Guiding Lines.

37. The Committee received the Report with satisfaction and paid warm tribute to the Sub-Committee for its work. While recognizing that the report had not been available for sufficient time to enable governments to prepare their views, the Committee expressed its general approval of the recommendations contained in paras. 46 (b), 46 (c) and 46 (d) of the Sub-Committee's Report. As to recommendation 46 (d), however, some delegates were of the opinion that the Director-General should proceed immediately with the republication of the FAO Principles and Guiding Lines in their present text, together with the list of Member Governments which, at the date of publication, had expressed their agreement to adhere to the Principles. Other delegates, however, argued that such publication should be undertaken only after a decision had been taken on whether or not to amend the text of the Principles and Guiding Lines.

38. As to recommendation 46 (a), some delegates felt that the restatement of Principles No. 1 and No. 5 as proposed by the Sub-Committee was a simple modification in the form that would not necessitate or would hardly justify the undertaking of the procedure of formal acceptance by Member Governments. Other delegates felt that such acceptance would be required in any case, even if the changes suggested were merely formal. It seemed to some delegates that the amendments recommended went beyond a mere revision of form, among other reasons because of the incorporation into the Principles of some Guiding Lines which had not originally been submitted to governments for formal acceptance. It was, however, pointed out that formal acceptance had been assumed in the preamble to the Conference Resolution No. 7/55 the relevant part of which reads "Having noted

that the Guiding Lines and Principles on Surplus Disposal ... have already been ... formally accepted by 37 FAO Member Nations ...".

39. A number of general observations were made during the discussion of the Report. Some delegates felt that the comments and suggestions of the Sub-Committee might be adopted as explanatory and interpretative notes to the Principles as they stood, rather than as amendments. Specific suggestions were also made regarding the proposed revision of the text of Principles No. 1 and No. 5. One of these was that the order of the two sentences of the proposed new text of Principle No. 1 should be reversed. The advisability of referring in this new text to "domestic" and "foreign" consumption was questioned by some Delegates, who thought it might be preferable to retain the original reference to consumption in general. It was also suggested that it might be preferable to retain the reference to "less developed countries" if the text of the present Guiding Line (f) was to be incorporated in the suggested new Principle No. 5. The Chairman of the ad hoc Group explained the reasons for the approach taken by the Group. Some delegates suggested that the consideration of the Guiding Lines of Surplus Disposal and their possible amendment should be coordinated with the work now in progress towards the formulation of a set of Principles of Agricultural Price Stabilization and Support Policies; such coordination would help in finding suitable methods for arriving at a better balance between production and consumption of commodities in surplus supply.

40. Some delegates believed that much of the text in earlier parts of the Report contained assessments and conclusions that merited more attention than governments had yet been able to give. These dealt with the impact of surplus disposals on the surplus situation, economic development, world trade, patterns of production, prices, the creation of additional demand, balance of payments positions and similar matters.

41. The Committee decided that it would be premature for it to recommend any amendments of the Principles at this stage, or even to prepare a new text of the Principles based on the recommendations of the Sub-Committee and the discussion at the current Session. The Committee decided to submit to the Conference the Sub-Committee's Report and to keep the question of a possible restatement of the Principles on its agenda for consideration in 1960 in the light of any comments or conclusions by the Conference.

(3) Wheat Utilization Committee

42. The Delegate of the United States drew the attention of the Committee to the statement submitted by his Delegation Fourth Session at the of the FAO Group on Grains on the "Food for Peace" Conference held in Washington from April 27 to May 6 1959 and to the establishment of a Wheat Utilization Committee in which major wheat exporting countries had been invited to participate. The Delegate of the United States particularly stressed the rôle played by the FAO in this development, as evidenced by the participation of the Director-General in the work of the Wheat Utilization Committee and by the many FAO studies on surplus questions which have been of great use in shaping the Food for Peace program. The Committee noted with interest the establishment of the Wheat Utilization Committee and expressed the hope that the FAO would be enabled to continue to participate and cooperate in the work which had been undertaken.

(4) Free-the-World-from-Hunger Campaign

43. The Committee heard from the Director-General on the developments with respect to his projected Free-the-World-from-Hunger Campaign. The Director-General referred in this connection to some

of the outstanding questions on the Committee's agenda, namely the lack of balance between surpluses of some commodities in some parts of the world and deficiencies in others; the lack of adequate coordination of national policies; and the lack of adequate knowledge and understanding of some of the main factors likely to influence commodity prospects and trends over the next five or ten years. He pointed out that these were some of the problems which would also engage attention in the Free-the-World-from-Hunger Campaign, because that Campaign should be regarded essentially as an intensified effort toward the basic objectives to which the FAO was already pledged under its Constitution - better living levels for all, more and better production and distribution, and better understanding and cooperation.

VI.

REPORTS OF CCP COMMODITY GROUPS AND SPECIAL COMMODITY QUESTIONS ^{1/}

(1) Grains - Report of Fourth Session of the FAO Group on Grains

44. The Committee received the Report of the Fourth Session of the FAO Group on Grains (CCP 59/21) and commended it for the attention of Governments.

45. The Committee noted that the work of the Group had covered four main topics. There had been the customary review of the current situation and an outlook statement for 1959/60 had been prepared. The Group had examined medium-term projections and trends and the factors which were tending to a further accumulation of stocks. They had reviewed developments in national grain policies, a work to which they attached great value. Special attention had been paid at this Session to coarse grains; a summary of the basic facts had been prepared and the first steps taken on more intensive studies. Thus, the Group had made a first attempt at an international survey and comparison of the utilization of coarse grains, including a survey of the extent to which requirements were met from domestic production, as well as of the proportion of the latter which was marketed.

46. During the discussion of the report in the Committee, delegates paid particular tribute to the Group's work on coarse grains which was providing a substantial addition to the knowledge on the subject.

47. The Committee welcomed the Group's remarks concerning its close and fruitful cooperation with the Chairman and the Secretariat of the International Wheat Council. The Committee paid a special tribute to Mr. F. Sheed Anderson, Chairman of the International Wheat Council for his contributions to the solution of world problems in grains and particularly to the work of the Grains Group.

48. The Committee noted that the Group proposed to hold its next Session in the late Spring of 1960, immediately before the Thirty-Third CCP Session.

(2) Rice - Report of Third Session of the Consultative Sub-Committee on the Economic Aspects of Rice

49. The Report of the Third Session of the Consultative Sub-Committee on the Economic Aspects of Rice (Colombo, February 1959) was reviewed by the Committee. The Sub-Committee's main attention had, as usual, been devoted to the current international trade situation and outlook, but work was also progressing on a variety of other projects. As regards the improvement of basic statistics, a new and more comprehensive annual questionnaire had been approved for regular circulation to governments, and the monthly Exchange of Information and statistics on rice had been expanded. Studies of the factors affecting demand, including consumer preferences and the utilization of rice by-products for animal feed and industry, were being undertaken. On marketing problems, the Sub-Committee was carrying out a comparative study on the structures of internal marketing of rice in various countries, and the Group of Experts on Rice Grading and Standardization, having established a model system of grading, was now attempting to formulate standard methods of national quality inspection.

^{1/} In dealing with this section of the Report, the Committee had before it the detailed reports of its specialized commodity groups, which had met earlier, and of its Dairy Panel, which had met concurrently with the current Session. The reports of the specialized commodity groups are contained in separate documents while the Report of the Dairy Panel formed the basis for the section on Dairy Products in this Report. This explains the relatively greater space given to this group of commodities in this Report.

50. The Committee endorsed the report of the Sub-Committee and commended the work carried out. As regards future work, the Committee suggested that emphasis should continue to be laid on the improvement of basic statistics and economic information, which was a particularly urgent need for this commodity. It also suggested that a more intensive study of long term trends in supply and demand would help in providing a firmer basis for national policies for rice, and that the agenda for the Fourth Session of the Sub-Committee should include an item on the relationship between wheat and rice markets in Asia and the Far East.

51. The Committee noted with appreciation that the Government of Viet-Nam had invited the Consultative Sub-Committee on the Economic Aspects of Rice to hold its Fourth Session in Saigon in February 1960.

(3) Coconut and Coconut Products - Report of Second Session of
FAO Group on Coconut and Coconut Products

52. The Committee adopted the Report of the Second Session of the Group on Coconut and Coconut Products. It noted with approval that in its first two Sessions the Group had set up a work program which had begun to improve the information available on coconut production, trade and utilization, and on the relationship between coconut oil and other fats and oils. It had made a first review of those problems and requirements in the agricultural and processing sectors which were of the greatest economic significance, whether technical or economic. As a result, the Group had suggested regional projects under ETAP for the improvement of statistics, to assess the status of and coordinate national research, and for a research and training program on copra preparation. These projects had been approved. It had also established a Working Party on Copra Quality and Grading which was endeavouring to promote better product quality, having regard to the difficulties of both producers and users. The Working Party was also giving special attention to the improvement of marketing of coconut products.

53. The Committee noted the Group's proposals to hold a further session of the Working Party on Copra Quality and Grading in August 1959, and its Third Session early in 1960.

(4) Cocoa - Activities of FAO Cocoa Study Group since the
Thirtieth Session of the CCP

54. The Committee received the report on the activities of the Cocoa Study Group (CCP 59/19). It expressed its satisfaction with the way the work of the Group had developed during the past three years. The Committee expressed its appreciation for the contribution that had been made to the work of the Group by Sir Hilton Poynton as Chairman of the Executive Committee.

55. The Committee welcomed the emphasis placed on statistical, marketing and technical work. It was gratified to hear that the technical meeting on cocoa, which had been recommended by the Group, had taken place in Accra in February 1959, and it recorded its satisfaction with the expansion of FAO's activities in the field of technical assistance to cocoa producing countries.

56. The Committee noted that the Committee on Statistics of the Cocoa Study Group had met three times since the last session of the CCP, and at each session had produced estimates of world production and grindings of cocoa beans. The usefulness of these estimates was acknowledged by the cocoa industry and trade. The work of the Statistical Committee and the information provided had helped to reduce price fluctuations during the past twenty months of difficult supply conditions. The Committee noted that there had been a steady improvement in publications, that a monthly supplement to the

quarterly Bulletin of Cocoa Statistics was now published regularly, and that work was going on for further improvements.

57. The Committee noted that important work had been undertaken in fields of marketing, and in particular of cocoa grading, storage and cocoa substitutes. The value attached to this work was borne out by the high degree of cooperation given by governments in the compilation of factual studies, and it noted that further progress in these fields of work was expected.

58. The Committee noted with appreciation that the Group had received an invitation by the Representative of France and the "Communauté française", on behalf of the Government of the Republic of the Ivory Coast, to hold the next session of the Cocoa Study Group at Abidjan. It was expected that this session would take place towards the end of 1960.

(5) Citrus Fruit

59. In accordance with a decision made at its Thirtieth Session, the Committee again considered the request of the Israeli Government for the setting up of a group on citrus fruit. The Committee had before it a study of the outlook for production and consumption prepared by the Secretariat (CCP 59/13).

60. The Committee heard statements from a number of countries and by the President of the Mediterranean Liaison Committee of Citrus Producers, emphasizing their concern with the outlook for the economies of countries in which income from export of citrus products was of major importance. Several delegates noted that available information indicated that there was a danger that production in the coming years might tend to outrun consumption, with the consequence of significant declines in prices. Others felt that further studies might show that the outlook for coming years would not be as unfavourable as anticipated in the Secretariat's study. However, the Committee felt that the problem facing the industry was serious enough to call for action by the CCP, and therefore decided to establish an FAO Group on Citrus Fruit, it being understood that the arrangements and terms of reference for the Group would be considered at the Thirty-Second Session of the CCP.

