

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES

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## TRADE RELATIONS BETWEEN YUGOSLAVIA AND CONTRACTING PARTIES

### Supplementary Documentation for the Second Review under the Declaration of 25 May 1959

In addition to the document circulated as L/1494, the Government of Yugoslavia has transmitted the two attached papers to facilitate the second review under the Declaration of 25 May 1959, which will be carried out at the nineteenth session:

#### Trade in Agricultural Products (pages 2-13)

This is a revision of document COM.II/40(d) originally distributed in May 1960 for the consultation with Yugoslavia, as a part of the programme of Committee II on Expansion of Trade.

#### Information concerning Individual Products (pages 14-28)

This is a revision of document COM.II/70, also circulated in May 1960, for that Committee II consultation.

TRADE IN AGRICULTURAL PRODUCTS  
IN YUGOSLAVIA

(Revised version of document COM.II/40(d))

I. NATIONAL AGRICULTURAL POLICY

A. General Objectives

1. The agricultural policy of the Yugoslav Government was laid down as an integral part of the general policies on the country's economic development, in a Resolution on the future development of agriculture and agricultural co-operation, adopted by the Yugoslav Federal Assembly in 1957, and in the Social Plan for Economic Development of the Federal Republic of Yugoslavia for the period 1957-1961.

The primary objective of the agricultural policy, based on the premise of favourable natural conditions, is to accelerate technical and social progress and to improve and expand agricultural production, which at present is hampered by obsolete methods and by the fact that farmland is split up into large numbers of small parcels. Plans established under this policy aim at promoting large-scale modern and technically well-equipped production and provide for the organization of various forms of voluntary co-operation in the sector of agricultural activities.

These plans, as elaborated by Government, are designed to bring about a better-balanced general economic development of the country, to ensure and improve the availability of foodstuffs for the population, to increase the supply of farm produce to the food-processing industry and other industries, and to overcome the existing balance-of-payments difficulties. In all its aspects, the agricultural policy is geared to an increase of productivity and a reduction of production costs, thus helping to create conditions such as will enable the Yugoslav economy to assume its share of the international economic tasks and activities.

The immediate goal of the agricultural policy is to increase the yield of farm production and primarily to develop livestock breeding, which is still at the elementary stage. The programmes worked out for the development of fruit, wine and fish production are designed to turn to use the idle resources of areas particularly well suited for such productions. Increased agricultural production, once achieved, will provide the means of promoting various food-processing industries, such as food-canning, sugar-refining, flour-milling, the dairy industry, the edible oil industry, etc. It will also pave the way for a modernization of the tobacco industry.

Social plans, whether established annually or extending over a number of years, merely outline the general features and objectives of the production programmes. Their implementation is accomplished by creating conditions likely to enable both the agricultural undertakings (State farms and agricultural co-operatives) and individual farmers to derive better material returns from a commensurate increase in their activities. The programmes further include a number of measures designed to develop large-scale cultivation, to promote various forms of co-operation between agricultural co-operatives and individual producers, to achieve better utilization of arable land and to stimulate production through the application of modern agronomic and zootechnic methods.

The pricing policy is of particular significance. A primary objective of both the agricultural policy and the general economic policy is to maintain the prices of farm products at a level such as will, on one hand accelerate the development of agricultural production and increase its productivity, and on the other hand safeguard the real income of the population in the urban and industrial centres. Starting from the basic principle that prices are formed under the influence of market factors, price policy is designed to achieve, through general measures and special supplementary provisions in the agricultural sector, a stable level of prices corresponding to the internal price relationship. The policy is designed to improve the earnings of agricultural producers, first by increased productivity and production, and then through higher prices. In view of the relatively low level of retail prices for certain agricultural products (as compared to the internal price relationship) and in order to safeguard the standard of living of the population in urban and industrial centres, various facilities are granted to the agricultural sector and to the food-processing industry in connexion with the distribution of income.

Substantial results have been achieved in the agricultural sector during the years 1958 and 1959. While according to the social plan of economic expansion for the period 1957-1961, agricultural production was to be increased by 41 per cent as compared to the period 1951-1955, this level was already reached in 1959. In 1960, maize production amounted to 612,000 waggons (23.8 cu. metres per hectare), while wheat production was 357,000 waggons (17.3 cu. metres per hectare), consisting of 179,000 waggons of high-yield wheat and 178,000 waggons of other types (13.1 cu. metres per hectare). Particularly good results were registered in wheat and maize production. At the same time, production costs have started on a downward trend, a hopeful step toward the essential goal of the Yugoslav agricultural policy.

