

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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Supplement

The following notification, dated 19 January 1994, has been received from the Permanent Mission of Austria and covers the agricultural part of the full notification L/7162/Add.13 dated 3 December 1993.

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AGRICULTURE

Milk and dairy products

Aspects related to the dairy sector are embodied in the Market Regulation Law (Marktordnungsgesetz 1985, BGBl. 210/1985 as amended). Since 1 July 1978, this law provides the allocation of individual quotas for the milk producer. These quotas take into account milk deliveries in recent years and the development of the domestic demand.

In order to stabilize the milk production and to encourage co-responsibility of milk producers regarding the utilization of milk, contributions were introduced:

- (i) a base levy is imposed for every kg. of marketed milk;
- (ii) an additional levy is imposed on those quantities of milk that exceed the individual quota.

Each milk producer may exceed this quota at his discretion. However, in exceeding his individual quota he accepts to pay the additional contribution.

The Austrian Milk Marketing Board was set up to accomplish the objectives laid down in the Market Regulation Law.

The Austrian Milk Marketing Board secures an efficient supply, processing, and distribution of milk and dairy products within the given price levels. The Board is entrusted, *inter alia*, with the monitoring of production and the equalization of prices and transport costs.

The various equalization systems, laid down in the Market Regulation Law, bring about uniform producer prices (for milk delivered within the individual quota) and consumer prices and therefore serve the purpose of having stabilizing effects on the price structure. The internal costs and freight rates are adjusted to achieve uniform producer and consumer prices.

Until 1 July 1988 the milk price paid to the milk producers was a ceiling price determined by the Government. As from 1 July 1988 a target price is fixed by the Austrian Milk Marketing Board after adequate market observations. The actual return of the milk producer is lower than the guaranteed price, as the general contribution and, if applicable, the additional contributions are to be borne by the milk producer. In addition, the milk producer bears the milk recording charge and the contribution for milk advertisements.

In recent years, the official regulation of wholesale and retail prices of milk and dairy products was successively reduced and as of 1 July 1988 completely eliminated. It is replaced by a system, according to which wholesale and retail prices are recommended by the Social Partners ("Paritätische Kommission").

For social and economic reasons, sales campaigns are undertaken by reducing the prices of butter and skim milk powder (for feeding purposes). The expenditures for those campaigns amounted in:

(S million)

1990 to S 251.5

1991 to S 220.6

1992 to S 208.7

As from 1 January 1991 the following new export restitution system was introduced:

- (a) On the basis of the Market Regulation Law domestic production has to secure domestic supply; the surplus is exported.
- (b) The export restitution system is regulated in a special directive.
  - For exports, products are summarized in pilot products and tied products. The restitution is calculated and fixed for the pilot products. To the relevant tied products the restitution of the pilot products applies. The aforementioned summarization is effected according to the content of raw material, i.e. fat and non-fat dry matter.
  - The export restitution rate is fixed by the Federal Ministry of Agriculture and Forestry and published in the Official Gazette of "Wiener Zeitung" by pilot products and destinations in S/kg.
  - Actual export earnings are of no relevance to the restitution.
  - Anyone who complies with the terms of the special directive can be admitted as an exporter.
  - The exporter has no legal title to restitution.

Milk Supply, Production, Imports and Exports of Dairy Products

Year	Production of			Butter <sup>1</sup>		Cheese <sup>1</sup>		Milk powder <sup>1</sup>	
	Milk supply	Butter	Cheese <sup>2</sup>	Milk powder	Import	Export	Import	Export	Export
1990	2,243,947	35,299	84,511	37,003	387	1,292	12,848	36,280	23,967 <sup>1</sup>
1991	2,207,907	36,131	79,214	37,869	1,048	1,154	13,627	30,102	22,711 <sup>1</sup>
1992 <sup>3</sup>	2,210,990	36,462	81,024	35,599	934	55	13,804	27,387	16,960

<sup>1</sup>Including trade related to inward and outward processing.

<sup>2</sup>Fat content (production minus loss).

<sup>3</sup>Provisional

- In case of processed goods, the domestic raw material is supported, not the finished product (the restitution rate of the pilot products applies).
- For the implementation of the export restitution, AMEA (Austro-Milch, Exportabwicklungsgesellschaft - Austro-Dairy-Export Implementation Association) was founded. It is State-owned and thus independent of exporters.

