

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

FINLAND

Subsidies Granted for 1972, 1973 and 1974

	<u>1972</u>	<u>1973</u>	<u>1974</u>
	(Millions of Fmk)		
I. Equalization of agricultural production costs	200.9	254.4	294.1
1. Subsidy to small farms	111.5	123.0	122.0
2. Regional support for agricultural production	89.4	131.4	172.1
II. Subsidies for lowering prices of agricultural products	855.4	850.3	1,280.7
III. Support of wool production and sugar beet production	26.5	28.9	28.3
Total	1,082.8	1,133.6	1,603.1

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 1972 was Fmk 111.5 million, for 1973 Fmk 123.0 and for 1974 Fmk 122.0 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 in 1972 Fmk 39.4 million, in 1973 Fmk 54.8 million and in 1974 Fmk 77.2 million.

A special regional dairy cow subsidy of Fmk 29-45 in 1972, Fmk 57-85 in 1973 and Fmk 75-215 in 1974 per dairy cow was 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 in 1972 Fmk 2.0 million, in 1973 Fmk 3.0 million and in 1974 Fmk 7.0 million.

A special regional subsidy for the transportation of milk is paid to the dairies in the northern Finland, in the eastern frontier districts and in the outer archipelago. The total amount of transportation subsidies was for 1972 Fmk 16.5 million, for 1973 Fmk 16.8 million and for 1974 Fmk 18.0 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 in 1972 Fmk 13.5 million, in 1973 Fmk 15.1 million and in 1974 Fmk 26.9 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 in 1972 Fmk 0.8 million, in 1973 Fmk 1.1 million and in 1974 Fmk 1.1 million.

The producer price of milk in the development regions has been increased through a Government subsidy. The total amount of the subsidy in 1972 was Fmk 17.3 million, in 1973 Fmk 40.6 million and in 1974 Fmk 41.9 million.

- (c) The total amount paid for above-mentioned subsidies was Fmk 89.5 million in 1972, Fmk 131.4 million in 1973 and Fmk 172.1 million in 1974.

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 1 September 1971 Fmk 407/100 kgs. and since 1 April 1972 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 855.4 million in 1972, Fmk 850.3 million in 1973 and Fmk 1,280.7 million in 1974.

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 1972, 1973 and 1974 support subsidy was paid through three delivery factories.
- (c₁) The payment in 1972, 1973 and 1974 was from Fmk 3.0 to Fmk 8.50 per kg. depending on the quality of wool. In the State budget in 1972 the amount of Fmk 1.4 million, in 1973 Fmk 2.0 million and in 1974 Fmk 0.8 million was granted for the purpose.
- (b₂) In 1972, 1973 and 1974 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 3.01 pennies in 1972 and 3.57 pennies in 1973 and in 1974 per kg. of sugar beets received from domestic producers.
- () The amount paid by the Government for sugar beet production was in 1972 Fmk 25.1 million, in 1973 Fmk 26.9 million and in 1974 Fmk 27.5 million.