

**TRADE AND INVESTMENT**

**Various Agricultural Products**

**Agreement Between the  
UNITED STATES OF AMERICA  
and JAPAN**

Effected by Exchange of Letters at  
Washington August 2, 1988

With Annexes

Entered into force August 2, 1988



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966  
(80 Stat. 271; 1 U.S.C. 113)—

“ . . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”



EMBASSY OF JAPAN  
WASHINGTON, D. C.


August 2, 1988

Ambassador:

I have the honor to refer to the recent consultations held between the Governments of Japan and the United States concerning Japan's import regime for certain agricultural products. I have further the honor to inform you, on behalf of the Government of Japan, that it intends to implement market-opening measures concerning imports of agricultural products as indicated in the Annexes and Attachments hereto, subject to necessary domestic procedures including Diet approval.

I am pleased to inform you that the Government of Japan will accord sympathetic consideration to such representations as may be made by the United States Government, and will consult upon request, regarding the implementation of the measures indicated in the Annexes and Attachments hereto. The Government of Japan will also be prepared to consult with the United States Government at a mutually convenient time during JFY 1990 to consider possibilities for further improvement of import access with regard to dairy products, dried leguminous vegetables, starch and inulin, and groundnuts.

Accept, Sir, the renewed assurances of my highest consideration.



Nobuo Matsunaga  
Ambassador of Japan

The Honorable  
Clayton Yeutter  
United States Trade Representative  
Washington, D. C. 20506

**ANNEX 1: MEASURES FOR IMPORT ACCESS LIBERALIZATION**

The Government of Japan will implement the following market-opening measures subject to necessary domestic procedures including Diet approval. The measures will be implemented in a manner consistent with the most-favored-nation principle of the GATT.

1.1 The Government of Japan will take the measures listed in Attachment 1 concerning the products listed therein, including termination of import allocation systems applying to such products, market access improvement in the period before such termination, and tariff rates to be applied after such termination. No GATT-inconsistent measures will be taken to replace existing restrictions\* on these products.

1.2 The tariff rates specified in the right column of Attachment 1 will not be raised unless otherwise duly negotiated bilaterally or in the Uruguay Round.

1.3 In the period before termination of each of the import allocation systems listed in Attachment 1, the Government of Japan will improve the operation of these import allocation systems as follows:

1.3.1 The Government of Japan will grant import access in such import allocation system to any existing importer or new importer, including those who have not imported the product in question before. A certain portion of the increase in market access will be allocated to newcomers. New users of the product for processing who meet qualifications specified in import announcements will be allocated a commercially viable quantity on a fair and equitable basis.

1.3.2 On and after JFY 1988, the Miscellaneous Import Allocation method of import licensing will not be used. For each import allocation category, public notice will be given in advance of the total quantity or value to be allocated during each import allocation period, and of any changes in such quantity or value.

1.4 The Government of Japan will not broaden the scope of existing quantitative or other restrictions\* on the products listed in Attachment 1.

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\*The term "restrictions" referred to in paragraphs 1.1 and 1.4 means any direct or indirect limitations which are inconsistent with the GATT, whether made effective through quotas, licenses, permits, minimum price requirements, administrative guidance or any other means.

ANNEX 2: IMPORT ACCESS IMPROVEMENTS IN IMPORT ALLOCATION SYSTEMS

The Government of Japan will implement the following market access improvement measures subject to necessary domestic procedures including Diet approval. The measures will be implemented in a manner consistent with the most-favored-nation principle of the GATT.

2.1 DAIRY PRODUCTS

2.1.1 The Government of Japan will set up planned import allocation systems for prepared whey for infant formula, mineral concentrated whey and other dairy-based products mentioned below, and will increase import access as follows:

<u>Products</u>	<u>JFY</u>	<u>Access (MT)</u>
(a) Prepared whey for infant formula (HS Code 0404ex)	1988	15,000
	1989	17,000
	1990	19,000
(b) Whey powder for animal feed (HS Code 0404ex)	1988	30,000
	1989	33,000
	1990	36,000
(c) Mineral concentrated whey* (HS Code 0404ex)	1988	4,000
	1989	6,000
	1990	8,000
(d) Other dairy-based products** (HS Code 0401ex, 0402ex, 0403ex, 0404ex, 1702ex, 1901ex, 1902ex, 2101ex, 2105, 2106ex)	1988	56,000***
	1989	66,000***
	1990	76,000***

2.1.2 The Government of Japan will grant import access to mineral concentrated whey and other dairy-based products to any existing importer or new importer, including those who have not imported dairy products or the product in question before. A certain portion of the increase in market access will be allocated to

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\*"Mineral concentrated whey" shall contain 15 percent or more ash, less than 75 percent lactose, less than 10 percent protein, and less than 2 percent milkfat.

