

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3029/Add.8

27 February 1969

Limited Distribution

Original: French

SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

SWITZERLAND

This notification, which brings up to date the information supplied in the full reply of 1966 (L/2601/Add.12) to the questionnaire concerning subsidies, refers in the main to the financial years 1966 and 1967. However, it also mentions certain important changes which have occurred since that period.

1. Milk and dairy products

(i) Dairy balance sheet (period 1 November to 31 October)

During the financial years 1965/66 and 1966/67, the expenditure incurred in the dairy balance sheet of the Confederation was as follows:

	<u>Sw F'000</u>	
	<u>1965/66</u>	<u>1966/67</u>
Total	172,171	197,283
including as main items:		
- valorization of butter	68,142	91,478
- valorization of cheese	99,548	100,919
- valorization of preserved milk products	2,481	3,166

This expenditure was covered as follows:

Payments by the Confederation	164,878	161,238
of which:		
- general funds	104,776	83,123
- revenue from taxes and price supplements	60,102	78,115
Share of losses payable by producers	7,293	36,045

(ii) Butter

On 1 September 1967 and 18 January 1968 more intensive measures were taken to lower the selling price, so that at present and until further notice the subsidy is:

- (a) table butter: Sw F 2.55 or Sw F 2.60 per kg. (formerly, as from 1 October 1966: Sw F 1.05 or Sw F 1.10)
- (b) cooking or melted butter: Sw F 6.31 to Sw F 9.36 per kg. (formerly, as from 1 October 1966: Sw F 2.40 to Sw F 4.96).

It should be noted that, according to the Federal Decree of 16 June 1966 concerning the milk market, the producers of milk cover 60 per cent of the uncovered expenditure involved in the valorization of butter.

(iii) Cheese

No change in the measures in force.

(iv) Preserved milk products

As in the past, the expenditure represents the subsidy paid to offset those increases in the basic price of milk which could not be passed on in the price of exported preserved milk. Since 1 May 1967 the subsidy has amounted to 15 centimes per kg. of milk used in the manufacture of this product (previously 12 centimes).

2. Breeding and dairy cattle

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

	<u>Sw F'000</u>	
	<u>1966</u>	<u>1967</u>
(1) Encouragement of sales within the country:		
(a) subsidies to relieve market pressure	467	852
(b) subsidies for elimination	6,388	6,598
(c) contribution to transport costs	541	558
(2) Maintenance of exports	4,912	4,535
(3) Contribution to the expenses of breeders in mountain areas	37,095	36,861
Total	49,403	49,404

Amount per unit

	<u>Average, Sw F per head</u>	
	<u>1966</u>	<u>1967</u>
(1) (a) subsidies to relieve market pressure	445	640
(b) subsidies for elimination	324	304
(c) contribution to transport costs	8	13
(2) Maintenance of exports	790	832

(3) Contribution to the expenses of breeders in mountain areas:

During 1966 and 1967, the system of payments and the amount of the contribution remained the same as in 1965.

3. Wool

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

1965: Sw F 1,337 thousand for 489 tons of wool
1966: Sw F 1,390 thousand for 515 tons of wool
1967: Sw F 907 thousand for 460 tons of wool

Amount per unit

1965: Sw F 2,734 per ton
1966: Sw F 2,699 per ton
1967: Sw F 1,972 per ton

4. Eggs

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

1966: Sw F 5,105 thousand
1967: Sw F 6,000 thousand

Amount per unit

1966: 3.4 centimes per egg taken over
1967: 3.5 centimes per egg taken over

5. Bread grains

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

The expenditure incurred by the Confederation for the purchase of domestic bread wheat amounted to the following:

1966: Sw F 92.7 million
1967: Sw F 100.9 million

The milling bonus amounted to the following:

1966: Sw F 11.3 million
1967: Sw F 10.2 million

Amount per unit

	(Sw F per 100 kgs.)	
	<u>1966</u>	<u>1967</u>
Purchase of wheat (average)	29.65	27.66
Milling bonus ¹	16 to 32	16 to 32

6. Feed grains

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

	(Sw F'000)	
	<u>1966</u>	<u>1967</u>
(a) Cultivation bonuses	20,323	18,013
(b) Marketing and transport allowances	364	511

Amount per unit

	(in Sw F per hectare)		
(a) <u>Cultivation bonuses</u>			
Basic bonus		Supplements for	
		Mountain zone I and steeply sloping land elsewhere	Mountain zone II
1966	400.-	100.-	200.-
1967	375.-	100.-	200.-
(b) <u>Marketing and transport allowances</u>			

There was no change in the rates. There was a slight increase (from 5 to 8 per cent) in the share of total domestic production affected.