(6) Dried Fruit

61. The Committee, in reconsidering a request of the Ninth Session of the Conference that it should study the desirability of establishing a group on dates and other dried fruit, noted that no major change had occurred in the long-term outlook since its last Session, and saw no present reason for setting up a group on dried fruit, but agreed that this commodity should continue to be covered in the regular commodity review prepared by the Secretariat.

(7) Hard Fibers

62. The Committee heard a statement by the representative of the Republic of the Philippines, drawing attention to the economic importance of abaca (Manila hemp) to his country and the disadvantages of widely fluctuating prices, and reiterating his Government's request for the establishment of a group for hard fibers. Some delegations supported this request, but others saw no immediate reason for setting up such a group. The Committee decided that this request should be considered again at its next session when the particular problems attaching to these commodities could be reviewed more thoroughly in the light of the criteria to be followed in the establishment of groups.

(8) Dairy Products

(a) National Dairy Policies

63. Because of the critical butter situation, which could not be adequately viewed in isolation from the general dairy situation, the Committee at its last Session in June 1958 asked the Director-General to prepare a special report on national dairy policies. The Committee considered a preliminary report (CCP 59/6) which had been prepared by the Secretariat with the help of experts from certain dairying countries. The report examines the development of national dairy policies in twenty-one dairying countries since the 1930's, paying particular attention to developments after 1945. It also includes an analysis of the economic repercussions of policies on production, international trade, consumption and price relationships and a brief appraisal of policies.

64. As the report had been circulated only a short time before the meeting, most delegates were unable to express the opinion of their governments. The Committee, however, was able to give in general terms preliminary consideration to the report and provided the Secretariat with proposals for amendments to certain sections.

65. It was agreed that the governments of the twenty-one countries should be asked to provide the Secretariat with up-to-date information and general comments by 15 July 1959. The Committee stressed the need for governments to provide as quickly as possible their comments and up-to-date information, in order that a revised paper could be circulated well in advance of the next session. In the light of these replies, the paper will be revised by the Secretariat and brought forward for consideration by the Committee at its next session, and also by the Conference in November 1959. The work in the preparation of the revised report should be closely coordinated at the Secretariat level with the work being undertaken in OEEC.

(b) The Butter Situation in April 1959

66. The Committee considered a review of the Butter Situation as of April 1959 (CCP 59/17) which it had requested the Director-General to present to this Session because of the serious outlook for butter at the time of the last Session.

67. It was agreed that although present price levels were much more stable than a year ago and the short-term outlook was more favourable, the longer-term outlook remained uncertain as the basic influences responsible for the butter crisis in May 1958 still largely existed. It was necessary, therefore, that the Committee should keep the butter situation under continual review.

68. Document CCP 59/17 contains a chapter dealing with possibilities for future action. Because of the short time which governments had to consider the paper before the meeting, the Committee could not reach decisions on policy aspects at this stage. The Committee, however, discussed those possibilities for future action in general terms, and stressed that the main emphasis should be on continued action in keeping with the measures outlined by the Committee in its report of June 1958. It was agreed, therefore, that Chapter V on possibilities for future action of CCP 59/17 should be considered in detail at the next session of the Committee and Conference.

(c) Substitution of Other Fats for Milk Fat in Dairy Products
(Filled Milk)

69. The Committee had before it a Progress Report on a study of the substitution of other fats for milk fat in milk and milk products.

6. This report had been prepared on the basis of replies to a questionnaire sent by the Director-General to all FAO member countries. The Committee noted that (i) the replies to many of the questionnaires were incomplete; and (ii) many governments had not returned the questionnaire. A thorough study of the subject had not therefore been possible.

70. The Committee decided that this was a useful start to an investigation of a subject which was becoming of increasing importance. Completion of the study would require the collection of much fuller information.

71. It was agreed that studies on this subject were justified and should be undertaken by the Director-General as resources permit. Particular attention in such studies should be given to -

- (i) the possibilities of using filled milk to develop new outlets for skim milk powder;
- (ii) the effect that the product has on total consumption of fats and of dairy products; and
- (iii) comparative prices.

(d) International Cooperative Action: Dried Skim Milk

72. Progress on international cooperative action with regard to requests for assistance for milk schemes in Karachi, Lahore, Dacca, Calcutta and Bombay, was reported to the Committee in CCP 59/14. The Secretariat provided up-to-date information on the position with regard to the Karachi milk scheme, and referred to the possibilities of UNICEF assistance for this project.

73. The Committee noted that as requested by the last Session of the CCP an early decision had been reached by the Washington Group on the Pakistan request. The Group had decided "that international cooperative assistance on a scale proposed by the team of experts in Pakistan could not be provided adequately outside existing programs." ^{1/} It noted also that no action had yet been taken by the Washington Group on the request by the Government of India for assistance under international cooperative action in Poona, the Group having deemed it necessary to give prior consideration to its re-examination of policies and procedures.

74. The Committee considered the re-examination of policies and procedures (CCP 59/14 Add. 2) which had been prepared at its request by the Sub-Committee on Surplus Disposal.

75. The Committee noted that there had been "considerable difference of viewpoints concerning the purpose of international cooperation in this field. Donating countries tended to regard the main objective as surplus disposal, the raising of nutritional standards and thus over a period the encouragement of increased commercial demand. A recipient country's objective has tended to be dairy development beyond that possible under existing aid programs. There may be no doubt as to the national needs for these schemes. But in relation to expanding production of dried skim milk and to the heavy capital costs involved in expanding consumption, this particular type of dairy development from the viewpoint of exporting countries is more in the nature of economic aid programs, in most cases involving high capital

^{1/} Eighth Report of the Consultative Sub-Committee on Surplus Disposal to CCP (CCP 59/14) para. 26.

costs, than a means of casing the world surplus in milk powder." ^{1/}
The Group had pointed out that while in certain cases international cooperative action could be a suitable means of achieving the desired objectives, in other cases there was little reason why programs of aid could not be developed bilaterally.

76. As governments had not had time to consider the report it was not possible to take any decisions at this stage with regard to the future of the Washington Group (paras. 11-19 of CCP 59/14 Add. 2). The Committee agreed, however, that the Washington Group (as proposed in para. 18 of the report) should, pending further consideration at the next session of the CCP, "continue to consider such requests for assistance as may be received and to act along the lines set out in paragraph 16" which envisages as possible types of action:-

- " (a) helping to coordinate efforts to find methods of disposal for surpluses of skim powder which do not injure third countries;
- (b) helping to increase levels of consumption for skim powder especially by assisting the less developed countries; and
- (c) drawing together those dairying countries which are willing to assist in increasing consumption of dairy products in areas of low consumption through projects which are suited to international cooperative action".

(e) Activities of Organizations in the Establishment of Milk Processing Plants

77. The Committee was grateful to UNICEF and other organizations for the information which they had provided on their assistance in dairy development.

78. The Committee agreed that it was extremely useful to bring this information together, and requested that it should be kept up-to-date for future sessions in considering the desirability of any action to achieve coordination of these activities.

79. The Committee stressed that, in carrying out dairy development schemes under bilateral or multilateral assistance, the international organizations and governments concerned should give adequate consideration to the economic aspects of such schemes.

(f) Future Arrangements for the Dairy Panel

80. The Committee agreed when it set up the Dairy Panel in March 1957 that it would be necessary to "review its methods of handling problems relating to dairy products in the light of experience". ^{2/}

81. Under existing arrangements the Dairy Panel meets during CCP Sessions but not simultaneously with its plenary meetings. This is in part because some delegations are represented by only one individual which makes it impossible or inadvisable to have simultaneous meetings of the Panel and the Plenary. Moreover, under present arrangements the time of dairy experts brought by some

^{1/} CCP 59/14 Addendum 2

^{2/} Report of the Twenty-Eighth Session (CCP 57/14) paragraph 42.

d delegations especially for the Dairy Panel could not be effectively utilized which the CCP was in session. Largely because of these factors, there was general agreement that existing arrangements had proved unsatisfactory.

82. It was decided that at the Third-Second Session of the CCP (i) dairy products would be placed on the Committee's agenda as a main item for discussion in plenary; and (ii) advance notice would be given of the dates for this discussion. Special attention would be given to:

- (i) the report on National Dairy Policies (CCP 59/6) as amended in the light of replies from governments;
- (ii) Chapter V of document CCP 59/17 "Possibilities for Future Action";
- (iii) stimulation of milk consumption especially in areas of low consumption with special reference to the future of international cooperative action; and
- (iv) the work of the Dairy Panel during the past two years and future arrangements for dealing with the dairy products.

(9) Coffee

83. The Committee reviewed a report prepared by the Secretariat on Intergovernmental Consultations and Actions relating to Coffee (CCP 59/15), setting out the fields of activities in which FAO cooperated with other bodies concerned with coffee.

84. The Committee noted with satisfaction the cooperation of FAO in the work of the Coffee Study Group which had been established in Washington in 1958. In November 1958, FAO had been asked by the Coffee Study Group to help in the preparation of a program of work. Preliminary agreement was reached on several lines of work and the Director-General agreed to send a senior economist to Washington to discuss detailed working arrangements. In accordance with these arrangements, FAO had prepared a comprehensive review of the world coffee economy. A second FAO paper, reviewing various types of international stabilization schemes with special reference to coffee problems, was in preparation. The Committee expressed their satisfaction with the form of cooperation that had been developed with the Coffee Study Group.

85. The Committee noted that under the Joint ECLA/FAO Program, two extensive field surveys on the production problem of the coffee economics of El Salvador and Colombia had been completed, while a third survey on Sao Paulo, Brazil, was under preparation. The development of the world coffee economy has demonstrated the need for such studies of coffee production, since the solution to the serious problems facing the coffee industry cannot be limited exclusively to measures regulating the marketing of this staple export crop.

(10) Tobacco

86. The Committee had before it a report on the request presented earlier to the United Nations by the Government of the Republic of the Philippines who had asked that international conferences be convened to conclude international agreements for several commodities, including tobacco. Action taken by the Secretary-General, in response to the request concerning tobacco, and replies obtained from governments had been summarized for the information of the Committee in Document CCP 59/16. At the current session of the Committee, the Observer for the Philippines had renewed the request of his Government

and argued that some special attention to tobacco problems was needed, and that production and consumption trends in the tobacco industry might require attention at least by an ad hoc meeting.

87. The Committee also noted that the United Nations Commission on International Commodity Trade, on having been informed of the request, had found that tobacco was included in FAO's responsibilities. It noted further that, in response to the communication sent by the Secretary-General to twenty-six tobacco exporting and importing countries, the thirteen replies received by mid-January 1959 had shown little support for any immediate intergovernmental action through convening a commodity conference or group for tobacco. A number of replies had emphasized that tobacco was within FAO's field of responsibilities and could be discussed by the CCP.

88. The Committee concluded that the response shown by governments so far did not justify the convening of any specialized meeting or group for tobacco. The Committee asked that the Director-General should continue to study changes in the supply and demand situation and that the commodity should remain on the agenda of the CCP.

(11) Spices

89. The Committee noted that the economic problems of spices had been raised by the chief producing countries on a number of occasions in recent times in various international fora. Although world production of spices was small in volume, it was high in value, and income from exports of spices was of importance in the balance of payments of producing countries. The view was expressed that lack of information on production, consumption and current price movements contributed to excessive price fluctuations and to other manifestations of market instability.