2. As a country traditionally engaged in exports of agricultural products, Yugoslavia is naturally interested in developing this branch of her activity in line with the general expansion of her economy and of her foreign trade.

Diversification and improvement of quality are the two main objects of the agricultural policy as applied to agricultural exports.

Where export restrictions are still in force, they affect products which are in short supply in the domestic market. The relationship between internal wholesale prices paid to large agricultural undertakings on which export prices are based, and the comparatively low retail prices of farm products and foodstuffs are inducements for producers to export. The difference between prevailing internal prices and export prices obtainable for a number of agricultural products also operates as an incentive to export.

As a result of poor crops, of increased demand from the urban and industrial population and other reasons, imports of agricultural products and foodstuffs have reached a fairly high volume during the post-war period. In recent years, over three-quarters of the balance-of-payments deficit were made up of imports of foodstuffs.

Import restrictions in the form of exchange quotas are motivated by balance-of-payments difficulties.

Foreign trade and exchange regulations are essentially the same in the case of agricultural products as for other sectors of Yugoslavia's foreign trade.

#### B. Special Measures

1. In view of the backward state of Yugoslavia's agriculture, its expansion can only be achieved through the development of large-scale production and by means of various forms of voluntary co-operation between co-operatives and individual producers. The main factors contributing to the process of modernization in this sector are large agricultural undertakings, peasant work co-operatives and general agricultural co-operatives. It is through these and through their professional and trade associations, unions and chambers of commerce that the various programmes for agricultural development and for the introduction of modern technical methods and equipment are implemented. Methods of labour and co-operative self-management and of distribution of income among producers based on their material contributions are being increasingly adopted as features of the activities of these agricultural undertakings.

2. The law on land utilization, enacted in 1959, prescribes the use to which arable land is to be put by individual producers and by organized agriculture with due regard to the natural characteristics of the land and to the existing technical and economic conditions. It specifies the compulsory minimum application of particular agronomic and improvement measures, and lays down rules and regulations covering the execution and management of hydrological improvement operations, the protection against erosion and floods, as well as the consolidation and re-arrangement of smallholdings. The provisions of this law laid the foundations for a rational application of land improvement methods.

3. Another feature of the agricultural expansion programme is the dissemination of agronomic and zootechnic information and practice, such as: increased use of synthetic fertilizers, protection of vegetable and animal life, production and use of selected high-yield seeds, rehabilitation of orchards and vineyards, merinization of sheep, importation of pedigree livestock for breeding purposes, etc.

4. In addition to the organizatory and technical measures dealt with under paragraphs 1-3 aiming at expanding production and reducing costs, a further important instrument of the agricultural policy of the Yugoslav Government is the price policy, the objectives of which were outlined under A. These objectives are achieved in principle through the free play of supply and demand (within the general limits of the yearly social plans), through the operations of marketing organizations (such as produce exchanges and wholesale markets in large consumer centres) and by other means of securing better market integration (improvement of transportation, installation of refrigerating equipment etc.). Because of the trend toward greater co-operation between agricultural undertakings (State farms, and agricultural co-operatives) and individual producers, the former are gradually becoming the main factor in respect of both production and marketing and consequently the price policy is aimed primarily at controlling wholesale prices charged by agricultural undertakings, thereby indirectly tending to keep retail prices down to a proper level.

Methods of direct price-support interventions fall under two categories: guaranteed minimum prices to organized farming and controlled selling prices for imported foodstuffs on the domestic market.

The purpose of guaranteed prices is to stimulate agricultural production and to steer its course. Their application takes place as soon as market prices drop below the guaranteed level. Agricultural undertakings are thus assured a reasonable return on the sale of their products.

Guaranteed prices for cereals from the 1961 harvest apply to wheat, rye, maize, barley and oats, and also to sugar beet and oilseeds. They are also in effect on pigs, cattle, sheep and chickens of certain specified qualities. The Department of Agriculture is authorized to lay down regulations in regard to the technical measures and other conditions relating to the production of choice livestock for breeding. The Food Administration is required to take delivery, for sales purposes, of all cereals offered by producers within a period of three months from the date on which such cereals are made available. The Food Administration is required to defray the cost of stocking any cereals not so purchased; such costs are computed from the expiry of the time limit within which the Food Administration was required to take over the cereals. The budget of the Food Administration covers any disparity which may result from the application of the guaranteed price system.