\*\*Products in this category are listed in Attachment 2.

\*\*\*Whole milk equivalent. These figures include the interim import access allocation for the first half of JFY 1988 of A1 items referred to in Attachment 1 to Annex 1, but do not include such allocation amounts for the second half of JFY 1988 and onward.

newcomers. New users of prepared whey for infant formula and whey powder for animal feed will be allocated a commercially viable quantity on a fair and equitable basis through joining any one of the existing associations which are granted the notification for import allocations of these products.

2.1.3 During the period covered by this Annex, other dairy products now subject to state trading or import allocation will continue to be subject to planned import allocation systems. The total import access levels of such products will be published in advance of the import allocation, and notified in advance of such publication to the governments of exporting countries concerned. Import allocation levels of such products for the first half of JFY 1988 are as follows:

Non-fat dry milk powder:

General import allocation	10,000 MT
Import allocation for school lunch	2,000 MT*
Import allocation for child welfare facilities	1,444 MT*
Import allocation for animal feed	37,800 MT*

Evaporated milk (without added sugar):

Import allocation for Okinawa	750 MT*
Import allocation for ship-chandlers	24 MT*

Sweetened condensed milk

Import allocation for ship-chandlers	9 MT*
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2.2 DRIED LEGUMINOUS VEGETABLES (HS Code 0713ex)

2.2.1 The Government of Japan will maintain the minimum import access for dried leguminous vegetables at the following levels:

JFY 1988	120,000 MT
JFY 1989	120,000 MT
JFY 1990	120,000 MT

2.2.2 The Government of Japan will grant import access in such import allocation system to any existing importer or new importer.

2.3 STARCH AND INULIN (HS Code 1108)

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\*These import allocation amounts are treated as an exception to the import monopoly maintained by the Livestock Industry Promotion Corporation.

2.3.1 The Government of Japan will maintain import access for starch and inulin at the following levels:

JFY 1988	150,000 MT
JFY 1989	150,000 MT
JFY 1990	150,000 MT

2.3.2 The Government of Japan will change the import allocation system applied to starch and inulin for special uses to a planned import allocation system. The total amount of import allocation will be set taking into account the situation in the previous year such as the applications for import licenses, extent of utilization of the total import allocation quantity, etc.

2.3.3 The Government of Japan will grant import access in this import allocation system to any existing user or new user, including those who have not been allocated starch or inulin before.

#### 2.4 GROUNDNUTS (HS Code 1202ex)

2.4.1 The Government of Japan will increase minimum import access for groundnuts (other than for oil extraction) to the following levels:

JFY 1988	60,000 MT
JFY 1989	66,000 MT
JFY 1990	75,000 MT

2.4.2 The import allocation level for JFY 1990 listed above is based on the assumption that no serious problem exists in the Japanese domestic market situation of groundnuts including domestically produced groundnuts, or in the supply and demand situation of groundnuts. In the event that such a serious problem exists, the Government of Japan will consult with the governments concerned including the United States Government in the early part of JFY 1990 to review the Japanese groundnut trade situation for the purpose of reaching a mutually acceptable solution for readjusting the import access level for JFY 1990.

2.4.3 With regard to non-Virginia type groundnuts certified as for the manufacture of peanut butter, import licenses will be issued without limit to meet any amount of domestic demand for peanut butter from the second half of JFY 1988. Such licenses are to be in addition to the import allocation amounts in paragraph 2.4.1 above.

2.4.4 The current separate import allocations for large and small kernel groundnuts will be replaced by separate allocations for Virginia type and non-Virginia type groundnuts with no kernel size or grade limitations from the first half of JFY 1989.

2.4.5 In-shell groundnuts may be imported under both allocations for Virginia type and non-Virginia type, but not under the allocation for peanut butter, after the technical examination from the viewpoint of plant quarantine is completed. For the purposes of calculating utilization of import allocation amounts, each ton of in-shell groundnuts will be counted as equivalent to 0.75 ton of shelled groundnuts.

2.4.6 The Government of Japan will grant import access in this import allocation system to any existing importer or new importer or user who meets the qualifications specified in the import announcements. A certain portion of the increase in market access will be allocated to newcomers.