90. The Committee recommended that a comprehensive study be undertaken, within the limits of the financial resources of the Organization, on trends in production, consumption and trade of the major spices, and that consideration should be given to ways for providing more adequate current information in these fields. The Committee hoped that it would be possible to obtain the services of a special consultant for this work.

VII. CRITERIA FOR THE ESTABLISHMENT, SUPERVISION AND DURATION OF SUBSIDIARY BODIES OF THE CCP

91. The Committee decided to review, in the light of experience and current prospective problems, the existing procedures for the establishment, supervision and duration of subsidiary bodies, with a view to developing some criteria.

92. The Committee asked the Director-General to prepare, for its next session, a working paper setting out the considerations that might be taken into account in this context.

VIII. NATIONAL FOOD RESERVES

93. The Committee noted that the FAO Report on National Food Reserve Policies in Underdeveloped Countries (CCP 58/15), which had been placed before it at the Thirtieth Session, had now been considered by the Economic and Social Council. The Council at its Twenty-Sixth Session had adopted a Resolution in which it endorsed the possibility and desirability of using surplus foodstuffs in building national reserves to meet emergency situations; to prevent excessive price increases arising as a result of a failure in local food supplies; and to prevent excessive price increases resulting from increased demand due to economic development programs. The text of the Resolution is given in Annex C.

94. The Committee welcomed this Resolution and urged that interested governments take appropriate steps to give it concrete form. It agreed that it would be helpful if the Director-General were to keep the Committee informed of progress towards the objectives laid down in the Resolution.

IX. AGRICULTURAL PRICE STABILIZATION AND SUPPORT POLICIES

95. The Report of the Expert Panel on Agricultural Price Stabilization and Support Policies (CCP 59/18) was introduced by Mr. V. Andersen (Denmark), first Vice-Chairman of the Panel, as the Chairman, Mr. A.H. Turner (Canada) was unable to be present. The Committee expressed great appreciation of the report and complimented the Panel and the Secretariat on the success achieved in their difficult task.

96. The meeting of the Panel had concluded only on the 30 April, and most governments had not had the report long enough for delegations to be fully briefed. In view of the controversial and difficult nature of the subject the discussion was necessarily of a preliminary character, and to a large extent reflected the personal views of delegates. The Committee agreed, however, that the report represented a valuable contribution towards the analysis of the basic problems and issues and a useful step towards the formulation of principles which would serve as a guide for agricultural price stabilization and support policies. It noted with satisfaction that, in accordance with the terms of reference laid down by the Conference, the Panel had paid particular attention to the special conditions and needs of the economically less developed countries and had also given more weight than the previous Working Party to the social aspects of price stabilization and support policies.

97. It was recognized that the 25 principles proposed by the Panel represented some compromises between conflicting views. Some delegations felt that the 25 principles as they stood provided a sound basis for the guidance of governments, while others considered that they should be further clarified in order to leave less room for different interpretations. Some delegations felt that the social aspects of

the problem should be more fully recognized. Other delegations considered that greater emphasis should be given to the principles of comparative advantage, and in particular to the freer movement of agricultural products in international trade and to the necessity of countries adjusting their agricultural production to changing conditions.

98. It was recognized that the Panel could not have gone fully into all aspects of the problem in the limited time at its disposal. Several delegations tentatively suggested aspects which might usefully be examined further, including:

a fuller study of non-price measures, which should be clearly defined as complementary to price measures, and their usefulness under different conditions;

the effect of the greater rural prosperity resulting from agricultural support policies on international trade as a whole;

the inter-relation of the social and economic aspects of agricultural support policies, including its influence on the type of farm structure;

the relationship of price stabilization and support policies to the economy as a whole;

factors influencing the transfer of labour from agriculture to other occupations;

the factors affecting the prices of agricultural commodities in international markets and their relationship to the levels at which prices were stabilized or supported on domestic markets;

the advantages and disadvantages of the various methods of implementing price stabilization and support policies in the circumstances of different countries;

the influence of distribution methods and distribution costs on the consumption of farm products and on returns to farmers.

It was noted that the Panel itself had suggested that further studies would be useful and that its suggestions covered much the same ground as some of the above points.

99. The Committee noted the view of the Panel that no special machinery should be set up in FAO for "confrontation" on agricultural price stabilization and support policies. It endorsed the proposal of the Panel that FAO should keep new development in such policies under review, preferably in the CCP itself. The suggestion was made that countries should be asked to submit to the Director-General at the end of each year a brief note on the new developments in this field, together with supporting documents, and that on this basis the Secretariat should prepare a résumé for discussion in the CCP. The Committee generally approved the suggestions of the Panel for future work.

100. The Committee recognized, in view of the short time available for considering the report of the Expert Panel, that further discussions would be needed. In transmitting the report to the Council together with a résumé of the discussion of the CCP, it was agreed to suggest that the report should be placed on the agenda of the Conference in November when governments would have had time to clarify their views. To aid governments in their future study of the Report, it was agreed that the summary record of the discussion would be circulated to governments as early as possible.

X. INTERGOVERNMENTAL COMMODITY CONSULTATIONS AND ARRANGEMENTS

101. The Committee took note of the intergovernmental consultations and arrangements that had taken place since its last session, as reported in the Secretariat's document (CCP 59/9 and 59/9 Supplement). The Committee found this information very useful and asked that it be kept up-to-date at its future sessions. The Committee also heard statements on behalf of the United Nations, of ICCICA and of the General Agreement on Tariffs and Trade on the activities of these organizations.

(1) United Nations Commission on International Commodity Trade

102. In reviewing recent activities of the United Nations Commission on International Commodity Trade, the Committee took note of the reconstitution of the Commission, of the change in its Terms of Reference, and the program of studies it planned to undertake. It was noted that the Commission would need to take account in its studies of certain general aspects of all primary products, including agricultural commodities, but that it was understood, in line with earlier statements on the subject, that work on agricultural commodities, as such, especially those not covered by independent commodity bodies, was primarily the responsibility of the FAO. The Committee noted further that close working contacts had been established between the two organizations, and it expressed the hope that efforts would continue to be made, with the help of the governments concerned, to ensure adequate co-operation and avoidance of duplication, in line with the policy established in CCP Resolution No. 6/23^{1/}, which had been passed at the Twenty-Third Session of the CCP in June 1954.

^{1/} Resolution No. 6/23, passed at the Twenty-Third Session of the CCP in June 1954, reads as follows:

THE FAO COMMITTEE ON COMMODITY PROBLEMS

HAVING NOTED the Resolution on International Price Relations passed by the Economic and Social Council of the United Nations at its Seventeenth Session, and the provisions made in that Resolution for the establishment of a Permanent Advisory Commission on International Commodity Trade, REQUESTS the Director-General to transmit to the Secretary-General of the United Nations, for consideration by the Economic and Social Council at its Eighteenth Session, full information on the functions and activities of the FAO Committee on Commodity Problems in regard to international commodity problems and trade, together with the following expression of the Committee's views on the relationship of FAO's functions and activities to those of the proposed Commission:

- (1) In the interest of efficiency and economy of intergovernmental activities, every effort should be made to avoid duplication of effort;
- (2) The Committee trusts that the establishment of the proposed Permanent Advisory Commission on International Commodity Trade will not detract from the established functions and activities of FAO in general and of its Committee on Commodity Problems in particular, not only with respect to individual commodities but also in regard to all those more general aspects and problems of national and international commodity trade situations, policies and arrangements which must be regarded as an essential part of the effective discharge of FAO's mandate.

(continued on following page)

103. A statement (circulated as CCP Conference Room Series No. 1) on the relationships between the UN Commission on International Commodity Trade, the CCP, and other bodies interested in international commodity problems was presented by the Delegate of Brazil.

104. The Committee agreed that the tentative suggestion contained in the report of the Seventh Session of the CICT for a joint session of the CCP and CICT on longer-term projections of supply of, and demand for, primary commodities, should not be considered at this session because it had not yet been taken up by the Economic and Social Council.

(2) Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA)

105. The Committee had the benefit of a statement by the FAO-nominated member of ICCICA (Mr. Tetro, USA). He drew attention to the growth of intergovernmental discussion of commodity problems over the past years and the promise which such discussions hold of securing progress in this field. One notable feature had been the growing consideration given to regional trading arrangements, though it was realized that care was needed to prevent such arrangements from prejudging long-term solutions of international problems. Attention was also drawn to the change that had occurred in the character of commodity study groups in recent years. Such groups were originally regarded as preparatory bodies with the task of drafting international commodity agreements, but because of the difficulties encountered in the working out of agreements and of the need for fuller information on commodity problems, they continue in existence as standing organizations for intergovernmental analysis and discussion. Finally, in Mr. Tetro's view, some thought ought to be given to improving channels by which all commodity bodies could keep better informed of each other's activities. In this connection he felt that ICCICA might welcome periodic statements to be presented to it by the Director-General for information on CCP activities concerning commodity groups and related matters.

(3) General Agreement on Tariffs and Trade

106. The Committee heard a statement by the Observer for GATT on relevant activities of his Organization. On the basis of a report by the Panel of Experts on Trends in International Trade (see document CCP 59/9 Supplement) the CONTRACTING PARTIES had decided to establish three Committees for work on trade expansion along the following lines: (1) to prepare for a new round of negotiations for the reduction of tariff levels; (2) to examine agricultural policies, with the aim of lessening harmful effects of agricultural protectionism on international trade; and (3) to inquire into the difficulties facing the expansion of trade of less developed countries. Arrangements had been made by GATT for an annual review of conditions prevailing in the trade of primary products, as a

(continuation of footnote 1/ from previous page)

- (3) Assuming that the points stated under (1) and (2) above are fully kept in mind, the Committee believes that both its own work and that to be carried out by the proposed Commission might benefit from close co-operation, both at the intergovernmental and the secretarial level, between the two bodies, and that the prospects of the formulation of intergovernmental policies for action in this difficult field might thus be improved.

basis for dealing with particular problems that might be brought forward by governments. Problems of surplus disposal were also being reviewed by the CONTRACTING PARTIES and the activities of FAO in this field were being followed with great interest. Also, with reference to other work, the GATT Secretariat availed itself of information supplied by organizations interested in this field such as the FAO.

107. The Committee noted that some aspects of the work being undertaken by the GATT in the field of commodity problems were closely related to work being done under its own auspices and decided that the relationships between the relevant activities of the two Organizations should be considered at the Committee's Thirty-Third Session.

(4) ACC Sub-Committee on Commodities

108. The Committee welcomed the establishment of the Sub-Committee on Commodities by the Inter-Agency Administrative Committee on Coordination (ACC). The Committee noted that the ACC Sub-Committee on Commodities had decided to invite the Executive Secretaries or Chairmen of Commodity Councils, the members of ICCICA, and possibly also the Secretaries of Study Groups, to attend one of the meetings of the next session of the ACC Sub-Committee on Commodities, to discuss the experience obtained in the working of international commodity agreements and groups.

(5) Intergovernmental Commodity Councils and Study Groups

109. The Committee noted with much interest the conclusion of new international agreements for sugar and wheat. The Committee was also pleased to note the close working arrangements which had been developed between the Secretariats of the International Sugar Council and International Wheat Council, on the one hand, and the FAO commodity sections concerned with these products on the other.

110. The Committee noted with interest that progress had been made with ratification procedures required to bring the Olive Oil Agreement into being, and that the first session of the new Olive Oil Council would take place later in the year.