The export restitutions, which include contributions of the farmers amounted to:

(S million)

1990 to 1,849.1

1991 to 1,397.8

1992 to 1,735.1

However, it has to be stated that these funds are only used in accordance with Minimum Price Arrangements concluded by Austria or other obligations undergone.

Statistical data regarding production, exports, and imports are annexed hereto.

#### Meat and cattle

Aspects related to the meat sector are embodied in the Livestock Industry Act ("Viehwirtschaftsgesetz 1983". Federal Law Gazette No. 621/83) as amended. It provides, *inter alia*, for the stabilization of prices for slaughter animals and animal products and measures to secure the domestic supply. One of the instruments to achieve these objectives is the monitoring of the foreign trade which is subject to licensing.

The Austrian Meat and Livestock Commission was set up to accomplish the objectives for the cattle and meat sector laid down in the "Viehwirtschaftsgesetz 1983". The Commission is entrusted, *inter alia*, with the monitoring of the market situation and the foreign trade. For market relief purposes intervention measures are applied. In storing seasonable surpluses of meat the prices of slaughter cattle and animal products are stabilized. For storing beef and pork the following budget support was granted:

(S million)

1989/90 55.50

1990/91 60.62

1991/92 53.45

For the export of products of the meat sector subsidies are granted. They serve the purpose of balancing the different regional marketing costs on the one hand and maintaining the competitiveness on the other hand. They amounted to:

(S million<sup>1</sup>)

1990 1,936.6

1991 2,137.2

1992 2,543.2

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<sup>1</sup>The sub-national contributions are included.

Statistical data regarding production, exports and imports

	1990	1991	1992
	(head)		01-11/92
<b>Slaughter cattle</b>			
Marketed output (Gross domestic production)	647,596	689,898	629,254
Export of slaughter cattle	2,113	3,343	2,779
Export of beef <sup>1</sup>	231,735	268,474	227,078
Import of slaughter cattle	1	3	2
Import of beef <sup>2</sup>	5,646	4,315	4,431
<b>Breeding and commercial cattle</b>			
Import	434	469	311
Export	68,003	74,193	96,989
<b>Calf</b>			
Marketed output	147,415	166,177	148,066
Export of calves	2,135	1,029	282
Import of calves	26,717	4,149	11
Import of veal	3,758	4,315	---
<b>Pigs</b>			
Marketed output	4,782,476	4,714,716	4,296,523
Export of pigs	715	451	1,138
Export of pork <sup>3</sup>	43,378	22,250	2,160
Import of pigs	33	485	63
Import of pork <sup>3</sup>	13,277	11,056	5,607

<sup>1</sup>250 kg. beef = 1 head of cattle

<sup>2</sup>200 kg. beef = 1 head of cattle (calculated on the boneless basis)

<sup>3</sup>82 kg. meat = 1 pig

Grains

Aspects related to the grain sector are embodied in the Market Regulation Law (Marktordnungsgesetz 1985), BGBl No. 210/1985) as amended.

According to a co-responsibility system introduced on 1 July 1979 farmers have to pay a contribution in accordance with their individual production of grains.

The contribution amount:

(in S/100 kg.)

	1990/91	1991/92	1992/93
Wheat	35.-	31.-	28.-
Rye	26.-	25.-	23.-
Fodder barley, fodder oats	5.-	8.-	10.-
Fodder maize	15.-	18.-	20.-
Fodder wheat	15.-	18.-	20.-
Fodder rye	15.-	18.-	20.-

Apart from the coresponsibility fee, a fertilizer fee and a fee on hybrid seed maize is imposed.

The above-mentioned amounts are deducted from the respective producer prices and are adjusted annually. The funds thus acquired are used for the disposal of grain surpluses in form of exports and domestic price reduction measures. To dispose of surpluses, export subsidies are paid, about half of which are financed by the producers. They amount in:

(S million)

1990 2,417.4

1991 3,111.4

1992 3,181.0

The system of official price regulation for bread grain has been replaced by a system of target prices. The basic target producer prices (without VAT), which are determined by the Federal Ministry of Agriculture and Forestry, are graduated monthly during the course of the crop year (July 1992 to September 1993; maize: October 1992 to December 1993) as follows:

Wheat	S 409.- to S 417.20/100 kg.
Milling wheat	S 330.- to S 337.50/100 kg.
Milling rye	S 327.- to S 334.40/100 kg.
Fodder wheat, fodder barley	S 309.50 to S 356.90/100 kg.
Fodder rye	S 304.50 to S 351.90/100 kg.
Fodder oats	S 314.50 to S 361.90/100 kg.
Fodder maize	S 309.50 to S 356.90/100 kg.

