

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

DPC/INV/3/Add.10/Rev.1  
30 March 1987

International Dairy Arrangement

Original: English

## INTERNATIONAL DAIRY PRODUCTS COUNCIL

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

#### SWEDEN

#### I. General policy framework

The present guidelines for Sweden's agricultural and food policy were laid down by two Parliamentary Decisions taken in 1984 and 1985. A full description of the guidelines has been given in the 1986 notification (DPC/INV/3/Add.10).

During the 1986/87 price regulation period continued attention is given to measures aiming at adjusting production to domestic requirements. Measures concerning both dairy production and beef production include i.a. non-payment of delivery supplements for elderly dairy farmers, non-production grants to dairy farmers of sixty to sixty-five years of age and a ban on new investments in animal production. As from 1986 a bonus has been granted to producers of i.a. young heifers and sucking pigs when ceasing production for a certain number of years.

In order to reduce milk production a voluntary two-price system was introduced in 1985. The system will be continued during the present regulation period. In order to reduce beef production direct premiums are being granted for slaughter of female calves and heifers.

Like before, price rebates will be given in order to stimulate consumption in schools of beef and pigmeat. To promote consumption of dairy products certain public institutions are granted a discount on cheese and butter and dairies are granted extra payments for additional sales of certain milk products.

Consumer subsidies are applied for liquid milk in order to keep consumer prices down.

#### II. Dairy products

##### A. Production

##### 1. Support and/or stabilization measures

There have been no changes compared to the 1986 notification regarding (a) "Instruments of Support and/or Stabilization" and (b) "Levels of Guaranteed Prices of Support Prices".

Regarding (c) "Amount of Producer Subsidies" it should be noted that dairy farmers in Northern Sweden, as before, are granted special price additions, but since 15 July 1986 with a new maximum of 93 öre/kg. milk (4.1 per cent fat content).

Concerning (d) "Average Returns to Producers" it should be noted that average prices to producers for the fourth quarter 1986, regional support included, amounted to SEK 3.12 kg. on total country basis.

2. Policies and measures of governments or other bodies likely to influence production, other than those listed under 1 (see the 1986 notification).

B. Internal prices and consumption

1. Representative retail and wholesale prices on major domestic markets

(a) Average wholesale prices January 1987

<u>Milk</u>	SEK 3.10/litre (upper price limit for 3 per cent milk for liquid consumption in 1-litre packages)
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<u>Butter</u>	SEK 19.60/kg. (national quotation for Swedish Rune Brand)
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<u>Cheese</u>	SEK 26.40/kg. (Herrgard, whole fat)
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<u>Skimmed milk powder</u>	SEK 14.24/kg. (sales from factories or wholesalers, quantities of 2,500 kg. or more)
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(b) Average prices November 1986

<u>Milk</u>	SEK 4.46/litre (3 per cent milk for liquid consumption)
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<u>Butter</u>	SEK 32.68/kg. (Swedish Rune Brand)
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<u>Cheese</u>	SEK 50.27/kg. (Herrgard, whole fat)
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C. Measures at the frontier

1. Customs duties - none

2. Import levies - temporary reductions not taken into account

Statistical  
number

Heading number	Code number	Description of goods	Import levy, SEK/100 kg. (max.) 17 Nov.-30 June 1987
04.01	000	Milk and cream, fresh, not concentrated or sweetened:	
		Weight of fat:	
		- less than 1%...100 1	255
		- 1% but less than 6%	255
		- 6% "- 20%	860
		- 20% "- 30%	960
		- 30% "- 45%	1,360
		- 45% "-	1,460
04.02		Milk and cream, preserved, concentrated or sweetened:	
		Milk serum:	
	101	- In solid form	680
	109	- Other	680
		Other, in solid form:	
	300	- Skim milk (containing not more than 1.5% by weight of fat):	950
	500	- Other (containing more than 1.5% by weight of fat):	
		Weight of fat:	
		- more than 1.5% but less than 35%	1,000
		- 35% but less than 55%	1,100
		- 55% -	1,250
		Other, in other forms:	
	701	- Concentrated milk	255

Statistical  
number

Heading number	Code number	Description of goods	Import levy, SEK/100 kg. (max.) 17 Nov.-30 June 1987
	709	- Other:	
		Weight of fat:	
		- less than 1%...100 i	255
		- 1% but less than 6%	255
		- 6% "- 20%	860
		- 20% "- 30%	960
		- 30% "- 45%	1,360
		- 45% "-	1,460
04.03	000	Butter:	1,100
04.04		Cheese and curd:	
	150	Fresh cheese and curd:	
		- fresh cheese and curd	805
		- pure curd with no flavouring	900
	200	Processed cheese	845
	300	Cheese made from milk	60
	400	Mould cheese	875
	900	Other:	
		- cheese fondue	650
		- vegetable fat cheese	1,300
		- other	1,300
ex 35.01		Casein, caseinates and other casein derivatives; casein glues:	
	100	Casein	Free

Remarks: The expression "milk" means full cream or skimmed milk, buttermilk, whey curdled milk, kephir, yoghurt and other fermented or acidified milk.

Milk and cream put up in hermetically sealed cans are regarded as preserved within the meaning of heading No. 04.02. However, milk and cream are not regarded as so preserved merely by reason of being pasteurized, sterilized or peptonized, if they are not put up in hermetically sealed cans.

3. Export measures (see also A. 1.(a))

Export and other market regulatory measures applied are necessary for the attainment of the domestic price levels aimed at. The Market Regulation Association for Dairy Products may grant export refunds. Costs of export refunds, including restitutions of internal fees, are tabled below.

	1985/86	
	<u>SEK million</u>	<u>SEK/kg.</u>
Butter	134.7	11.62
Cheese	20.7	7.67

The price and market regulation for milk powder is handled by Scandmilk AB. Internal production fees are levied and the proceeds herefrom are used i.a. to cover export costs.

D. Text or description of bilateral, plurilateral and multilateral agreements

Within the framework of GATT Sweden has concluded a bilateral cheese agreement with the United States. Sweden has been granted an annual GATT-bound cheese quota of 1,350 metric tons.