111. The Committee was informed of the outcome of the Eighteenth Plenary Meeting of the International Cotton Advisory Committee (ICAC) and of the arrangements made by the Director-General, at the request of the ICAC, for the co-operation of FAO in a study of long-term fiber trends.

XI. ORGANIZATIONAL MATTERS

(1) Revision of Rules of Procedure of CCP

112. The Committee reviewed its new Rules of Procedure as provisionally adopted at its Thirtieth Session, and some changes were made in the light of comments received from members and observers. Apart from a number of drafting changes made in the interests of clarity and consistency with general FAO rules, the main changes are as follows.

113. A specific time has been fixed for communicating the date and place of each session, despatching of provisional agenda and documents, and adding of items to the agenda. In this connection the Committee kept in mind the necessity of avoiding undue rigidity which would cause difficulties if an emergency session had to be called, or would delay those documents which are presently sent out several months in advance of the session. The time limits decided upon therefore are qualified by the word "normally". Notice of date and place of session should be communicated, and the provisional agenda should be despatched, normally at least two months in advance of the session. Documents not already circulated should be sent with the provisional agenda or as soon as possible thereafter. Items may be added to the provisional agenda normally not less than 30 days before the proposed date of the session.

114. Rule III (3) c, as provisionally adopted, authorized the Committee to exclude observers from a private meeting in exceptional circumstances. This was amended so that any Member Nation of the Organization would be entitled to send one representative or observer to any private meeting of the Committee.

115. It was decided to make no change in the rule regarding suspension of Rules of Procedure (rule VIII) but it was agreed that amendment to rules should require a two-thirds majority of the votes cast, and advance notice of the proposal of at least 30 days (rule IX).

116. The Committee also agreed to insert a new rule providing inter alia that, if any Member so requests, that part of the Committee's report relating to the report of any subsidiary body shall be circulated separately to those nations or international organizations who normally receive the reports of the subsidiary body in question (rule VI.3).

117. The new Rules of Procedure, as adopted by the Committee at this Session are attached as Annex A.

(2) Terms of Reference and Rules of Procedure of Subsidiary Bodies

118. The Committee drew up revised Terms of Reference for its subsidiary bodies in the light of the principles laid down and rules adopted at the Ninth Session of the FAO Conference. The revised Terms of Reference, which it asked the Director-General to communicate to the respective subsidiary bodies, are attached as Annex B. Although no changes of substance have been made in the Terms of Reference as originally laid down by the Committee, it was agreed that delegates might raise any further points their governments wished to make on this matter at the Thirty-Second Session.

119. The Committee had insufficient time to review the revised rules of procedure provisionally adopted by its subsidiary bodies. To carry out this task, it was agreed the CCP Working Party on Procedural Matters would remain in existence until the next session. The Working Party will re-assemble the day before the next session of the Committee to complete their report.

(3) Application of Czechoslovakia for Membership in the FAO Cocoa Study Group

120. The Government of Czechoslovakia, by Note Verbale of 16 September 1958 from its Legation in Rome addressed to the Director-General, applied for admission to membership of the FAO Cocoa Study Group (CCP 59/4).

121. The Committee noted that the principles governing commissions and committees adopted by the Ninth Session of the FAO Conference by Resolution No. 56/57 stipulate that: "Membership in the commissions and committees provided for in Article VI of the Constitution shall not be open to non-member nations of the Organization, except that such non-member nations as are Members of the United Nations may be invited to become members of commodity study groups by the FAO body establishing such groups". As regards the Committee on Commodity Problems, this principle has been reflected in the provisions of Rule XXX.9 of the Rules adopted by the Conference, which state that the Committee on Commodity Problems may establish commodity study groups and that the membership of such groups may include nations which, while not Member Nations or Associate Members of the Organization, are Members of the United Nations.

122. The Committee considered that it was in the interest of all of the groups to have as broad a membership as possible, on the understanding that each such member is prepared to provide all the information required for the work of the group and to cooperate fully in its activities. Czechoslovakia is an importer of cocoa and the Committee believed that it could make a useful contribution to the work of the Group, and for this reason would welcome its membership in the Group.

123. The Committee, however, noted that Czechoslovakia had been a former Member of FAO and had withdrawn leaving arrears of contribution. In this connection the Committee noted that the statement of principles relating to the granting of observer status to nations, adopted by the Ninth Session of the Conference by Resolution No. 43/57, provides that former Member Nations of the Organization that have withdrawn leaving arrears of contribution shall not be permitted to send an observer to any meeting of the Organization until such time as they have paid up all such arrears or the Conference has approved an arrangement for the settlement thereof, or unless the Council, in special circumstances, decides otherwise with respect to such attendance.

124. While recognizing that the latter provision is restricted to the question of observer status, the Committee felt that this principle might well reflect a basic policy of the Organization, which the Conference intended should apply to membership in commodity groups as well as to the matter of observer status. The Committee was of the opinion that it should not take any action that might be considered as being in conflict with the policy laid down by the Conference or which might prejudice or prejudice action by any superior organ, and recognized that the matter of contributions in arrears was not one which fell within the Committee's sphere of competence.

125. In view of the foregoing, the Committee agreed that the matter should be referred to the Council for guidance or appropriate action.

(4) Classification of Documents

126. The Committee noted that there was at present no definitive system of classification for the documents of CCP or of the subsidiary bodies, and there was no standard definition of "restricted". It was agreed that this item should be placed on the agenda of the Thirty-Third Session and the Director-General was asked to prepare a background paper setting out the present position and suggestions for procedure in the future.

(5) Press Releases

127. The Committee agreed on the procedure to be followed in the preparation and issue of press releases on its meetings at this and future sessions.

- (i) For public meetings, the release will be prepared by the officers concerned in the FAO Secretariat. It will then be shown to the Secretary of the Committee and to the Chairman (or, in his absence, one of the Vice-Chairmen) for their general approval. It will be issued through the normal FAO channels.
- (ii) Whenever a private meeting is held, the Committee will decide whether and, if so, how, a press release will be prepared and issued.

(6) Arrangements for the Thirty-Third Session of the CCP

128. The Committee noted that whilst its pre-Conference session in October would inevitably have to concentrate on items requiring immediate attention at that time, the first session in 1960 (Thirty-Third Session) presumably should be held not before late May or June 1960 so as to give sufficient time for work being undertaken by the Secretariat in the light of decisions taken by the Conference and for the circulation of documents well in advance of the Thirty-Third Session.

129. As to the Agenda of the Thirty-Third Session, the Committee noted that the further consideration of questions relating to the international coordination of national policies, including the formulation of a set of Principles of Agricultural Price Stabilization and Support Policies, and the status and possible further review of the Principles of Surplus Disposal, might be among the main items of general importance for consideration at that time.

130. The Committee recognized the problems involved in combining, within the limited time available during any one session, the mandate of carrying out work in many different specific fields, at times on matters of immediate importance, and the need to concentrate and deepen discussion on a few selected topics of outstanding importance. The Committee suggested that, with a view to its consideration of these problems, a working paper outlining the main organizational questions at issue might be prepared for its Thirty-Third Session.

XII. DATE, PLACE AND AGENDA OF THE THIRTY-SECOND SESSION OF THE CCP AND OF THE SESSIONS OF CCP COMMODITY GROUPS

(1) Arrangements for the Thirty-Second Session of the CCP

131. The Committee decided that its Thirty-Second Session should be held in Rome for a period of about five working days, immediately before the Thirty-Second Council Session, the exact dates to be determined by the Director-General.

132. The provisional agenda for the Thirty-Second Session of the CCP was agreed as follows:

<u>Items</u>	<u>Approximate time allowed for items</u>
I. Adoption of Provisional Agenda	1 day
II. Adoption of Summary Record of Thirty-First Session	
III. Report of Thirty-First Session of the Council	
IV. Highlights of the World Agricultural Commodity Situation	
V. Report of the Consultative Subcommittee on Surplus Disposal	
VI. Dairy Products	1½ days
(a) National Dairy Policies	
(b) Butter: Possibilities of Future Action	
(c) Stimulation of Milk Consumption	
(d) Review of the Work of the Dairy Panel and Future Arrangements	½ day
VII. FAO Group on Citrus Fruit - Determination of Terms of Reference	
VIII. Hard Fibers - Further Consideration of Possible Future Action	
IX. Any Other Individual Commodity Problems	1 day
(a) Spices - Outline for an FAO Study	
(b) Any Other Matters	1 day
X. Criteria for the Establishment, Supervision and Duration of Subsidiary Bodies of the CCP	
XI. Rules of Procedure of Subsidiary Bodies	1 day
XII. Date, Place and Agenda of Thirty-Third Session	

<u>Items</u>	<u>Approximate time allowed for items</u>
XIII. Any Other Business	} 1 day
(Drafting of Report)	
(Adoption of Report)	

133. The Committee was informed that the relatively short interval between the Thirty-First and Thirty-Second Sessions, together with the heavy load carried by FAO services in preparation of documentation for the Conference, would make it very difficult for documentation for its forthcoming Session to be circulated well in advance of the Session. A list of documents requested by the Committee for that Session is appended.

134. The Committee recommends that the following documents on commodity problems should be made available to the Conference:

- (1) Report of Thirty-First Session of the CCP, including an annexed summary record prepared by the Director-General on activities of the CCP and Subsidiary Bodies since the Ninth Session of the Conference.
- (2) Report of Thirty-Second Session of the CCP.
- (3) Reports of the Sub-Committee on Surplus Disposal on
 - (a) Consultative Machinery and Procedures, and
 - (b) Operation and Adequacy of FAO Principles of Surplus Disposal.
- (4) Report of the Panel on Agricultural Price Stabilization and Support Policies, together with Section IX of this Report.

(2) Sessions of CCP Commodity Groups

135. The Committee noted that the dates and places of session of its Commodity Groups were likely to be arranged as follows:

FAO Group on Grains

Fifth Session - Rome, May/June 1960
(immediately before the Thirty-Third Session of the CCP)

CCP Consultative Sub-Committee
on the Economic Aspects of Rice:

Fourth Session - Saigon, second half of February 1960

FAO Cocoa Study Group:

Executive Committee - Rome, early 1960

Fourth Session - Abidjan, late 1960

135. (cont'd)

FAO Group on Coconut and
Coconut Products:

Working Party on Copra Quality and Grading - Colombo, August 1959

Third Session - Rome, March 1960

FAO Group on Citrus
Fruit:

First Session - Date and place to be determined later.

ANNEX A

RULES OF PROCEDURE

I. OFFICERS

1. At the first session after the election of its Members by the Council pursuant to Rule XXX-1 of the Rules adopted by the Conference, the Committee shall elect a Chairman, a first Vice-Chairman and a second Vice-Chairman from among the representatives of its Members who shall remain in office until the election of a new Chairman and new Vice-Chairman.
2. The Chairman, or in his absence one of the vice-Chairmen, shall preside at meetings of the Committee and exercise such other functions as may be required to facilitate its work. In the event of the Chairman and the Vice-Chairmen not being able to preside at a meeting, the Committee shall appoint one of its Members to take the chair.
3. The Director-General of the Organization shall appoint a Secretary who shall perform such duties as the work of the Committee may require and prepare the records of the proceedings of the Committee.

