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GENERAL AGREEMENT ON TARIFFS AND TRADE

International Dairy Arrangement

Original: English

Committee of the Protocol Regarding

Certain Milk Powders

Committee of the Protocol Regarding Milk Fat

Committee of the Protocol Regarding Certain Cheeses

SURVEY OF GOVERNMENT MEASURES TO EXPAND
DOMESTIC CONSUMPTION OF DAIRY PRODUCTS

Addendum

AUSTRALIA

Introductory note

The bulk of the information sought in this survey is not applicable to Australia where policies and measures directly aimed at increasing domestic consumption of dairy products, including skimmed milk powder and butter, are implemented through the promotional activities of the Australian Dairy Corporation (ADC). The ADC is a statutory body established under Commonwealth legislation, but its activities, including promotion of dairy products, are funded by the dairy industry through a levy on whole milk production. There is no government financial input.

There are no direct government measures such as product subsidies, which are aimed at increasing the domestic consumption of dairy products, but individual dairying companies fund promotion of their own dairy product brands.

Information on government programmes to expand consumption

(A) I to V Nil

(B) (1))
(2)) Nil

APPENDIX

Indirect government programmes for expanding consumption of principal dairy products

1. Government-imposed producer levies

- . See introductory note above.
- . Whilst there are no producer levies imposed by the Commonwealth Government for expanding consumption of dairy products, under Commonwealth Government legislation the Australian Dairy Corporation (ADC) has been given the charter of promoting the sale of dairy produce (all dairy products, including market milk, cream and fresh milk products) in Australia.
- . Funds for this purpose are derived from a levy on all whole milk and butterfat produced in Australia and sold by the producer.
- . The following table sets out the operative rates of the levy for domestic sales promotion.

	<u>Per 100 litres of whole milk used for fluid consumption</u>	<u>Per 100 kg. butterfat used in manufacture</u>
	<u>Cents</u>	<u>\$A</u>
. From 1 July 1978	6.0	1.50
. From 1 January 1981	9.0	2.25
. From 1 July 1982	12.0	3.00

Total funds generated from levy proceeds for domestic sales promotion have been:

	<u>\$A '000</u>
. 1978/79	3,298
. 1979/80	3,282
. 1980/81	3,712
. 1981/82	4,685
. 1982/83 (est)	6,216

In addition to the promotional expenditure of the ADC, each State and the Australian Capital Territory have statutory authorities which also promote dairy products in their own markets. Funds used for these promotional activities are derived from levies on market milk production. The rate of levy varies among the States and the Australian Capital Territory.

Expenditure on domestic promotion of dairy products by statutory authorities other than the ADC in 1980-81 and 1981-82 was as follows:

	<u>1980/81</u>	<u>1981/82</u>
	\$A '000	\$A '000
Victorian Dairy Industry Authority	3,163.6	3,867.3
New South Wales Dairy Promotion Council	2,501.0	2,174.0
Queensland Milk Board	288.9	324.3
Metropolitan Milk Board of Southern Australia	140.7	179.9
Dairy Industry Authority of Western Australia	137.9	139.1
Tasmanian Dairy Industry Authority	134.8	159.4
Milk Authority of Australian Capital Territory	41.9	30.2

Expenditure on the promotion of the various products also varies among the States as the following table shows:

Expenditure on domestic promotion by product: 1981/82

<u>Product</u>	<u>Expenditure</u> <u>\$A '000</u>
<u>White Milk</u> ¹	
Victoria ²	1,750
New South Wales ²	890
Queensland	342
Southern Australia	190
Western Australia	164
Tasmania ³	168

¹ State estimates include Australian Dairy Corporation contribution to white milk promotion.

² Estimated allocation of total expenditure to white and flavoured milk promotion.

³ Tasmanian promotion includes both white and flavoured milk.

	<u>Expenditure</u> <u>\$A'000</u>
<u>Flavoured Milk</u>	
Victoria ¹	2,185
New South Wales ¹	1,388
<u>Manufactured Products</u>	
Butter	1,313
Cheese	1,030
Cream	500
Yoghurt	96
Ice-Cream	-

Numerous publicity campaigns were launched in the 1970s to promote the consumption of butter, but the manufacturers of margarine replied with campaigns for their product. After declining for the last ten years, per capita consumption of butter has become stable by reason of the present level of promotional support. The Australian Dairy Corporation is endeavouring to promote the consumption of milk foods in the context of the general decrease in total consumption of fats in Australia.

II. Government-assisted promotion of butter, cheese, skimmed milk powder and milk for human consumption

See introductory note above, (not relevant in case of Australia).

¹ Estimated allocation of total expenditure to white and flavoured milk promotion.