The system of agreed prices has been abolished.

In 1958 and 1959, prices were fixed by agreement in the case of oilseeds (sunflower, soya, colza, castor seeds, etc.), sugar beets, a number of agricultural products for industrial purposes (chicory, hemp stems, silkworms, industrial paprika), live animals of the bovine and swine species, fresh and dried prunes, Yugoslav brandy ("slivowitz"), several kinds of fruit and vegetables, hops and wine. Agreed prices no longer apply to these products, as the system has been abolished.

As a general rule, no production premiums are payable on agricultural products except in the case of certain qualities of pigs (bacon pigs, first quality and other pigs for meat production), and bovine cattle, choice seeds of vegetables and herbs and seeds of leguminous plants produced in accordance with existing regulations, and also in the case of wheat, rye, raw cotton and oilseeds from the 1961 harvest.

To stimulate livestock-farming, maximum selling prices are fixed for industrial cattle feed (oilcakes and meal of sunflower seeds, soya beans, groundnuts, colza seeds, etc.).

With regard to linseed oil and castor oil, industrial and commercial firms engaged respectively in the manufacture and wholesale trade of these oils are required to notify the Federal Price Administration, through their trade organization, of any price increase contemplated. The requests are examined in the light of relevant circumstances by the Price Administration, which then forwards them with appropriate recommendations to the Government departments concerned.

Wholesale and retail prices on sugar and retail prices on tobacco products are controlled by Federal regulations.

Local boards in cities and industrial centres are empowered to supervise the level of selling prices on items of farm produce entering more importantly in the diet of the working classes and may even fix maximum retail prices for these items.

The Food Administration, besides controlling the system of guaranteed prices, also proposes increased imports of agricultural products under the quota system, the amount of such quotas being fixed by the Foreign Trade Committee.

The Food Administration occasionally intervenes in the market by means of buying and selling operations in other home-grown products.

The object of these interventions is to stabilize the agricultural market, by preventing prices from dropping below a level affording a fair return to producers or from rising beyond limits consistent with the real income of the population in urban and industrial centres.

5. Since 1952, the introduction of modern agricultural production methods has been encouraged through a rebate policy, whereby a portion of the purchase price is rebated to organized agricultural producers on farming equipment and supplies. This policy is financed through the Federal budget. In some cases, these refunds are used to compensate the price disparity between agricultural and industrial products. Rebates have been paid, for instance, to the food-processing industry in order to help maintain the prices of its products at a reasonably low level. During the period 1957-1959, the following amounts (in million dinars) have been paid out as refunds under this policy:

	<u>1957</u>	<u>1958</u>	<u>1959</u>
Mechanical equipment	12,545	8,842	11,151
Synthetic fertilizers and plant protection	12,463	12,301	13,417
Fuel, lubricating oil and grease	2,800	2,606	3,206
Pisciculture	434	392	324
Aviculture	79	13	-
Livestock for breeding purposes	523	509	561
Cattle feed	-	17	155
Hybrid corn sowing seeds	-	-	243
Premiums for cattle fattening	-	250	1,265
Tinplate for the food canning industry	(1,834	(2,284	2,218
Sugar	(	(	616
	<hr/>		
Total	30,678	27,214	33,148
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In 1960 the following amounts (in million dinars) were paid out as rebates:

Mechanical equipment	10,554
Synthetic fertilizers and plant protection	13,745
Fuel, lubricating oil and grease	3,045
Pisciculture	311
Livestock for breeding purposes	1,398
Cattle feed	121

Premiums for cattle fattening	2,706
Tinplate	3,107
Sugar	1,003
	<u>35,988</u>

The following amounts were paid as rebates on glass containers:

1957	5 million
1958	89 million
1959	121 million
1960	257 million

Considering the growth in agricultural production and the increase in imports of products entitled to rebates, the fact that the amounts paid out for refunds have been kept at a fairly stable level reflects a downward trend in the application of the refund policy in the agricultural sector. Payments were substantially reduced in 1958. In 1959, rebates were cancelled on a number of items of farm machinery and farming supplies which by then were sufficiently well introduced, while on some other items (such as synthetic fertilizers, equipment and preparations for the protection of plant and animal life, fuel and lubricating oil and grease) rebates have been cut down. On the other hand, they were increased on heavy and costly mechanical equipment and new rebates were introduced in the case of fresh water pisciculture.