II. SESSIONS

1. The Committee shall hold sessions as provided in Rule XXX-4 and 5 of the Rules adopted by the Conference.
2. Any number of separate meetings may be held during each session of the Committee.
3. The sessions of the Committee shall normally be held at the Seat of the Organization. A session may be held at another place in pursuance of a decision taken by the Committee in consultation with the Director-General or a request submitted in writing to the Director-General by a majority of the Members of the Committee.
4. Notice of the date and place of each session shall normally be communicated at least two months in advance of the session to all Member Nations and Associate Members of the Organization, and to such non-member nations and international organizations as may have been invited to attend the session.
5. Each Member Nation of the Committee may appoint an alternate and advisers to its representative on the Committee.
6. Presence of Members representing a majority of the Member Nations of the Committee shall constitute a quorum for any formal action by the Committee.

III. ATTENDANCE

1. Participation of international organizations in an observer capacity in the work of the Committee shall be governed by the relevant provisions of the Constitution and the Rules adopted by the Conference ^{1/} as well as by the general rules of the Organization on relations with international organizations.
2. Attendance by non-member nations of the Organization at sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.
3. (a) Meetings of the Committee shall be held in public unless the Committee decides to meet in private for discussion of any items on its agenda.
(b) Subject to the provisions of sub-paragraph (c) below, any Member Nation not represented on the Committee, any Associate Member or any non-member nation invited to attend in an observer capacity a session of the Committee may submit memoranda on any item of the agenda of the Committee and participate without vote in any discussion at a public or private meeting of the Committee.
(c) In exceptional circumstances the Committee may decide to restrict attendance at private meetings to the representative or observer of each Member Nation of the Organization.

IV. AGENDA AND DOCUMENTS

1. The Director-General, in consultation with the Chairman of the Committee, shall prepare a provisional agenda and shall normally circulate it at least two months in advance of the session to all Member Nations and Associate Members of the Organization and to all international organizations invited to attend the Session.
2. All Member Nations of the Organization and Associate Members acting within the limits of their status may request the Director-General normally not less than 30 days before the proposed date of the session to insert an item on the provisional agenda. The Director-General shall thereupon circulate the proposed item to all Members of the Committee together with any necessary papers.
3. The first item on the provisional agenda shall be the adoption of the agenda. The Committee in session may by general consent amend the agenda by the deletion, addition or modification of any item provided that no matter referred to it by the Council or on the request of the Conference may be omitted from the agenda.
4. Documents not already circulated shall be despatched with the provisional agenda or as soon as possible thereafter.

^{1/} It is understood that in this context the terms "Constitution" and "the Rules adopted by the Conference" are to be taken to include all general rules and policy statements formally adopted by the Conference and intended to supplement the Constitution and the Rules, such as the "statement of principles relating to the granting of observer status to nations", the "principles and procedures which should govern conventions and agreements concluded under Articles XIV and XV of the Constitution and commissions and committees established under Article VI of the Constitution and the general rules regarding relationship between the Organization and governmental and non-governmental organizations."

V. VOTING

1. Each member of the Committee shall have one vote.
2. The decisions of the Committee shall be ascertained by the Chairman, who shall resort, upon the request of one or more Members, to a vote, in which case the pertinent provisions of Rule XII of the Rules adopted by the Conference shall apply mutatis mutandis.

VI. RECORDS AND REPORTS

1. At each session the Committee shall approve a report embodying its views, recommendations and decisions including, when requested, a statement of minority views.
2. Reports of sessions and records of open meetings of a session shall be circulated to all Member Nations and Associate Members of the Organization and to non-member nations invited to attend the session as well as to interested international organizations entitled to be represented at the session.
3. The comments of the Committee on the report of any of its subsidiary bodies and, if one or more Member Nation of the Committee so requests, the views of those Member Nations, shall be incorporated into the Committee's Report. If any Member Nation so requests, this part of the Committee's Report shall be circulated as soon as possible by the Director-General to the nations or international organizations who normally receive the reports of the subsidiary body in question. The Committee may also request the Director-General, in transmitting the Report and Records of its proceedings to Member Nations, to call particular attention to its views and comments on the report of any of its subsidiary bodies.
4. Whenever a private meeting of the Committee is held, the Committee shall, at the beginning of that meeting, decide whether a record of the meeting shall be kept and, if so, what circulation, not exceeding that provided for in paragraph 2 above, shall be given to it.
5. The Committee shall determine the procedures in regard to press communiqués concerning its activities.

VII. SUBSIDIARY BODIES

1. In accordance with the provisions of Rule XXX-9 of the Rules adopted by the Conference, the Committee may when necessary establish sub-committees, subsidiary working parties or commodity study groups, subject to the necessary funds being available in the relevant chapter of the approved budget of the Organization, and may include in the membership of such sub-committees or subsidiary working parties Member Nations that are not members of the Committee and Associate Members. The membership of commodity study groups established by the Committee may include nations which, while not Member Nations or Associate Members of the Organization, are Members of the United Nations.
2. Before taking any decision involving expenditure in connection with the establishment of subsidiary bodies, the Committee shall have before it a report from the Director-General on the administrative and financial implications thereof.
3. The Committee shall determine the terms of reference of its subsidiary bodies who shall report to the Committee. The reports of the subsidiary bodies shall be made available for information to all Members of the subsidiary bodies concerned, all Member Nations and Associate Members of the Organization, non-member nations invited to the session of the subsidiary bodies and to interested international organizations entitled to attend such sessions.

VIII. SUSPENSION OF RULES

The Committee may decide to suspend any of the foregoing Rules of Procedure provided that twenty-four hours' notice of the proposal for the suspension has been given and that the action contemplated is consistent with the Constitution and the Rules adopted by the Conference. 1/ Such notice may be waived if no Member objects.

IX. AMENDMENT OF RULES

The Committee may by a two-thirds majority of the votes cast amend its Rules of Procedure provided that such amendment is consistent with the Constitution and the Rules adopted by the Conference. No proposal for the amendment of these Rules shall be included in the agenda of any session of the Committee unless notice thereof has been despatched by the Director-General to Members of the Committee at least 30 days before the opening of the session.

1/ See footnote to Rule III Para. 1.

ANNEX B

REVISED TERMS OF REFERENCE OF SUBSIDIARY BODIES OF THE CCP

1. CONSULTATIVE SUB-COMMITTEE ON SURPLUS DISPOSAL

THE COMMITTEE ON COMMODITY PROBLEMS

CONSIDERING the Terms of Reference of the Consultative Sub-Committee on Surplus Disposal as determined by the 23rd Session of the Committee in June 1954 and the 27th Session of the Committee in June 1956, and

CONSIDERING Resolution 46/57 of the Ninth Session of the FAO Conference laying down principles to govern the constituent rules of FAO bodies,

DECIDES in the light of Rule XXX of the Rules adopted by the Conference at its Ninth Session and of the principles referred to above to re-state the Terms of Reference of the Consultative Sub-Committee on Surplus Disposal as follows:

- (1) The functions of the Sub-Committee shall be:
 - (a) to keep under review developments in the disposal of agricultural surpluses, and to assist Member Nations and Associate Members of the Organization in developing suitable means of surplus disposal;
 - (b) to provide a forum for the discussion of proposals, programs, policies or transactions of Member Nations and Associate Members of the Organization for the disposal of agricultural surpluses in the light of the Guiding Lines and Principles of Surplus Disposal endorsed by the Conference, and to promote the observance of these principles.
- (2) In carrying out its mandate, the Sub-Committee shall view surpluses in perspective and bear in mind the continuing need for steps to raise consumption levels, particularly in areas in need of development and among vulnerable and low-income groups, and in line with policies of selective expansion of agricultural production and trade. The Sub-Committee shall interpret its mandate in a flexible way.
- (3) Membership in the Sub-Committee shall be open to all Member Nations and Associate Members of the Organization that wish to contribute actively, and on a regular basis, to carrying out the Sub-Committee's mandate. Membership shall comprise such eligible nations as have notified the Director-General of the Organization of their desire to be considered as members.
- (4) Since governments remain free as to whether or not they accept any conclusions reached by the Sub-Committee in its reviews of proposed or adopted measures, the main value of the work of the Sub-Committee lies in the opportunity offered for the exchange of information and for consultations. The value and effectiveness of this consultative machinery will depend primarily on the co-operation given to it by Member Nations and Associate Members of the Organization, in respect to both the communication of information and the consideration of the Sub-Committee's conclusions.
- (5) In order to ensure the effective discharge of the functions of the Sub-Committee, Member Nations and Associate Members of the Organization shall, as far as practicable, furnish at the earliest possible date all the information required for the work of the Sub-Committee, and in particular all plans and programs for disposal of surplus agricultural commodities through exports on concessional terms.

6. International organizations who are entitled to send observers to the CCP shall also be entitled to send observers to the Sub-Committee. On matters of primary concern to other inter-governmental bodies, the Sub-Committee should request the Director-General to invite the assistance of these bodies, and shall cooperate with them in avoiding the over-lapping of functions.

(7) The Sub-Committee shall report to the Committee on Commodity Problems, it being understood that copies of its reports, including any conclusions, will be circulated to interested governments and international organisations for their information as soon as they become available.

(8) The Sub-Committee may adopt and amend its own rules of procedure, which shall be approved by the Committee on Commodity Problems and shall be consistent with the Rules of that Committee.

2. FAO GROUP ON GRAINS

THE COMMITTEE ON COMMODITY PROBLEMS

CONSIDERING the terms of reference of the FAO Group on Grains as determined by the 28th Session of the Committee in March 1957, and

CONSIDERING Resolution 46/57 of the Ninth Session of the FAO Conference laying down principles to govern the constituent rules of FAO bodies,

DECIDES in the light of Rule XXX of the Rules adopted by the Conference at its Ninth Session and of the principles referred to above to re-state the terms of reference of the FAO Group on Grains as follows:

(1) The Group shall concern itself with matters relating to all grains; however, it shall not concern itself with rice, except for the inter-relationship of rice problems and other grain problems.

(2) The field of competence of the Group shall cover the study of the production and consumption of, and trade in, grains, having regard especially to the desirability of:

- (a) providing continuous, accurate and timely information regarding the supply and demand position and its probable development, both short-term and long-term;
- (b) promoting the improvement of the quality, coverage, and timeliness of statistical services relating to grains;
- (c) collecting information on, and analyzing, national grain policies and their international effects, including the possibilities of facilitating the adjustment of these policies to each other;
- (d) considering marketing problems, keeping in mind the FAO Principles of Surplus Disposal, and the need for avoiding duplication with work being carried out in the CCP Consultative Sub-Committee on Surplus Disposal and other interested bodies.

(3) Membership in the FAO Group on Grains shall be open to all Member Nations and Associate Members of the Organization that are substantially interested in the production, or consumption of, and trade in, grains. So far as participation of dependent territories is concerned, the provisions of Article 69 of the Havana Charter shall apply. In order to be considered as a member of the Group eligible Member Nations or Associate Members shall communicate to the Director General a formal expression of intention. Interested non-member nations of the

Organization that are members of the United Nations may be invited by the Committee on Commodity Problems to become members of the Group.

(4) Attendance by non-member Nations of the Organization at sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.

(5) In order to ensure the effective discharge of the functions of the Group, governments shall, as far as practicable, furnish all the information required for the work of the Group.

(6) The Group shall, within its field of competence, consider how best to deal with any special difficulties which may exist, or may be expected to arise, and may submit reports and/or recommendations on the subject.

(7) The Group shall report to the Committee on Commodity Problems, it being understood that copies of its reports, including any conclusions, will be circulated to interested governments and international organizations for their information as soon as they become available.

(8) The International Wheat Council shall be invited to send a representative to participate in the proceedings of the Group and its subsidiary bodies and shall be invited, as appropriate, to authorize the collaboration of its secretariat with the Director-General of FAO in servicing the Group.