### ANNEX 3: TARIFFS

The Government of Japan will implement the following market-opening measures subject to necessary domestic procedures including Diet approval. The measures will be implemented in a manner consistent with the most-favored-nation principle of the GATT.

3.1 The Government of Japan will reduce the tariff rates on the following items by April 1, 1989 subject to necessary domestic procedures.

<u>H.S. Code</u>	<u>Items</u>	<u>Current Rate</u>	<u>New Rate</u>
1005.90ex	Popcorn (Maize which is explosive with heating under normal air pressure)	¥15/kg tariff quota at 0% primary tariff	0%*
1702.50	Chemically pure fructose	12.8%	9%
1806.20-110ex 1806.20-190ex	Cocoa preparations of HS 1806.20-110 and HS 1806.20-190 excluding chewing gum, other sugar confectionery and cocoa preparations in blocks, slabs and paste	35%	28%
1904.10ex	Breakfast cereals**	19.2%	15.4%
2008.19-221ex	Roasted macadamia nuts	8%	5%
2008.19-223	Roasted pecan nuts	10.2%	5%
2008.19-226ex	Roasted nuts n.e.s. other than ginkgo nuts	12.8%	6%

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\*The requirement that duty-free imports of popcorn be popped in a firm equipped for the manufacture of popped corn will no longer apply as of April 1, 1989.

\*\*Excluding grains of rice, wheat, barley and triticale which are simply swelled or roasted such as puffed rice, irigome, or irimugi.

2008.20-200	Pineapples, prepared or preserved (without added sugar)	55%	Reduce tariff rate to 30% on April 1, 1990. Tariff quota at 0% (primary tariff for canned pineapples as defined in the Codex Alimentarius Standard for Canned Pineapple, with or without added sugar, packed for final consumption in airtight containers not more than 10 kg each including container weight, except for "crushed or crisp cut" pineapple falling under 1.3.12 of the Codex Standard) on and after April 1, 1990.
2008.99-211ex	Bananas and avocados in pulp form, with added sugar	35%	30%
2008.99-221ex	Bananas and avocados in pulp form, without added sugar	25%	20%
2008.99-222ex	Prunes in pulp form (without added sugar)	25%	20%
2103.90-110	Mayonnaise	16%	12.8%
2104.10-010	Soup of vegetable, in airtight containers	14%	7%

2104.10-020	Soup (other)	16.8%	8.4%
2106.90-200	Chewing gum	8%	5%

The above reduced tariff rates will not be raised unless otherwise duly negotiated bilaterally or in the Uruguay Round.

3.2 The Government of Japan will increase the tariff quota for duty-free entry of corn for industrial use, change the secondary tariff rate applicable to this tariff quota, and alter the blending ratio of cornstarch from imported corn and domestic potato starch required for access to the tariff quota, as follows:

<u>JFY</u>	<u>TO</u> <u>(MMT)</u>	<u>Blending</u> <u>Ratio</u>	<u>Secondary Tariff</u>
1989	3.25	8:1	70% or ¥14/kg, whichever is the greater
1990	3.35	8.5:1	60% or ¥13/kg, whichever is the greater
1991	3.45	9:1	50% or ¥12/kg, whichever is the greater

The above tariff rates will not be raised unless otherwise duly negotiated bilaterally or in the Uruguay Round.

3.3 The Government of Japan has no intention to initiate any increase in the customs duty on the products listed in Annex 2 under the present import systems of these products.

