

GENERAL AGREEMENT ON TARIFFS AND TRADE

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International Dairy Arrangement

INTERNATIONAL DAIRY PRODUCTS COUNCIL

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

ROMANIA

Introduction

One of the basic targets of Romania's present stage of development is the fulfilment of the new agricultural revolution and the improvement of the whole agricultural activity.

In 1985 the agricultural area of our country measured 15,020 thousand hectares out of which 9,984.7 thousand hectares represent arable land, 2,996.4 thousand hectares grazings and 1,401.7 thousand hectares hayfields. Out of the whole agricultural area, the State agricultural units hold 4,467 thousand hectares (29.74 per cent), the agricultural production co-operatives hold 9,133 thousand hectares (60.81 per cent) and the private households producers hold 1,420 thousand hectares (9.45 per cent).

The socialist sector assures the largest part of agricultural vegetable and animal production and it constitutes the most important source of supply to the State fund with these products. At the same time, the private holdings belonging to the co-operative farmers, as well as to the private agricultural producers have a most important part in supplying the consumers' market with a wide range of animal and vegetable products.

At the end of 1985 the milk output (including cow and buffaloes' milk-calf feeding excluded) totalled 46,008 thousand hectolitres out of which cow and buffaloes' milk amounts to 41,938 thousand. The milk output per inhabitant was 253.5 litres in 1985.

In 1985 Romania produced 30.0 thousand tons of powder milk, 47.0 thousand tons of butter and 87.4 thousand tons of cheese.

The export of edible fats in 1985 amounted to 22.5 thousand tons including butter while cheese exports were 5.4 thousand tons.

A. Output

Supporting measures for milk output

Effective 1 March 1984 the system of compulsory quotas and supply tasks was cancelled and replaced by a unitary system of contracting and agricultural products purchase from the agricultural production

co-operatives, their members and private producers. At the same time this unitary contracting system settles the tasks and liabilities of the socialist beneficiary units to accept delivery of the agricultural products from the households of the co-operative farmers and private producers and assures the necessary requirements for the turn of these products into better account at reasonable and pegged prices of the achieved output.

Each co-operative member is responsible for breeding a certain number of cattle and poultry depending on the household dimensions.

The households belonging to the co-operative members and private producers must supply upon contract at least 800 litres of milk from each cow and at least 17 litres of milk of each sheep or the equivalent in dairy products. The households having a larger number of cows which provide a larger amount of milk will supply the extra milk according to the contract.

The State grants contract prices and incentive purchase prices to the State agricultural units as well as to the members of the agricultural production co-operative and private producers. The contract prices for milk and cream in respect of the agricultural co-operative units, their members and the private producers are purchase ceiling prices. The Ministry of Food, Industry and Agricultural Product Purchase is responsible for settling the contracts and purchase of oxen, cattle and poultry, as well as other dairy products, milk and eggs from all the categories of producers.

Besides the production prices, contracting and purchase prices, the agricultural producers earn bonuses and allowances in view of stimulating and increasing the cattle supply to the State fund.

At the same time, the producers are allotted certain quantities of fodder in conformity with the species, the category and the number of cattle.

B. Internal and consumption prices

To the purpose of assuring the contracting, purchase and incentive prices in view of milk output increment a level adjustment was settled between the retail and production fares. These fares are as follows: (see Decree 45/1982)(Buletinul Oficial Nr. 17 of 15 Februrary 1982).

- Fluid milk (for consumption)	lei 3.50 ¹ /litre
- Butter 65% fat, Cal.HI quality	lei 11.00/200 gr.
- White cheese obtained from cow's milk 42% fat, HI quality	lei 28.00/kg.

¹According to Decree No. 381/18 October 1982, the price for fluid milk = lei 4.50 litre.

- White cheese obtained from ewe's milk
HI quality 1ei 34.00/kg.
- Pressed cheese obtained from cow's milk 1ei 42.00/kg.
- Pressed cheese obtained from ewe's milk 1ei 48.00/kg.

C. Customs measures

Duty

The dairy product duty as published in the Import Customs Tariff is as follows: 80 per cent for butter, 32 per cent for cheese, 10 per cent for casein, 25 per cent for fresh milk, 30 per cent for powder milk.

Romania does not apply quantitative restrictions or other protective measures as far as import is concerned.

D. Bilateral, plurilateral and multilateral agreements

In 1969 and 1970 Romania concluded technical agreements with the European Economic Community with regard to certain types of cheese as: tilsit, pressed cheese, white cheese from ewes' and buffaloes' milk.

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Since 1980 Romania has been a member of the International Dairy Arrangement - GATT.