(9) The Director-General, in accordance with normal practice, shall keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, and the United Nations Commission on International Commodity Trade informed of the activities of the Group.

(10) The Group, in consultation with the Director-General, shall determine the dates and places of its sessions, keeping in mind the character and importance of the subjects under review, the large number of governments interested in grains, the need for economy in the cost of meetings and travel, and the close relation of the Group's terms of reference and program of work to those of the CCP itself.

(11) The Group may adopt and amend its own rules of procedure, which shall be approved by the Committee on Commodity Problems and shall be consistent with the Rules of that Committee.

3. CONSULTATIVE SUB-COMMITTEE ON THE ECONOMIC ASPECTS OF RICE.

THE COMMITTEE ON COMMODITY PROBLEMS

CONSIDERING the terms of reference of the Consultative Sub-Committee on the Economic Aspects of Rice as determined by the 26th Session of the Committee in October 1955, and

CONSIDERING Resolution 46/57 of the Ninth Session of the FAO Conference laying down principles to govern the constituent rules of FAO bodies,

DECIDES in the light of Rule XXX of the Rules adopted by the Conference at its Ninth Session and of the principles referred to above to re-state the terms of reference of the Consultative Sub-Committee on the Economic Aspects of Rice as follows:

(1) The functions of the Sub-Committee shall be to provide a forum for consultation on the economic aspects of rice, paying particular attention to trade matters and to any special difficulties which exist or are likely to arise in the international trade in rice.

(2) Membership in the Sub-Committee shall be open to all Member Nations and Associate Members of the Organization that are substantially interested in the production, or consumption of, and trade in, rice. So far as participation of dependent territories is concerned, the provisions of Article 69 of the Havana Charter shall apply. In order to be considered as a member of the Sub-Committee eligible Member Nations or Associate Members shall communicate to the Director-General a formal expression of intention. Interested non-member nations of the Organization that are members of the United Nations may be invited by the Committee on Commodity Problems to become members of the Sub-Committee.

(3) Attendance by non-member Nations of the Organization at sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.

(4) In order to ensure the effective discharge of the functions of the Sub-Committee, governments shall, as far as practicable, furnish all the information required for the work of the Sub-Committee. The Sub-Committee shall report to the Committee on Commodity Problems, it being understood that copies of its reports, including any conclusions, will be circulated to interested governments and international organizations for their information as soon as they become available.

(5) The Director-General, in accordance with normal practice, shall keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, and the United Nations Commission on International Commodity Trade informed of the activities of the Sub-Committee.

(6) The Sub-Committee, in consultation with the Director-General, shall determine the dates and places of its sessions, keeping in mind the character and importance of the subjects under review, the large number of governments interested in rice, and the need for economy in the cost of meetings and travel.

(7) The Sub-Committee may adopt and amend its own rules of procedure, which shall be approved by the Committee on Commodity Problems and shall be consistent with the Rules of that Committee.

4. FAO GROUP ON COCONUT AND COCONUT PRODUCTS

THE COMMITTEE ON COMMODITY PROBLEMS

CONSIDERING the terms of reference of the FAO Group on Coconut and Coconut Products as determined by the 28th Session of the Committee in March 1957, and

CONSIDERING Resolution 46/57 of the Ninth Session of the FAO Conference laying down principles to govern the constituent rules of FAO bodies,

DECIDES in the light of Rule XXX of the Rules adopted by the Conference at its Ninth Session and of the principles referred to above to re-state the terms of reference of the FAO Group on Coconut and Coconut Products as follows:

(1) The Group shall provide a forum for consultations on the economic aspects of production, consumption, trade and marketing of coconut and coconut products. The field of competence of the Group shall cover the study of these matters, having regard especially to the promotion and provision of regular and accurate information on the supply and demand position and its probable development.

- (2) The Group shall within its field of competence consider the causes and effects of fluctuations in the prices and volume of international trade in coconut products, and study ways of reducing the disadvantages due to such fluctuations.
- (3) The Group shall consider, as it deems appropriate, the conditions for, and measures designed to promote, expansion of consumption and production of coconut products, including relevant technical matters bearing on the supply and demand situation.
- (4) Membership in the Group shall be open to all Member Nations and Associate Members of the Organization that are substantially interested in the production, or consumption of, and trade in, coconut and coconut products. So far as participation of dependant territories is concerned, the provisions of Article 69 of the Havana Charter shall apply. In order to be considered as a member of the Group eligible Member Nations or Associate Members shall communicate to the Director-General a formal expression of intention. Interested non-member nations of the Organization that are members of the United Nations may be invited by the Committee on Commodity Problems to become members of the Group.
- (5) Attendance by non-member Nations of the Organization at sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.
- (6) The Group shall make arrangements for close liaison in its activities with regional and other organizations especially interested in coconut and coconut products.
- (7) In order to ensure the effective discharge of the functions of the Group, governments shall, as far as practicable, furnish all the information required for the work of the Group.
- (8) The Group shall report to the Committee on Commodity Problems, it being understood that copies of its reports, including any conclusions, will be circulated to interested governments and international organizations for their information as soon as they become available.
- (9) The Director-General, in accordance with normal practice, shall keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, and the United Nations Commission on International Commodity Trade informed of the activities of the Group.
- (10) The Group, in consultation with the Director-General, shall determine the dates and places of its sessions, keeping in mind the character and importance of the subjects under review, the large number of governments interested in coconut and coconut products, and the need for economy in the cost of meetings and travel.
- (11) The Group may adopt and amend its own rules of procedure, which shall be approved by the Committee on Commodity Problems and shall be consistent with the Rules of that Committee.

5. FAO COCOA STUDY GROUP

THE COMMITTEE ON COMMODITY PROBLEMS

CONSIDERING the terms of reference of the FAO Cocoa Study Group as determined by the 27th Session of the Committee in June 1956, and

CONSIDERING Resolution 46/57 of the Ninth Session of the FAO Conference laying down principles to govern the constituent rules of FAO bodies,

DECIDES in the light of Rule XXX of the Rules adopted by the Conference at its Ninth Session and of the principles referred to above to re-state the terms of reference of the FAO Cocoa Study Group as follows:

- (1) The field of competence of the Group shall cover the study of the production and consumption of, or trade in, cocoa, having regard especially to the desirability of providing continuous, accurate information regarding the supply and demand position and its probable development. The Group shall consider, as appropriate, measures designed to promote a steady expansion of production and consumption of cocoa, including any technical questions bearing on these issues. The Group shall, within its field of competence, consider how best to deal with any special difficulties which may exist, or may be expected to arise and may submit reports and/or recommendations on the subject.
- (2) Membership in the FAO Cocoa Study Group shall be open to all Member Nations and Associate Members of the Organization that are substantially interested in the production, or consumption of, and trade in, cocoa. So far as participation of dependent territories is concerned, the provisions of Article 69 of the Havana Charter shall apply. In order to be considered as a member of the Group eligible Member Nations or Associate Members shall communicate to the Director-General a formal expression of intention. Interested non-member nations of the Organization that are members of the United Nations may be invited by the Committee on Commodity Problems to become members of the Group.
- (3) Attendance by non-member Nations of the Organization at Sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.
- (4) In order to ensure the effective discharge of the functions of the Group, governments shall, as far as practicable, furnish all the information required for the work of the Group.
- (5) The Group shall report to the CCP, it being understood that copies of its reports, including any conclusions, will be circulated to interested governments for their information as soon as they become available.
- (6) The Director-General, in accordance with normal practice, shall keep the Economic and Social Council, the Interim Coordinating Committee on International Commodity Arrangements, and the ECOSOC Commission on International Commodity Trade informed of the activities of the Group.
- (7) The Group, in consultation with the Director-General, shall determine the dates and places of its sessions, keeping in mind the character and importance of the subject under review, the large number of governments interested in cocoa, and the need for economy in the cost of meetings and travel.
- (8) The Group may adopt and amend its own rules of procedure, which shall be approved by the Committee on Commodity Problems and shall be consistent with the Rules of that Committee.

ANNEX C

RESOLUTION ADOPTED BY THE ECONOMIC AND SOCIAL COUNCIL

685 (XXVI). Establishment of a World Food Reserve

NATIONAL FOOD RESERVES

THE ECONOMIC AND SOCIAL COUNCIL

Having considered the report on "National Food Reserve Policies in Underdeveloped Countries" prepared by the Food and Agriculture Organization of the United Nations pursuant to General Assembly Resolutions 1025 (XI) and 1026 (XI) of 20 February 1957,

Affirming the desirability of achieving the objective set forth in General Assembly Resolution 327 (IX) of 14 December 1954, regarding the possible use of food reserves for relieving famine and other emergency conditions,

Considering that the Food and Agriculture Organization's report indicates the possibility and desirability of using surplus foodstuffs in building national reserves, to be operated in accordance with the Food and Agriculture Organization's internationally agreed Principles for Surplus Disposal, in order to:

- (a) meet emergency situations;
- (b) prevent excessive price increases arising as a result of a failure in local food supplies;
- (c) prevent excessive price increases resulting from increased demand due to economic development programs, thus facilitating the economic development of less developed countries,

1. Commends the Food and Agriculture Organization for its useful report and agrees broadly with the conclusions of the report,
2. Recommends that individual governments in need of, and desirous of, assistance in establishing or enlarging national reserves prepare specific plans for discussion with other interested governments,
3. Invites governments willing to assist in the establishment or enlargement of national reserves, or otherwise interested in the problem, to stand prepared, or to consider steps which will enable them to enter into discussions with a view to the early realization of mutually acceptable plans,
4. Further recommends that, in setting up and operating national food reserves as envisaged in this resolution, governments make appropriate use of the consultative machinery provided by the Food and Agriculture Organization's Sub-Committee on Surplus Disposal, and ensure conformity with the Food and Agriculture Organization's Principles for Surplus Disposal, and other relevant international arrangements or obligations.

1039th Plenary Session
18 July 1958.

ANNEX D

LIST OF DOCUMENTS REQUESTED BY THE COMMITTEE FOR THE
THIRTY-SECOND SESSION OF THE CCP

<u>Documents</u>	<u>Agenda Items</u>
(1) Provisional Agenda and Agenda Notes	I
(2) Summary Record of the Thirty-First Session	II
(3) Extract from the Report of the Thirty-First Session of the Council	III
(4) An up-to-date summary statement on the World Agricultural Commodity Situation will be prepared for the Conference. Copies will be available at the CCP Session, as requested by the Committee. Copies of the Report on the State of Food and Agriculture will have been circulated some time before the Session.	IV
(5) Ninth Report of CCP Consultative Sub-Committee on Surplus Disposal	V
(6) National Dairy Products - <u>revised edition</u> (CCP 59/6 rev.)	VI
(7) Possibilities for Improvements in the Butter Situation	
(8) Stimulation of Milk Consumption in Low-Consumption Areas	
(9) FAO Group on Citrus Fruit - Draft Terms of Reference	VII
(10) Spices - Outline for an FAO Study	IX (a)
(11) Criteria for the Establishment, Supervision and Duration of Subsidiary Bodies of the CCP	X
(12) Rules of Procedure of Subsidiary Bodies	XI
(13) Review of Intergovernmental Commodity Consultations and Arrangements (brief notes on any developments of outstanding importance)	XII
(14) <u>IFAP proposals, if available</u>	
(15) <u>Notes on any matter of outstanding importance</u>	

ANNEX E

LIST OF DELEGATES AND OBSERVERS TO THE THIRTY-FIRST SESSION

Chairman: C. F. Wilson (Canada)
Vice Chairmen: J. Rohrbach (Germany)
A. de Viana (Brazil)

MEMBERS

<u>Country</u>	<u>Name and Title</u>
ARGENTINA	Raúl E. Dejean del Castillo Delegado Permanente ante FAO Embajada de Argentina Rome
AUSTRALIA	D. H. McKay Assistant Director Bureau of Agricultural Economics Canberra Keith Cook Commercial Counsellor Australian Embassy Rome
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ANNEX F

CCP ACTIVITIES SINCE THE NINTH SESSION OF THE FAO
CONFERENCE - SUMMARY REVIEW BY THE DIRECTOR-GENERAL

[At its Thirty-First Session, the Committee requested the Director-General to prepare a summary review of CCP activities, with a view to keeping the Conference informed of developments in the work of the Committee. This review could not be prepared during the two days' interval between the conclusion of the CCP Session and the opening of the Council Session, but it will be appended to all copies of this Report other than those now being made available for limited advance distribution during the first week of the Council Session.]

