

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUBSIDIES

Notification Pursuant to Article XVI:1

Addendum

FINLAND

Subsidies Granted for 1971, 1972 and 1973^{1/}

		Millions of Fmk		
		<u>1971</u>	<u>1972</u>	<u>1973</u>
I.	Equalization of agricultural production costs	154.4	184.2	213.4
1.	Subsidy to small farms	86.4	111.5	123.0
2.	Regional support for agricultural production	68.0	72.7	90.4
II.	Subsidies for lowering prices of agricultural products	734.1	855.4	850.3
III.	Support of wool production and sugar beet production	32.7	26.5	28.9
Total		921.2	1,066.1	1,092.6

^{1/} The previous notification by Finland is contained in document L/3655/Add.2.

I. Equalization of agricultural production costs

1. Subsidy to small farms

(a) Annual cabinet decision

(b) According to the act on agricultural income and price level, given in July 1969, the so-called acreage subsidy is fixed by calendar years so that the subsidy changes compared with the corresponding amount of 1969 in the same relation as target price level has changed as from the beginning of 1969. As from the year 1973, the acreage subsidy is fixed on the basis of the agricultural price law given in February 1973.

(c) The total amount paid to farmers for 1971 was Fmk 86.4 million, for 1972 Fmk 111.5 million and for 1973 Fmk 123.0 million.

2. Regional support for agricultural production

(a) Annual cabinet decision

(b) A regional production subsidy of milk is paid through dairies in northern Finland, in the eastern frontier districts and in the outer archipelago. The total amount of production subsidies was for 1971 Fmk 38.7 million, for 1972 Fmk 39.4 million and for 1973 Fmk 54.8 million.

A special regional dairy cow subsidy of Fmk 29-45 in 1971 and 1972, and Fmk 57-85 in 1973 per dairy cow is paid directly to dairy farmers in northern Finland, in the eastern frontier districts and in the outer archipelago. The total amount of dairy cow subsidies was for 1971 Fmk 2.4 million, for 1972 Fmk 2.0 million and for 1973 Fmk 3.0 million.

A special regional subsidy for the transportation of milk is paid to the dairies in northern Finland, in the eastern frontier districts and in the outer archipelago. The total amount of transportation subsidies was for 1971 Fmk 15.6 million, for 1972 Fmk 16.5 million and for 1973 Fmk 16.4 million.

A production subsidy for beef, pork and mutton is paid through slaughterhouses in northern Finland, in the eastern frontier districts and in the outer archipelago. The total amount of production subsidies was for 1971 Fmk 10.3 million, for 1972 Fmk 13.5 million and for 1973 Fmk 15.1 million.

The subsidy of Fmk 5/100 kgs. for rye was paid to the farmers in northern and middle Finland by the State Granary. The amount paid was for 1971 Fmk 1.0 million, for 1972 Fmk 0.8 million and for 1973 Fmk 1.1 million.

(c) The total amount paid for above-mentioned subsidies was Fmk 68.0 million in 1971, Fmk 72.2 million in 1972 and Fmk 90.4 million in 1973.

II. Subsidies for lowering prices of agricultural products

(a) Annual cabinet decision

(b) In order to increase domestic consumption the consumer price of butter has been reduced since the beginning of 1971 Fmk 345/100 kgs., since 1 September 1971 Fmk 407/100 kgs. and since 1 April 1972 Fmk 489/100 kgs. The export dairies received from the State budget a refund which enables them to pay farmers a price almost corresponding to the target price of milk determined annually by the Government. A similar system is maintained for eggs, veal and beef, pork and mutton. The payment prevents the annual average producer price from dropping below the floor price level.

(c) The amount paid of all above-mentioned subsidies was Fmk 734.1 million in 1971, Fmk 855.4 million in 1972 and Fmk 850.3 million in 1973.

III. Support of wool and sugar beet production

(a) The annual cabinet decisions for wool and for the protection of sugar beet production

(b₁) For wool sold by farmers in 1971, 1972 and 1973 support subsidy was paid through three delivery factories.

(c₁) The payment for 1971 was from Fmk 2.5 to Fmk 7 per kg., and in 1972 and 1973 from Fmk 3.0 to Fmk 8.50 per kg. depending on the quality of wool. In the State budget for 1971 and 1972 the amount of Fmk 1.4 million and in 1973 Fmk 2.0 million was granted for the purpose.

(b₂) In 1971, 1972 and 1973 the Government guaranteed the basic price for domestic production of sugar beets. If the sugar content exceeded 14.5 per cent or was under 14 per cent, the guaranteed price was raised and vice versa. In areas where production costs were higher owing to poorer growing conditions, extra payment was paid to growers. Also a transportation subsidy was paid to them. The sugar producing factories received a subsidy of 6.86 pennies in 1971, 3.01 pennies in 1972 and 3.57 pennies in 1973 per kilogramme of sugar beets they received from domestic producers.

(c₂) The amount paid by the Government for sugar beet production in 1971, 1972 and 1973 was Fmk 31.3 million, Fmk 25.1 million and Fmk 26.9 million.