The object of the rebate policy is to promote agriculture in general or some of its activities as a whole, rather than the production of any specific commodity. Refunds on specific commodities are, by way of exception, as in the case of bacon hogs, yearlings of the bovine species etc., and the production of high-grade sowing seeds.

Further particulars on the rebate policy are given under Chapter II.

6. The system of income distribution is essentially the same in the agricultural sector, as in other economic sectors. Organized agriculture, the food-processing industry and the tobacco industry are exempted to varying degrees from a number of taxes and contributions to the social community.

7. Credits granted by the Central Investment Fund to agricultural undertakings on a competitive or contractual basis do not differ appreciably from credits granted to other economic sectors, except that in some cases the rate of interest is lower.

Special credits are made available to agricultural undertakings to assist them in building up co-operation with individual farmers. They are intended to cover the operating cost of farm machinery in temporary use on private farms, the purchase of farming supplies (seeds, synthetic fertilizers, weed- and pest-killing preparations, cattle feed, etc.), the purchase of livestock for fattening and breeding purposes; further, to enable co-operative producers to advance funds to private farmers with whom they have entered into contracts for the production or supply of particular commodities. Such credits are helpful in fostering a closer association between agricultural undertakings and individual producers and exert a stabilizing influence on the latter's income.

For 1960, credits from the Central Investment Fund are being devoted primarily to the financing of heavy farm machinery and transportation equipment, the promotion of high-yield fruit and wine production, the development of cattle-raising in all its aspects, the construction of storage and processing facilities for farm products, the completion of improvement works already started, the promotion of early-season fruit and vegetables and the development of pisciculture. The financing of investments other than the above fall on local investment funds or on those of the agricultural undertakings. The Central Fund participates in agricultural investments to the extent of 35 per cent maximum. As a general rule, conditions governing the granting of credits are being tightened up and in some cases the time limits for their refund are being shortened.

## II. SUBSIDIES, INCLUDING ALL FORMS OF INCOME AND PRICE SUPPORT

### A. Production Subsidies

Production subsidies constitute a temporary measure to assist in the rehabilitation of stock-breeding during its transition to more intensive production.

Production premiums are granted on bacon pigs, first quality white-breed pigs, white-breed meat-type pigs, fattened calves with the exception of the "Buša" breed, and for fattened bovine yearlings of the "baby beef" grade. The premium amounts to thirty dinars per kilo live weight, except in the case of livestock intended for export.

A premium of 3 dinars per kilo is guaranteed for wheat and rye from the 1961 harvest which the agricultural organizations deliver at guaranteed prices to the undertakings authorized to carry on wholesale trade in cereals or to the Food Administration.

The following premiums are payable on cottonseed and soya from the 1961 harvest delivered and sold to the undertakings engaged in cottonseed processing (oilseeds):

Cottonseed	20 - 30 dinars per kilo according to quality
Soya	10 dinars per kilo

In 1959, a premium amounting to 10 dinars per kilo was paid on 13,200 tons of home-grown wheat sowing seeds. These seeds are not exported. A premium of 3 dinars per kilo is also paid to agricultural organizations on all wheat for sowing (1961 harvest) in respect of which an official certificate has been granted by the seed-testing institutes.

#### B. Other Forms of Income Support

The basic objects of the rebate policy have already been reviewed under Chapter I/5.

The following tabulation shows the constant downward trend of rebates granted, expressed as a percentage of selling prices:

#### Extent of Rebates Granted in Percentage of Selling Price

	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>
Tractors	65	40	60	60	41	39	29	49
Farm machinery, heavy and medium size	40	35	50	47	45	43	32	25
Mechanical equipment	40	20	45	42	40	36	-	-
Synthetic fertilizers	53	48	65	65	50	46	31	31
Supplies for plant and animal protection	69	50	68	58	58	58	58	41
Fuel and lubricants	53	62	53	53	46	46	39	25
Pisciculture (marine)	69	70	60	60	60	60	38	45

Authority for rebates on agricultural machinery and equipment and on supplies for plant and animal protection is based on special lists of products published in the official journal of the FPR of Yugoslavia (No. 31 of 5 August 1959), and supplementary lists published in official journal No. 20 of 24 May 1961, No. 23 of 14 June 1961, and No. 24 of 21 June 1961.