ANNEX F

ACTIVITIES OF THE CCP SINCE THE NINTH SESSION OF THE CONFERENCE

(Summary Review by the Director-General)

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ACTIVITIES OF THE CCP SINCE THE NINTH SESSION OF THE CONFERENCE

(Summary Review by the Director-General)

I. Membership and Organization1. Membership

1. At its Twenty-Eighth Session in November 1957 the Council elected 24 Member Nations to serve on the Committee until the conclusion of the Tenth Conference Session. They are shown below and compared with CCP membership in 1955, '56 and '57, when the Committee was elected at yearly intervals.

<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958-59</u>
Argentina	Argentina	Argentina	Argentina
Australia	Australia	Australia	Australia
Belgium	-	-	Belgium
Brazil	Brazil	Brazil	Brazil
-	Burma	Burma	Burma
Canada	Canada	Canada	Canada
-	Ceylon	Ceylon	Ceylon
Colombia	-	-	Colombia
Cuba	Cuba	Cuba	Cuba
Denmark	Denmark	Denmark	Denmark
France	France	France	France
Germany	Germany	Germany	Germany
India	India	India	India
-	-	Indonesia	Indonesia
Iraq	-	-	-
Japan	Japan	Japan	Japan
-	-	Liberia	-
-	-	Lebanon	-
-	Netherlands	Netherlands	Netherlands
-	New Zealand	New Zealand	New Zealand
Pakistan	Pakistan	Pakistan	Pakistan
-	Philippines	-	-
Spain	Spain	Spain	Spain
Thailand	Thailand	Thailand	-
Turkey	-	-	-
-	Union of	Union of	Union of
-	South Africa	South Africa	South Africa
-	Egypt	-	United Arab Republic
United Kingdom	United Kingdom	United Kingdom	United Kingdom
United States of America	United States of America	United States of America	United States of America
-	Uruguay	Uruguay	-
Yugoslavia	Yugoslavia	-	Yugoslavia

2. In addition to members, observers from 30 countries and 10 organizations were present at the Thirtieth Session of the Committee. Observers from 25 countries and 14 organizations attended the Thirty-First Session.

2. Chairman and Vice-Chairmen

3. At its Thirtieth Session, the Committee elected Chairman Mr. C.F. Wilson (Canada). Mr. J. Rohrbach (Germany) and Mr. A. de Viana (Brazil) were elected First and Second Vice-Chairmen. According to CCP Rules of Procedure, the Chairman and Vice-Chairmen will hold office until the election of their successors at the Thirty-Third Session of the Committee in 1960.

3. Terms of Reference

4. At its Ninth Session, the Conference agreed that "the Terms of Reference of the Committee on Commodity Problems would be to consider commodity problems of an international character affecting production, trade, distribution and consumption, and related economic matters. The Committee on Commodity Problems would be responsible for keeping the foregoing matters under continuous review in order to be able:

(a) to prepare a factual and interpretative survey of the world commodity situation, which would be made available directly to Member Nations; and

(b) to report and submit suggestions to the Council on policy issues arising out of its deliberations, it being understood that these reports and those of its subordinate bodies would be made available to Member Governments for their information".

(Report of the Ninth Session of the Conference, paras. 449-450).

4. Sessions

5. Since the conclusion of the Ninth Session of the Conference, the Committee held two sessions, namely:

	<u>Date</u>	<u>Report</u>	<u>Summary Record</u>
<u>Thirtieth Session</u>	16-28 June 1958	CL 29/6 (CCP 58/18)	CCP 58/19 and CCP 58/19 Addendum
<u>Thirty-First Session</u>	1-12 June 1959	CL 31/9 (CCP 59/25)	CCP 59/26*

The Thirty-Second Session will open during the week preceding the opening of the Thirty-Second Session of the Council, October 1959.

5. Subsidiary Bodies

(a) Existing Sub-Committees and Groups

6. The following are the CCP Subsidiary Bodies established before the Ninth Session of the Conference:

- (i) CCP Consultative Sub-Committee on Surplus Disposal;
- (ii) FAO Group on Grains;
- (iii) FAO Consultative Sub-Committee on the Economic Aspects of Rice;
- (iv) FAO Group on Coconut and Coconut Products; and
- (v) FAO Cocoa Study Group.

* Provisional Summary Record

(b) Establishment of new Groups

7. Since the conclusion of the Ninth Session of the Conference, the Committee has considered, for a number of commodities, requests to establish subsidiary bodies for dealing with their problems, i.e. coffee, citrus fruit, dates and other dried fruit, hard fibers and tobacco (paras. 42-47).

8. At its Thirty-First Session the Committee established an FAO Group on Citrus Fruit (para. 44).

(c) Criteria for the Establishment, Supervision and Duration of Subsidiary Bodies of the CCP

9. The Committee decided to place on its Agenda for the Thirty-Second Session a review of the existing procedures for the establishment, supervision and duration of subsidiary bodies with a view to developing some criteria for further action.

6. Rules of Procedure of the Committee and Terms of Reference and Rules of Procedure of CCP Subsidiary Bodies

10. At its Thirty-First Session, the Committee adopted its new Rules of Procedure in agreement with policies set forth in Conference Resolutions Nos. 43/57 and 46/57 (CL 31/9 - CCP 59/25 Annex A). At the same Session, the Committee also drew up revised Terms of Reference for its subsidiary bodies (CL 31/9 - CCP 59/25 Annex B). The revised Rules of Procedure provisionally adopted by CCP subsidiary bodies will be reviewed by the Committee at its Thirty-Second Session.

II. Activities

1. World Agricultural Commodity Situation

11. At its Thirtieth and Thirty-First Sessions, the Committee reviewed the major developments in the world agricultural commodity situation in the periods preceding the sessions, based on Secretariat documents CCP 58/8 and CCP 59/8. The main aspects of these developments were summarized in the Reports of the Committee (CL 29/6 CCP 58/18 - paras. 5-15 and CL 31/9 CCP 59/25 - paras. 5-26).

2. Agricultural Surpluses

(a) Activities of the Consultative Sub-Committee

12. Between November 1957 and May 1959 the Sub-Committee held 17 regular meetings plus 2 special meetings and submitted to the CCP two regular reports on its activities (CCP 58/7 and CCP 59/14), some special reports on particular items, among which reports on Consultative Machinery and Procedures (CCP 58/7 Addendum 1), on the Operation and Adequacy of the FAO Principles of Surplus Disposal and Guiding Lines (CCP 59/14 Addendum 1), and on International Cooperative Actions: Dried Skim Milk: Re-examination of Policies and Procedures (CCP 59/14 Addendum 2).

13. The Sub-Committee includes 28 member countries, 30 observer countries and 7 observer organizations. At its Thirty-First Session, the CCP, noting that a number of countries still found difficulty in providing appropriate representation at the meetings of the Sub-Committee, stressed the need for regular and effective participation in the work of the Sub-Committee in order to increase its efficiency for the benefit of all countries concerned.

(b) Reports on Consultative Machinery and Procedures and on Operation and Adequacy of the FAO Principles of Surplus Disposal

14. The Ninth Conference endorsed the action taken by the Committee through its Consultative Sub-Committee on Surplus Disposal to explore methods of assessing the observance and adequacy of the FAO Principles and Guiding Lines of Surplus Disposal (Conference Resolution No. 6/57). The Sub-Committee presented the findings of its study on this subject in two reports to the Committee (CCP 58/7 Addendum 1 and CCP 59/14 Addendum 1).

15. In reviewing CCP 58/7 Addendum 1: Report on Consultative Machinery and Procedure, the CCP agreed at its Thirtieth Session with the main conclusions of the report and requested the Director-General to address a communication to all Member Governments of FAO drawing their attention to such conclusions and the comments the Committee itself made and requesting governments' cooperation in furthering the work of the Sub-Committee (CCP 58/18 paras. 61-69).

16. At its Thirty-First Session, the CCP considered CCP 59/14 Addendum 1: Report on the Operation and Adequacy of the FAO Principles of Surplus Disposal and Guiding Lines. The Committee expressed its general approval of some of the recommendations contained in the Sub-Committee's Report. As to the question of amending the text of the Principles, the Committee decided that this matter should be considered at a subsequent session in the light of any comments or conclusions of the Conference (CL 31/9 - CCP 59/25 paras. 33-41).

(c) International Cooperative Actions: Dried Skim Milk

17. At its Thirtieth Session the Committee asked the Sub-Committee on Surplus Disposal to re-examine the effectiveness of milk development projects as instruments for easing the world disposal in milk powders and to review the policies and procedures involved in the consideration of requests for international cooperative assistance. The Sub-Committee's Report (CCP 59/14 Addendum 2) was considered by the Committee at its Thirty-First Session and the Committee agreed that, pending further consideration at its next session, the CCP should continue to consider such requests for assistance as may be received and to act along the lines set out in the Sub-Committee's Report (CCP 59/14 Addendum 2, para. 16).

(d) Pilot Research Study Outlines

18. At its Thirtieth Session the Committee considered two outlines for research studies on the effects of surplus disposals, prepared by the Sub-Committee on Surplus Disposal (CCP 58/7 Addendum 2: Outline for Study of Use of Agricultural Surpluses in Economic Development, and CCP 58/7 Addendum 3: Outline for Study on Use of Agricultural Surpluses for Emergency/Famine Relief and Special Feeding Programs). The Committee recognized the usefulness of these studies but believed that such projects would require outside financial assistance and asked the Director-General to call the attention of interested governments to them (CCP 58/18 paras. 70-71).

3. National Food Reserves

19. The study prepared by the Director-General on National Food Reserve Policies in Underdeveloped Countries (CCP 58/14 or FAO Commodity Policy Series No. 11) in response to a request made by the General Assembly of the United Nations was considered by the Committee at the Thirtieth and Thirty-First Sessions. The Committee was also informed of Resolution No. 685(XXVI): Establishment of a World Food Reserve -

National Food Reserves adopted by the Economic and Social Council of the United Nations in July 1958. The Committee welcomed this Resolution, urged interested governments to take appropriate steps to give it concrete form and requested the Director-General to keep the Committee informed of progress towards the objectives laid down in that Resolution.

4. International Effects of National Policies

(a) Agricultural Price Stabilisation and Support Policies

20. At its Thirty-First Session the Committee reviewed the Report of the Expert Panel on Agricultural Price Stabilisation and Support Policies (CCP 59/18). This report had been prepared in accordance with a request made in Resolution No. 3/57. The Summary Record of the Committee's discussion on this subject has been circulated as CCP 59/26. The Report of the Expert Panel has been placed on the Agenda of the Tenth Session of the Conference.