ATTACHMENT 1 TO ANNEX 1: AGRICULTURAL PRODUCTS LIBERALIZATION

<u>ITEM</u>	<u>HS CODE</u>	<u>TERMINATION OF IMPORT ALLOCATION SYSTEM</u>	<u>INTERIM IMPORT ACCESS</u>	<u>EXISTING TARIFF RATE</u>	<u>TARIFF RATE AFTER TERMINATION OF IMPORT ALLOCATION SYSTEM UNLESS OTHERWISE SPECIFIED</u>
<u>A1. DAIRY</u>					
A1.1 Frozen yogurt	0403.10ex	Apr. 1, 1990	JFY 1988: 200 MT (product weight basis) JFY 1989: 300 MT (product weight basis)	35% (containing added sugar) 25% (other)	35%
A1.2 Whipped cream in pressurized containers	0402.99-010ex 1901.90-112ex	Apr. 1, 1990	JFY 1989: 50 MT (product weight basis; access subject to resolution of technical discussions on propellant gas and containers)	30% (0402.99-010ex) 28% (1901.90-112ex)	Same as existing tariff rates
A1.3 Stuffed pasta	1902-20ex	Oct. 1, 1988	}	28% (containing added sugar) 25% (other)	Same as existing tariff rates
A1.4 Other pasta	1902.30ex	Oct. 1, 1988			
A1.5 Ice cream	2105	Apr. 1, 1990	JFY 1988: 100 MT (product weight basis) JFY 1989: 110 MT (product weight basis)	35% (containing not less than 50% by weight of sucrose) 28% (containing less than 50% by weight of sucrose) 25% (not containing added sugar)	Same as existing tariff rates
A1.6 Protein concentrates	2106.10ex	Apr. 1, 1990	JFY 1988: 150 MT (product weight basis) JFY 1989: 300 MT (product weight basis)	28% (containing less than 50% by weight of sucrose) 12.5% (vegetable protein not containing added sugar) 25% (other, not containing added sugar)	Same as existing tariff rates
A2. PROCESSED CHEESE	0406ex	Apr. 1, 1989	JFY 1988: 500 MT (product weight basis)		JFY 1989:60% JFY 1990:50% JFY 1991 and thereafter: 40%

NOTE: Protein concentrates containing not less than 80% by weight of protein, the largest single ingredient of which is vegetable protein by weight, in containers for retail sale of less than 500g.

NOTE: Import licenses for processed cheese will be available to any importer and not restricted to hotels, ship-chandlers, or Okinawa.

<u>ITEM</u>	<u>HS CODE</u>	<u>TERMINATION OF IMPORT ALLOCATION SYSTEM</u>	<u>INTERIM IMPORT ACCESS</u>	<u>EXISTING TARIFF RATE</u>
A3. <u>DRIED LEGUMINOUS VEGETABLES</u>	0713ex			
A3.1 Chick peas	0713.20ex	Oct. 1, 1988		10%
A3.2 Lentils	0713.40ex	Oct. 1, 1988		10%
A4. <u>OTHER SUGARS AND SUGAR SYRUPS (excluding lactose)</u>	1702ex	Apr. 1, 1990	JFY 1988: 1000 MT JFY 1989: set access amount taking into account situations in previous year such as applications for licenses and license utilization	25 - 35%

TARIFF RATE AFTER  
TERMINATION OF  
IMPORT ALLOCATION  
SYSTEM UNLESS  
OTHERWISE SPECIFIED

Same as existing tariff rate

Same as existing tariff rate

Raise existing tariff rates on following products except for items that are bound, to: 70% or #50/kg (whichever is the greater) in JFY 1990; 60% or #27.5/kg (whichever is the greater) in JFY 1991; and 50% or #25/kg (whichever is the greater) in JFY 1992 and thereafter:

- glucose and glucose syrup (1702.30-2ex, 1702.40-2);
- other fructose and fructose syrup (1702.60-2)
- artificial honey (1702.90-2ex)
- caramel (1702.90-3)
- other sugar and sugar syrups (1702.90-5-(2)ex)

On Apr. 1, 1990, raise tariff on sugar syrup (1702.90-2ex) to 35% or #27/kg, whichever is the greater.