¹The amount is the same as before. The bonus varies with the altitude of the farm.

7. Colza seeds

Since 1966, the area for which the Confederation guarantees to producers the purchase of the colza crop has risen from 7,000 to 8,000 hectares.

Total amount of the subsidy

1966: Sw F 7,655 thousand
1967: Sw F 10,100 thousand

Amount per unit

1966: Sw F 688 per ton of seeds
1967: Sw F 552 per ton of seeds

8. Sugar beet

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy (from 1 October to 30 September)

1965/66: Sw F 15 million
1966/67: Sw F 18 million

Amount per unit

1965: 36.5 centimes per kg. of refined sugar
1966: 33.6 centimes per kg. of refined sugar

9. Potatoes

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy (from 1 July to 30 June)

	(Sw F millions)	
	<u>1965/66</u>	<u>1966/67</u>
(1) transport subsidies	1.71	1.67
(2) sale of ware potatoes at reduced prices to needy persons	2.34	2.02
(3) subsidies to reduce seed potato prices	0.55	0.52
(4) subsidies for utilization of surplus of ware potatoes	6.99	20.34
(5) information, propaganda	0.46	0.67

Amount per unit

	(Sw F per 100 kgs.)	
	<u>1965/66</u>	<u>1966/67</u>
(1) transport subsidies	1.19	1.20
(2) reduction in prices for needy persons	14.81	14.06
(3) subsidies to reduce seed potato prices	1.18	1.16
(4) utilization of surplus of ware potatoes, potatoes for general use and fodder potatoes	6.08	10.17

10. Fruit

There has been no change in the policy or the measures described in the 1966 reports.

Total amount of the subsidy (from 1 July to 30 June)

	(Sw F millions)	
	<u>1965/66</u>	<u>1966/67</u>
(1) subsidies to influence production (rationalization, etc.)	1.17	1.14
(2) subsidies to influence consumption (propaganda, transport costs, etc.)	2.30	1.81
(3) subsidies for the utilization of surpluses:		
(a) pip fruit	1.30	1.04
(b) apricots	1.47	1.87

Amount per unit

The subsidies to reduce prices for needy persons and for the mountain population amounted on the average to 24 centimes per kg. in 1965/66 and 17 centimes in 1966/67.

For the export of concentrated juices, the subsidies amounted to an average of Sw F 33 per 100 kgs. in 1965/66 and Sw F 28 in 1966/67.

As regards the utilization of dessert fruit surpluses, subsidies were paid for apricots. They amounted on the average to Sw F 36 per 100 kgs. in 1966 and Sw F 22 in 1967.

11. Wine, grape juice, dessert grapes

There has been no change in the policy or the measures described in the 1966 report.

Total amount of the subsidy

- (1) In 1966, Sw F 776,655 were granted to allow for the optional purchase by importers of wines of the 1965 vintage from German Switzerland.

No similar action was taken in 1967.

(2) .The expenditure on propaganda was:

	<u>1966</u>	<u>1967</u>
	(Sw F)	(Sw F)
(a) for wine	160,577.-	245,634.-
(b) for grape juice	266,253.-	268,072.-
(c) for dessert grapes	-	5,000.-

(3) The subsidies for the non-alcoholic utilization of grapes amounted to:

	<u>1966</u>	<u>1967</u>
	(Sw F)	(Sw F)
(a) grape juice	2,821,989.-	1,807,457.-
(b) dessert grapes	243,499.-	178,733.-

Amount per unit

- (1) Purchase of German-Swiss wine of the 1965 vintage:
70 centimes per litre of red wine and 40 centimes per litre of white wine.
- (2) Propaganda: amount per unit uncertain.
- (3) Non-alcoholic utilization of grapes:

	<u>1966</u>	<u>1967</u>
(a) grape juice, Sw F per litre	0.55	0.49
(b) dessert grapes, Sw F per kg.	0.21	0.19