(b) International Effects of National Policies for Grains

(see below under Grains, paras. 23-24)

(c) International Effects of National Policies for Dairy Products

(see below under Dairy Products, paras. 39-40)

5. Review of Intergovernmental Consultations and Arrangements

21. At the Thirtieth and Thirty-First Sessions the Committee took note of intergovernmental consultations and arrangements that had taken place since November 1957 (CCP 58/11 and CCP 58/11 Addendum 1; CCP 59/9 and CCP 59/9 Supplement). In particular, with reference to the re-constitution of the U.N. Commission on International Commodity Trade, the Committee noted that close working contacts had been established between FAO and that Commission and expressed the hope that efforts would continue to be made with the help of governments concerned to ensure adequate cooperation and avoidance of duplication in line with the policy established in CCP Resolution No. 6/23. The Committee agreed that the suggestion made at the Seventh Session of the CICT for a joint session of the CCP and the CICT on longer term projections of supply of, and demand for, primary commodities should be considered at a later stage after the proposal had been taken up by the Economic and Social Council. With respect to GATT activities in the commodities field, the Committee decided that the relationships between the relevant activities of the two organizations should be considered at the Thirty-Third Session of the Committee.

6. Action on Individual Commodities and Commodity Groups

(a) Grains

22. Since the Ninth Session of the Conference, the FAO Group on Grains has held two Sessions and an informal Seminar, held in March 1958. The Group submitted to the CCP two reports: CCP 58/16 and CCP 59/21.

23. The Third Session of the Group took place in Rome from 3 - 14 June 1958. As a result of the work of the preceding session, the Group arrived at an agreed factual analysis of trends in production, consumption and trade for grains. On the basis of these agreed facts the Group drew its own conclusions on the causes of the imbalance in the world grain economy and pointed out the fields where governments individually, or through intergovernmental consultations, might usefully seek solutions to present problems. Furthermore, the Group provided a series of recommendations on these questions for consideration by governments when studying changes in grain policies.

24. At its Third Session the Group also reviewed the statements of policies in individual countries. These statements, covering 21 countries, were subsequently published by FAO under the title National Grain Policies. This publication and the Report of the Third Session were made available to the International Wheat Conference, which negotiated the new International Wheat Agreement.

25. At its Fourth Session the Group paid special attention to coarse grains; a summary of the basic facts had been prepared and the first steps taken on more intensive studies. Thus, the Group had made a first attempt at an international survey and comparison of the utilisation of coarse grains, including a survey of the extent to which requirements were met from domestic production, as well as of the proportion of the latter which was marketed.

(b) Rice

26. The Consultative Sub-Committee on the Economic Aspects of Rice held two sessions in the period since the Ninth Session of the Conference: its Second Session in February 1958 in Washington and its Third Session in February 1959 in Colombo (CCP 58/6 and CCP 59/5). On each occasion it was preceded by a meeting of its Group of Experts on Rice Grading and Standardisation.

27. The Sub-Committee's main attention was devoted to detailed reviews of the current international trade situation and outlook, but work also continued with a view to improvement of basic statistics, methods of reducing instability in international trade, and on factors affecting the demand for rice. The Sub-Committee had reported that exchange of views taking place at its sessions had enabled delegates to arrive at a better appreciation of the policies of other governments, while its reviews of the world market outlook should contribute considerably towards reducing instability by helping countries to appraise their individual market situation and to adjust national policies. Apart from studies prepared by the Secretariat at the Sub-Committee's request, such as that on the price structure of the international rice market, individual members have contributed national studies and information on special problems, much of it not otherwise available. The monthly Exchange of Information on rice, which is circulated on a reciprocal basis, had helped to improve up-to-date knowledge of developments affecting international trade, and a new annual questionnaire on production and utilisation had been drawn up.

28. The broad task of the Group of Experts on Rice Grading and Standardization is to compare quality standards in different countries and to arrive at common standards which may be adopted internationally for commercial usage. Substantial progress has been made towards this objective. A model grading system had been formulated which was recommended for adoption by governments, agreement has been reached on definitions of a large number of terms employed in the description of rice in international trade, and work was proceeding on a standard system of quality inspection.

(c) Coconut and Coconut Products

29. The FAO Group on Coconut and Coconut Products held two sessions in November 1957 and October 1958 and submitted to the Committee two reports: CCP 57/27 and CCP 58/23. The Group has established a Working Party on Copra Quality and Grading which met before the Second Session of the Group and was scheduled to meet again in August 1959.

30. Because long term coconut problems are widespread and varied, the Group has been concerned to select for detailed study those which are of greatest economic significance for its program of work. For this purpose, arrangements were made for the collection and preliminary analysis of such basic economic information and statistics as can be obtained for coconut products, and for a program of economic studies designed to appraise trends and prospects in the demand and supply situation for coconut oil. Regular publication of new information on the production, consumption and trade of coconut products has also been organized by the Group. In addition, the Group gave considerable emphasis to a first appraisal of the most serious long term problems in the agricultural and processing sectors, and made recommendations for increased attention to certain problems in technical work, both to governments and for the FAO regular and ETAP regional programs.

31. The Working Party on Copra Quality and Grading has been endeavouring to coordinate work being undertaken to encourage international trade in better quality copra, both by importing and exporting countries and international non-governmental associations concerned with the international trade in fats and oils. Special attention was also given to the need for improvement in domestic marketing of coconut products, and the best ways of introducing more efficient processing and handling of copra.

32. The Group suggested and outlined regional projects under ETAP including schemes for the elaboration of statistical methods for coconut crops, and the introduction of pilot survey projects; for a research and training program on copra processing; and for the assessment of the status of technical research on coconut production and processing, and of ways of organizing and coordinating research, including the possible establishment of an international coconut bureau for this purpose.

(d) Cocoa

33. Since the Ninth Session of the Conference, the Cocoa Study Group has held its Third Session and the sub-committees established by the Group have held several meetings.

34. The Group has dealt broadly with three aspects of the cocoa economy: (1) the improvement of statistics and economic information on cocoa; (2) the question of stabilisation; and (3) problems of marketing and distribution (e.g. grading, the improvement of quality).

35. The Working Party on Stabilisation set up at the Second Session held a series of meetings in London in December 1957 and March 1958. In the light of replies from governments to a questionnaire, a specimen draft scheme for an International Buffer Stock Agreement was prepared and submitted to the Group for consideration, together with other proposals introduced by representatives of individual countries.

36. At the Third Session, the Group reviewed the world cocoa situation and outlook. The Group discussed the Report of the Working Party on Stabilisation and, after a thorough examination of the problems of stabilisation, decided that further discussion at that time of the measures of stabilisation involving international controls would serve no useful purpose. It was, however, understood that any government participating in the Study Group could raise the matter at any future time it considered opportune (CCP 58/13 paras. 16-27, and CCP 58/13 para. 27).

37. The Executive Committee of the Group met between plenary sessions of the Group to keep the cocoa situation under review, and continuous contact was maintained between the Chairman and the Vice-Chairman and the Secretariat (CCP 59/19). The Committee on Statistics held regular sessions at the beginning and in the middle of each cocoa year. At each session the Committee prepared forecasts or estimates of world production and grindings of cocoa beans.

(c) Dairy Products

38. The CCP Panel on Dairy Products met during the Committee's Sessions. Paras. 29-50 and 57-60 of the Committee's Report of the Thirtieth Session (CCP 58/18) and paras. 63-82 of the Committee's Report of the Thirty-First Session (CCP 59/25 - CL 31/9) describing CCP action on dairy products are based on the reports submitted to the CCP by the Panel.

39. The Committee considered in detail the critical butter situation which developed during 1958 and adopted a resolution (CCP Resolution No. 1/58) which, among others, requested the Director-General to draw the attention of Member Governments to the conclusions and recommendations formulated by the Committee, to continue to examine national dairy policies and their effects on international trade and to study the effects on dairy markets of the substitution of vegetable for animal fats in milk and milk products.

40. At its Thirty-First Session the Committee considered a preliminary report on National Dairy Policies (CCP 59/6) which had been prepared by the Secretariat with the help of experts from certain countries, and other studies also prepared by the Secretariat as requested by Resolution No. 1/58.

41. The CCP decided to review at its Thirty-Second Session its methods of handling problems relating to dairy products in the light of experience gained during the past two years.

(f) Coffee

42. At its Thirtieth Session the Committee, after reviewing development in international cooperation in coffee, decided not to convene an ad hoc meeting for this commodity in view of activities being undertaken in other organizations. At the Thirty-First Session the Committee reviewed a report prepared by the Secretariat on Intergovernmental Consultations and Actions Relating to Coffee (CCP 59/15) and noted with satisfaction the cooperation which had developed between FAO and the Coffee Study Group which had been established in Washington in 1958.

(g) Citrus Fruit

43. The Ninth Session of the Conference suggested that more detailed attention should be given to problems affecting production and consumption of, and international trade in, citrus fruit with a view to the possible establishment of a study group on these products. The Committee received from the Secretariat two studies: CCP 58/15 and CCP 59/13. It also had the benefit of two memoranda on the Problems of the citrus industry presented by the Delegation of Israel (CCP 58/15 Addendum 1 and CCP Conference Room Series No. 2, English only).

44. At its Thirty-First Session the Committee felt that the problem facing the citrus industry was serious enough to call for action by the CCP and therefore decided to establish a FAO Group on Citrus Fruit. Terms of Reference for the Group and other arrangements will be considered by the Committee at its Thirty-Second Session (CL 31/9 - CCP 58/25 paras. 59-60).

(h) Dates and Other Dried Fruit

45. At the Ninth Session of the Conference and at the Twenty-Eighth Session of the Council the Committee was asked to consider the desirability of establishing a Group on Dates and Other Dried Fruit. The Committee received on this matter a study prepared by the Secretariat (CCP 58/12). At its Thirtieth Session the Committee concluded that the problems attached to this group of commodities were not of the nature that required the immediate establishment of a Study Group. The matter was taken up again by the Committee at its Thirty-First Session and the Committee reaffirmed its previous conclusion.

(i) Hard Fibers

46. The Committee considered the question of providing for inter-governmental consultations on hard fibers and particularly the request by the Government of the Republic of the Philippines to establish a Group for these commodities. This question will be taken up again by the Committee at its Thirty-Second Session.

(j) Tobacco

47. At its Thirty-First Session the Committee reviewed action undertaken in the United Nations on a request by the Government of the Republic of the Philippines asking for international conferences to be convened to conclude international agreements for several commodities including tobacco (CCP 59/16). At that session the Observer for the Republic of the Philippines renewed the request of his Government and stated that problems affecting tobacco would require attention at least by an ad hoc meeting. The review of problems concerning tobacco has been retained on the Agenda of the CCP.

(k) Spices

48. In response to a request made at the Fourth Regional FAO Conference for Asia and the Far East, for a study on economic problems of spices, the Committee recommended at its Thirty-First Session that such a study should be undertaken by the Organization and expressed the hope that it would be possible to obtain the services of a special consultant for this work.

(l) Olive Oil

49. At both Sessions the Committee reviewed the progress made towards the establishment of the International Olive Oil Agreement, which had been negotiated on the basis of studies made by two ad hoc meetings organized by the CCP itself. At the Thirty-First Session the Committee noted with interest that progress had been made with ratification procedures required to bring the Olive Oil Agreement into being and that the First Session of the new Olive Oil Council was expected to take place later in the year.