

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Addendum

DENMARK

The following information notified by the Government of Denmark, supplements and brings up to date that contained in L/2601/Add.9.

AGRICULTURAL SUPPORT

I. Cash support

(1) Support to milk production

The principles on which this subsidy is based are maintained in the new Act on the Marketing of Agricultural Products (No. 256 of 9 June 1967), but the maximum support was raised to DKr 250 million for each of the years 1967/68 and 1968/69. With the exception of an annual amount of DKr 5 million for rationalization of the activities of milk recording associations, the support is disbursed through dairies, partly as a fixed amount payable per kg. milk, partly as a payment related to fat content (with some seasonal variation).

(2) General Purposes Fund

The above-mentioned Act raised the annual grants by DKr 50 million to DKr 150 million for each of the years 1967/68 and 1968/69; the purposes for which the Fund may be used were not changed.

In addition, DKr 100 million will shortly be transferred to the Fund by way of compensation to agriculture for having refrained from raising the home-market prices as from 1 April 1968. Rules on the purposes for which this additional grant may be used have not yet been established.

(3) The Minister for Agriculture has been authorized to make another DKr 50 million available to agriculture in fiscal 1968, either for disbursement to milk producers under the rules referred to in item (1) above or transfer to the above-mentioned General Purposes Fund.

(4) The subsidies granted to reduce the cost of fertilizers and the grant to the Dairy Rationalization Fund remain in force without change in the fiscal years 1967/68 and 1968/69.

II. Home-market price schemes

(1) Home-market schemes for pork, beef and veal, poultry meat, and eggs

The existing home-market schemes for these products are prolonged without change from 1 July 1967, to 30 June 1969.

As in previous years, the home-market price schemes for beef and veal were suspended for a short period in 1967 and again from 19 February to 1 July 1968, when the prices obtained on export markets exceeded the approved home-market prices.

(2) Home-market price scheme for dairy products

This scheme, which is based solely on voluntary agreements concluded by the Danish dairies, has not been changed since the Notification made in 1966.

III. Grain marketing schemes

The grain marketing schemes adopted by Act No. 235 of 9 June 1965 - cf. GATT document L/2601/Add.9 of 4 July 1966, pages 9-10 - were, in the main prolonged by Act No. 255 of 9 June 1967.

(1) Bread grain

The guaranteed prices to producers of bread grain were abolished as from the 1966/67 harvest year and were not resumed in the new Act.

Milling quotas have been established at 65 per cent for Danish rye and 100 per cent for Danish wheat.

(2) Feed grain

The basic prices for the harvest years 1967/68 and 1968/69 remain unchanged at DKr 52 per 100 kgs. for the period 1 August to 30 September, rising by DKr 0.50 per month for the following six months up to DKr 55 per 100 kgs.; this price is in force from 1 March to 1 August each year.

The proceeds from the equalization charges levied on imported feed grain amounted to DKr 58.3 million and DKr 72.4 million in the harvest years 1965/66 and 1966/67, respectively. These proceeds are paid into the Grain Equalization Fund which is administered under the supervision of the Minister for Agriculture.

Additional subsidies from the Treasury were paid into the Fund in the following amounts: DKr 40 million in 1965/66 and DKr 50 million in 1966/67. A similar subsidy of DKr 50 million was fixed for each of the harvest years 1967/68 and 1968/69.

In pursuance of the Act the Fund is used, in consultation with the farmers' organizations, for the benefit of small farmers and poultry and egg producers in order to give these producers, who are generally net buyers of feed grain, a certain compensation for the higher production costs resulting from the system of basic prices.

Allocation to small farms from the Grain Equalization Fund is based on the number of cows kept by each farm. For holdings of less than 14 hectares, or having a land value not exceeding DKr 55,000 (according to the land evaluation in 1965) the disbursement is DKr 100 per cow, but cannot exceed a total of DKr 1,200 per holding. For holdings of 14 hectares or more but not exceeding 16 hectares, or having a land value not exceeding DKr 60,000, the disbursement per cow is DKr 50 with a maximum of DKr 600 per holding. Larger farms are not eligible for allocations from the Grain Equalization Fund.

IV. Rapeseed scheme

The previous rapeseed scheme (under which Danish margarine factories undertook to buy 10 per cent of their consumption of fat in the form of Danish rapeseed and had to pay annual levies of about DKr 8 million into a Rapeseed Fund) has been abolished.

In pursuance of section 6 of the Agricultural Products Marketing Act (No. 256 of 9 June 1967) Danish rapeseed growers receive subsidies from the Treasury of up to DKr 8 million annually in each of the fiscal years 1967/68 and 1968/69 for rapeseed of the 1967 and 1968 harvests.

This subsidy is, as previously, disbursed in proportion to quantities of 98 per cent pure rapeseed with a water content of 9 per cent supplied by growers direct to dealers or mills.