Rebates on fuel and lubricants in dinars per kilo are as listed below:

	<u>Organized Agriculture</u>	<u>Pisciculture</u>
Motor spirit	0	25
Gasoline	0	28
Gas oil	32	36
Gas oil for fishing boats	-	45
Motor oil	0	150
Gasoline for aeroplanes and helicopters	0	-
Lubricants for aeroplane engines	0	-
Paraffin oil for fishing lamps	-	75

For repairs of fishing boats belonging to fishermen's co-operatives or collectives, ship-yards are refunded 50 per cent of the work performed. The same co-operatives or collectives also receive partial refunds on purchases of equipment of essential use in their activities, such as lamps, nets, steel-wire rope, cork, etc.

The food processing industry receives a refund on sugar in the amount of 43 dinars per kilo as well as rebates on tinplate (100 dinars per kilo) and on glass containers.

#### C. Export Subsidies

There are no specific export subsidies in force on agricultural products, unless the general system of exchange might be deemed to have equivalent effect, by implication and occasionally.

#### D. Financing of Export Losses

There is no system for financing export losses.

#### E. Indirect Aids to Exports

Apart from the measures mentioned in Chapter I, there are no other forms of indirect aid to exports of agricultural products.

F. Aids to Exports Involving the Use of Resources  
Obtained from "Compensation" or "Price Equalization"  
Operations

There are no special aids to exports of agricultural products. In March 1961 the system of multiple exchange rates was abandoned and a uniform rate of exchange was established for all foreign trade transactions (750 dinars to the dollar). Exports of almost all agricultural products are based on the uniform rate of exchange, no premium or other type of aid being granted.

G. Other Forms of Aids to Exports

Short-term credits at favourable interest rates are granted to exporters by the Foreign Trade Bank of Yugoslavia. These credit facilities are also extended to exporters of agricultural products.

In the case of farm products which are subject to turnover tax, they are exempted from this tax when exported; if the tax has already been paid, exporters may enter a claim for refund.

III. MIXING REGULATIONS

Nil.

IV. QUANTITATIVE RESTRICTIONS

Up to the end of 1960 imports were subject to the general system of foreign exchange quotas, the amount of which depended, on the one hand, on domestic consumption needs and, on the other hand, on the balance-of-payments situation. Foreign exchange for foodstuffs was made available to the Food Administration which allocated import orders to the trade organizations concerned on the basis of the highest bidder. In all cases those organizations conducted their business with other countries according to the usual commercial principles. The mark-up allowed to importing firms was fixed by the secretariat of the Commerce Department. Exports and imports of cereals were formerly handled exclusively by the State enterprise "Granexport". The special system accorded to "Granexport" was justified by the need to channel cereal imports through a single undertaking. Such imports were largely effected under the assistance programme granted by certain foreign countries such as the United States.

The system outlined above was abolished in late 1960, and imports are now subject to the following regulations:

(a) Unrestricted imports system: products included in the liberalization list may be imported without restriction. This list is drawn up by the Foreign Trade Committee. The counterpart value of imports is paid by the National Bank upon payment order issued by the Importing enterprise.

(b) The system of licences granted liberally by the Chairman of the Foreign Trade Committee or by agencies so authorized by him. This system applies to products included in a special list.

(c) The system of quotas which are established in the list of products (drawn up separately for convertible currency and clearing arrangements). For this purpose the National Bank announces the amounts available for imports of certain products or groups of products, leaving the undertakings concerned to determine the allocations. Subject to these provisions, imports are liberalized and are determined solely by commercial considerations.

(d) The system of general licences which applies to all products not included in the lists referred to above: there is no list of products for imports under general licence, but the volume of imports depends on the percentage fixed each year on the basis of the amount of foreign currency purchased by the undertaking concerned in the preceding year for the same type of imports.

Agricultural products are included in the liberalization list and in the list of products subject to quota restrictions.

#### V. STATE-TRADING OPERATIONS

With the entry into force of the new regulations regarding foreign trade and foreign exchange, State trading in agricultural products has been abandoned completely.