The basic price for domestic durum wheat has been S 477.00 per 100 kg.

The target prices are mandatory, and contributions are paid to dealers, co-operative societies and mills for storage and freightage of wheat and rye for human consumption and freightage for coarse grain due to domestic sales campaigns.

(S million)

1989 to 220.-

1990 to 356.-

1991 to 391.-

Statistical data regarding production, exports and imports

	Production	Exports	Imports
	in metric tons		
	<b>1990</b>		
Wheat	1,404.5	424.2	0.4
Rye	396.4	131.4	0.1
Barley	1,520.6	315.2	1.5
Oats	244.1	7.0	5.5
Maize	1,620.2	147.0	14.2
	<b>1991</b>		
Wheat	1,357.3	329.3	0.1
Rye	350.5	42.4	--
Barley	1,427.0	65.7	3.6
Oats	225.5	27.9	2.9
Maize	1,571.4	107.2	12.0
	<b>1992</b>		
Wheat	1,325.4	392.3	2.6
Rye	277.8	107.1	--
Barley	1,342.1	320.4	0.3
Oats	185.1	20.8	3.3
Maize	1,118.2	104.6	7.3

Oilseeds and oleaginous fruits

Support is granted on the basis of special guidelines of the General Outline Guidelines on the granting of subsidies (correspond to a federal decree) for the cultivation of rape, sunflower seeds, soya beans, peas (*Pisum sativum*), and horse beans.

Subsidies are paid to the farmers, i.e. for horse beans and peas a fixed premium for the area is granted, for rape seeds, sunflower seeds, and soya beans a fixed premium for the area and a quantity related product premium is granted.



Costs of the support read as follows:

	1990	1991	1992
	in S million		
Rape	507.0	638.7	710.8
Sunflower seeds	322.8	384.8	474.0
Soya beans	108.0	229.3	728.0
Peas (Pisum sativum)	199.5	217.3	245.7
Horse beans (Vicia faba var. equina, Vicia faba var. minor)	83.5	100.0	103.9

Statistical data on production

	Year	Area ha.	Crop tons	Yield kg/ha
Soya beans	1990	9,333	12,354	1,321
	1991	15,162	29,808	2,004
	1992	51,930**	79,920**	1,539**
Sunflower seeds	1990	22,216	54,865	2,469
	1991	29,930	69,612	2,916
	1992	30,860**	78,971**	2,559**
Horse beans	1990	12,852	40,170*	3,090*
	1991	13,334	38,874*	2,920*
	1992	13,850**	30,865**	2,200**
Peas (Pisum sativum)	1990	39,903	142,400*	3,560*
	1991	36,218	127,160*	3,510*
	1992	40,950**	137,178**	3,140*
Rape	1990	41,043	86,179	2,099
	1991	45,552	121,998	2,686
	1992	52,335**	125,970**	2,407**

\*Estimated

\*\*Provisional

Statistical data on foreign trade

	Imports		Exports	
	in tons	in S million	in tons	in S million
<b>Rape<sup>1</sup> and colza seeds</b>				
1990	660.7	8.6	1,319.5	7.5
1991	843.0	8.5	15,080.0	44.3
1992	4,127.0	13.8	2,208.8	6.8
<b>Sunflower seeds</b>				
1990	8,709.2	69.0	35,936.8	124.8
1991	7,611.0	50.5	18,301.0	62.3
1992	13,089.4	74.9	10,818.1	43.7
<b>Soya beans</b>				
1990	3,770.5	20.5	781.1	5.3
1991	7,148.2	38.8	1,172.2	7.1
1992	4,017.1	35.2	15,850.5	45.6
<b>Peas (Pisum sativum)</b>				
1990	5,118.5	22.0	824.6	7.4
1991	3,837.0	19.1	735.3	6.5
1992	1,383.9	12.1	507.8	4.7
<b>Broad beans and horse beans<sup>1</sup> (Vicia faba var. equina, Vicia faba var. minor)</b>				
1990	25.8	0.7	290.9	0.8
1991	31.1	0.8	0.5	0.1
1992	116.9	1.5		

<sup>1</sup>The product is not separately recorded in foreign trade statistics.