

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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International Dairy Arrangement

Original: English

## INTERNATIONAL DAIRY PRODUCTS COUNCIL

### Reply to Questionnaire 5 Regarding Information on Domestic Policies and Trade Measures

#### NORWAY

#### Supplement

#### A. Prices and support programmes

Within the framework of the Agricultural Agreement 1983-84, negotiations were carried out between the Government and the farmer's organizations in spring 1984. New measures were introduced for the period 1 July 1984-30 June 1985.

In the Agreement the maximum wholesale prices were increased. Based on the increase in maximum wholesale prices, it was estimated that the price to producer for milk would increase about NOK 0.15. The average price to producer was NOK 2.20 per litre in 1983.

The quantity-limited price support on milk deliveries has been increased by NOK 0.20 to NOK 1.58 per litre for quantities up to 20,000 litres per year. For deliveries beyond 20,000 litres and up to 30,000 litres the increase is NOK 0.05 in 1984/85 and the price support is NOK 0.68 per litre.

#### Measures to stabilize production

In 1984 the total milk deliveries were about the same as in 1983. However, the dairy market is not yet in balance. To curb the milk production and bring the dairy market in balance, supply control measures have been further developed within the frames of the milk quota system (introduced in 1983).

As in 1983 each farm is allocated a quota. The size of the quota of milk for which full price will be paid is fixed on the basis of the producer's average delivery during the three previous years. The final quota is fixed by means of a ratio expressed as a percentage of the basic quota.

The ratio has in 1985 been reduced further in order to curb the milk production.

The price of milk delivered in excess of the fixed quota for the producer in question is fixed at NOK 0.60 per litre in 1985.