INFORMATION RELATING TO AGRICULTURAL PRODUCTS  
(Revision of document COM.II/70)

CEREALS

1 and 2. Description of product and tariff measures

Wheat, barley, maize, rye, oats: no customs duties are levied on imports of wheat, barley, maize, rye and oats. Customs duties ranging between 0 and 2 per cent are levied on imports of cereal products.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives

The object of Yugoslavia's cereal policy is to promote grain production, more particularly wheat and maize, to ensure adequate supplies of bread grains for the needs of the population and a sufficient availability of feed grains for the development of cattle-raising, thus safeguarding the balance-of-payments situation by dispensing with imports of bread-grains and increasing exports of maize and other agricultural products.

(b) Description of protection and support methods

The development of cereal production is being achieved through the application of a number of general measures aimed at promoting agricultural production as a whole, and of several special measures designed to increase output per unit of area under cultivation (introduction of hybrid corn, dissemination of modern farming methods, furtherance of a wider use of tractors and of synthetic fertilizers, etc.) Concurrently steps are being taken to modernize flour mills and bread-making establishments and to foster the development of other cereal processing industries.

The market for cereals and cereal products is in principle a free market. In an endeavour to stimulate production and to provide outlets for such production at market prices, minimum prices have been guaranteed, since 1957, to agricultural undertakings for cereals such as wheat, rye, barley, oats, maize, as well as for rice. The Food Administration is required to purchase, at pre-determined prices, the entire volume of cereals offered to it by the agricultural undertakings. Minimum prices, which have remained unchanged since 1957, are as follows:

Wheat	38	dinars	per	kg.	free	RR	wagon	at	seller's	rail	station
Rye	33	"	"	"	"	"	"	"	"	"	"
Maize, barley, oats	31	"	"	"	"	"	"	"	"	"	"
Rice	54-69	"	"	"	for rice in the husk						

The selling price for flour is established by the cereal trading and processing enterprises and the flour-milling establishments on the basis of their cost calculations, with the proviso, however, that production costs and selling charges are subject to audit by the authorities in charge of the administration of commercial affairs.

Retail prices for wheat and rye flour and for bread are established by the trade enterprises on the basis of their cost calculations, with the proviso, however, that maximum costs in the retail trade and manufacturing costs in the bread-making trade are subject to the approval of the district authority responsible for trade questions.

(c) Extent of government participation in (b)

The task of Government is to promote the development and set the pattern of cereal production by initiating appropriate measures, to prescribe the guaranteed prices and to exert general control over the trade in cereals and main products thereof.

4. Quantitative restrictions

In 1961 the system of import quotas applies to cereals. The economic agencies purchase the necessary foreign exchange for imports of goods subject to quota within the limits of the amounts appropriated for purchases of those goods. The authorized banks announce the amounts available and the various currencies which may be acquired by the economic agencies for the purchase of the goods. All agencies authorized to import cereals are entitled to a share of the foreign exchange quotas. In 1961 wheat, barley, rye, hybrid maize, bran and flour of all kinds may be exported only with a permit granted by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

Under existing exchange regulations there are no rules or specific provisions designed to stimulate exports of cereals and cereal products.

6. State trading

There is no longer any State trading in imports and exports of cereals.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit

No special subsidy is granted on wheat production, except in the case of high-grade domestic varieties of wheat and barley for sowing from the 1961 harvest. The general rebate policy is set forth under Chapter I/5 and II/B.

(b) Net government expenditure (in respect of subsidies) during the last three years

Nil.

8. Export subsidies

(a) Amount of direct subsidy per unit

There are no direct export subsidies (see Chapter II).

(b) Net government expenditure (in respect of such subsidies) during the last three years

Nil.

9. Level of protection

(a) Guaranteed prices or returns to farmers

	<u>Dinars per kg.</u>
Wheat	38
Maize	31
Barley	31
Rye	33
Oats	31

10. Statistical information

Available statistical data on prices will be found in the annexed tabulations.

MEAT

1 and 2. Description of product and tariff measures

Meat and meat products: Customs duties on meat, meat products, dead poultry, poultry livers, bacon, meat and other meat products of all kinds for human consumption are levied at the rate of 10 per cent; on salami and sausages, 20 per cent; on other meat products, meat preserves, meat juices and extracts, 30 per cent.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives

The object of the agricultural policy in respect of cattle-farming is to raise the level of productivity and to increase the number of livestock, which in turn will afford the means to improve the supply of foodstuffs and the structure of the population's diet, to promote the development of the food-processing industry and to increase exports of livestock, meat and meat products.