<u>ITEM</u>	<u>HS CODE</u>	<u>TERMINATION OF IMPORT ALLOCATION SYSTEM</u>	<u>INTERIM IMPORT ACCESS</u>	<u>EXISTING TARIFF RATE</u>	<u>TARIFF RATE AFTER TERMINATION OF IMPORT ALLOCATION SYSTEM UNLESS OTHERWISE SPECIFIED</u>
A5. FRUIT PUREE AND PASTE	2007ex	Oct. 1, 1988	JFY 1988 first half; 2000 MT	40% (with added sugar); 25% (without added sugar)	Same as existing tariff rates
A5.1 Non-citrus fruit puree and paste	2007ex	Oct. 1, 1988	JFY 1988 first half; 2000 MT	40% (with added sugar); 25% (without added sugar)	Same as existing tariff rates
A5.2 Citrus fruit puree and paste	2007ex	Apr. 1, 1990	JFY 1988 1000 MT JFY 1989 1000 MT	40% (with added sugar); 25% (without added sugar)	Same as existing tariff rates
A6. FRUIT OTHER- WISE PREPARED OR PRESERVED	2008ex				
A6.1 Apple, grape and peach pulp	2008ex	Oct. 1, 1988	JFY 1988 first half: 2000 MT	Peach (with added sugar, in airtight containers) 25%; peach (with added sugar, other) 35%; peach (without added sugar, in airtight containers) 20%; peach (without added sugar, other) 25%; other (with added sugar) 35%; other (without added sugar) 25%	Same as existing tariff rates
A6.2 Citrus fruit pulp	2008.30ex	Apr. 1, 1990	JFY 1988: 1000 MT JFY 1989: 1000 MT	35% (with added sugar); 25% (without added sugar)	Same as existing tariff rates
A6.3 Prepared or preserved pineapples	2008.20	Apr. 1, 1990	JFY 1988: 20,413 MT (equal to 1,000,000 cases); JFY 1989: 22,454 MT (equal to 1,100,000 cases)	30% (with added sugar, in airtight containers not more than 10 kg each including container weight); 55% (with added sugar, other); 55% (without added sugar)	30% (prepared or preserved pineapples, with added sugar, in airtight containers not more than 10 kg each including container weight, or without added sugar); 55% (with added sugar, other). Tariff quota at 0% (primary tariff for canned pineapples as defined in the Codex Alimentarius Standard for Canned Pineapple, with or without added sugar, packed for final consumption in airtight containers not more than 10 kg each including container weight, except for "crushed or crisp cut" pineapple falling under 1.5.12 of the Codex Standard)

<u>ITEM</u>	<u>HS CODE</u>	<u>TERMINATION OF IMPORT ALLOCATION SYSTEM</u>	<u>INTERIM IMPORT ACCESS</u>	<u>EXISTING TARIFF RATE</u>	<u>TARIFF RATE AFTER TERMINATION OF IMPORT ALLOCATION SYSTEM UNLESS OTHERWISE SPECIFIED</u>
A7. NON-CITRUS FRUIT JUICES	2009ex				
A7.1 Fruit juice for infants (including citrus juice)	2009ex	Oct. 1, 1988	JFY 1988 first half: allocate any amount of licenses without limit to meet domestic demand	See Note 1	Juice tariffs: for apple juice containing added sugar with greater than 10% by weight of sucrose (2009.70- 190), the tariff will be 40% or #27/kg, whichever is the greater; for apple juice not containing added sugar with greater than 10% by weight of sucrose (2009.70-290), the tariff will be 35%. For other juices and apple juice subject to GATT bindings, there will be no change in the existing tariff.
A7.2 Apple, grape and pineapple juice concen- trates (inclu- ding frozen concentrate or mixed juice concen- trates predominantly composed of apple, grape or pineapple juice)	2009ex	Apr. 1, 1990	Apple juice concentrates: JFY 1988 6,000 MT JFY 1989 8,000 MT  Grape juice concentrates: JFY 1988 6,000 MT JFY 1989 8,000 MT  Pineapple juice concentrate: JFY 1988 500 MT JFY 1989 550 MT	See Note 2	See immediately above
A7.3 Single strength fruit juice (including, inter alia, single strength mixed juice and single strength pineapple juice)	2009ex	Apr. 1, 1990	JFY 1988: 3,000 kl JFY 1989: 4,500 kl	See Note 2	See immediately above
A7.4 Non-citrus fruit juice concentrates (including frozen con- centrate or mixed juice concentrates other than those falling under A7.2; also includ- ing, inter alia, concen- trated berry juice for industrial use)	2009ex	Apr. 1, 1989	JFY 1988: 2,700 MT	See Note 2	Same as existing tariff rates

<u>ITEM</u>	<u>HS CODE</u>	<u>TERMINATION OF IMPORT ALLOCATION SYSTEM</u>	<u>INTERIM IMPORT ACCESS</u>	<u>EXISTING TARIFF RATE</u>	<u>TARIFF RATE AFTER TERMINATION OF IMPORT ALLOCATION SYSTEM UNLESS OTHERWISE SPECIFIED</u>
A8.	TOMATO JUICE, 2009ex TOMATO KETCHUP 2103ex AND TOMATO SAUCE	July 1, 1989	JFY 1988: Tomato juice: 6,000 kl Tomato ketchup and sauce: 6,000 MT	Tomato juice: with added sugar 25%, other 20%; Ketchup 20%; Tomato sauce 20%	Tomato juice: with added sugar 35%; other 25%. Tomato ketchup: 25%. Tomato sauce: same as existing tariff rate.
A9.	FOOD PREPARATIONS N.E.S. MAINLY CONSISTING OF SUGAR	2106ex April 1, 1990	A new planned market access established with a view to improving import access of high-value- added products in con- tainers for retail sale:  JFY 1988: 2,000 MT; JFY 1989: access to be increased taking into account the factors in the previous year such as applications for licenses, rate of actual usage, etc.	35%	Same as existing tariff, except that the tariff concession on other food preparations n.e.s. (2106.90- 4-(1), statistical number 419ex) that contain 85% or more of sugar by weight and which are not included in the categories specified in the "Interim Import Access" column will be withdrawn in accordance with Article XXVIII of the GATT and the existing tariff rate will be raised on April 1, 1990 to 35% or \$90/Kg, whichever is the greater, except that the tariff of products in container of 500g or less for retail sale (including container weight) (2106.90-4-(1), statistical number 419ex) will be reduced on April 1, 1990 to 30%.
			Products containing less than 65% by weight of sugar;		
			Products in con- tainers of 500g or less (including container weight) for retail sale, containing not less than 65% sugar by weight (including products that could be certified as imported to be repacked after importation with no change in ingredients); and		
			Other products deemed to be high- value-added products.		



**NOTE 1: Existing tariff rates for fruit juice for infants (including citrus juice):**

Containing added sugar	Not more than 10% by weight of sucrose	Orange Other	30% 27%
	Other		35% or #27/kg
Not containing added sugar	Not more than 10% by weight of sucrose	Orange Other	25% 22.5%
		Other	30%

**NOTE 2: Existing tariff rates for non-citrus fruit juice falling under A7.2, A7.3 and A7.4 above:**

Containing added sugar	Not more than 10% by weight of sucrose	27%
	Other	35% or #27/kg
Not containing added sugar	Not more than 10% by weight of sucrose	22.5%
	Other	30%

ATTACHMENT 2 TO ANNEX 2:

LIST OF "OTHER DAIRY-BASED PRODUCTS" (ANNEX 2, 2.1.1 (d))

<u>HS</u>	<u>ITEM (HS Code Number)</u>
0401ex	Whipped or whipping cream (0401.30ex)
0402ex	Whipped or whipping cream (0402.99-010ex)
0403ex	Yogurt, kefir and other fermented or acidified milk and cream, including frozen yogurt (0403.10ex)*
0404ex	Products consisting of natural milk constituents, excluding whey powder and including mineral concentrated whey (0404.10ex)*
1702ex	Lactose containing less than 90% by weight of lactose (1702.10ex)
1901ex	Food preparations of goods of headings Nos. 0401 to 0404, including ice cream mix (1901.90ex), whipped or whipping cream (1901.90-112ex)
1902ex	Pasta: stuffed pasta (1902.20ex) and other pasta (1902.30ex)
2101ex	Preparations with a basis of coffee or tea
2105	Ice cream*
2106ex	Food preparations mainly consisting of natural milk constituents including protein concentrates (2106.10ex)* and ice cream mix (2106.90ex)

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NOTE: Asterisked items will be included in the import allocation referred to in paragraph 2.1.1 (d) for the first half of JFY 1988, but will not be included from the second half of JFY 1988 onward.

THE UNITED STATES TRADE REPRESENTATIVE  
Executive Office of the President  
Washington, D.C. 20506

August 2, 1988

Excellency:

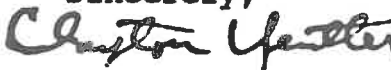
I have the honor to acknowledge receipt of your letter of today's date concerning the implementation of measures regarding various agricultural products by the Government of Japan.

I am pleased to confirm that the consultations between the Governments of the United States and Japan regarding Japan's regime for certain agricultural products have reached a successful conclusion, and that implementation of the measures indicated in the Annexes and Attachments to your letter will be a mutually acceptable solution.

I am further pleased to inform you that the Government of the United States has today notified the GATT Secretariat of the withdrawal of our request for consultations under Article XXII concerning Japan's plans for implementation of the panel report (L/6253).

In the case of groundnuts, the United States Government will give sympathetic consideration to the request of the Government of Japan to review the Japanese groundnut trade situation for the purposes of readjusting the import access level for JFY 1990.

Accept, Excellency, the renewed assurances of my highest consideration.

Sincerely,  
  
Clayton Yeutter

His Excellency  
Nobuo Matsunaga  
Ambassador of Japan