(b) Description of protection and support methods

The policy's objectives are achieved through implementation of general measures affecting farm production as a whole and of special measures of a zootechnic nature.

The general principles underlying the price policy, set forth under I/A and I/B, also apply to the sector of livestock, meat and meat products.

With a view to promoting cattle-raising, a system of guaranteed prices is resorted to in the case of fatstock and pure-bred pigs and sheep. A list of guaranteed prices will be found under 9. The Food Administration designates the undertakings engaged in the processing and wholesale trade of livestock and livestock products which are to purchase the entire volume of products offered by the agricultural undertakings in the event that market prices drop below minimum guaranteed prices.

A premium of 30 dinars per kg. live weight is paid on production of bacon pigs, white-breed pigs raised for meat production, yearlings of the bovine species and young fattened cattle, with the exception of livestock for export.

The Government endeavours to improve the quality of cattle by allowing rebates on imported breeding livestock. These rebates are listed under 7.

To enable cattle farmers to purchase industrial fodder products at reasonable prices, and to encourage cattle-raising in general, maximum prices are fixed for industrial fodder such as meals and oil-cakes of sunflower, soya beans, groundnuts, pumpkin seeds, colza seeds, bran, dried sugar-beet waste, etc.

Whilst prices for meat and meat products are not established in advance, municipal authorities are empowered to fix the amount of margin allowable for overhead charges on such products.

The food-canning industry is granted a rebate on imported tinplate used for the manufacture of tins (100 dinars per kg.) and on sugar consumed in processing (43 dinars per kg.).

(c) Extent of government participation in (b)

The Government takes upon itself to issue appropriate measures to promote cereal production, to determine its pattern, to fix guaranteed prices and the amount of premiums to be granted to producers of quality livestock, to provide for payment of special rebates from State budget funds, and to exercise partial control over trade in this sector.

4. Quantitative restrictions

Meat, like cereals, is subject to the import quota system. There are no quantitative restrictions on exports of livestock, meat and meat products; the system of individual export licences is applied to foals, foal meat, and calves up to the age of six months.

5. Exchange practices (in respect of this sector)

A temporary export premium is paid, at the rate of 32 per cent on meat preserves, 22 per cent on pork products, and 10 per cent on smoked and salted meat. No premium is paid on other meat products and there is no specific provision in the exchange regulations designed to stimulate exports of livestock, meat and meat products.

6. State trading

There is no State trading in imports and exports of cattle and meat products.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit

A premium of 30 dinars per kg. live weight is paid on all qualities of bacon pigs, white-breed pigs for meat production, yearlings of the bovine species and "baby beef" cattle, with the exception of livestock for export.

Rebates are payable to importers of breeding livestock when sold to agricultural undertakings below the import price; these rebates, based on a percentage of the import price, are as follows:

On cows, heifers and bulls	20 per cent
On pigs of the Large White and Cornwall breeds	30 per cent
On sheep	50 per cent

The food canning industry is entitled to the payment of rebates on imports of tin plate used for the manufacture of tins and on sugar consumed in processing, these rebates amounting to 100 dinars per kg. and 43 dinars per kg. respectively.

- (b) The amounts of government expenditures incurred on account of the above premiums and rebates during each of the last three years for which statistics are available are shown hereunder (in million dinars):

	<u>1957</u>	<u>1958</u>	<u>1959</u>
	(in million dinars)		
Premiums for fatstock	-	249.6	1,265.1
Rebates on imports of tin plate	-	-	2,217.8
Rebates on sugar	1,833.9	2,283.5	615.9
Premiums for the raising of breeding livestock	523	509	561
	<u>2,356.9</u>	<u>3,042.1</u>	<u>4,659.8</u>

8. Export subsidies

- (a) Amount of direct subsidy per unit

There are no export subsidies (see Chapter II).

- (b) Net government expenditure (in respect of such subsidies) for the last three years

Nil.

9. Level of protection

- (a) Guaranteed prices or returns to farmers

There are no guaranteed prices or returns to producers in respect of meat and meat products.

The following minimum guaranteed prices are fixed for bovine livestock for fattening and for pure-bred pigs and sheep, in dinars per kg., free RR wagon at seller's rail station:

<u>Pigs</u>	<u>Dinars</u>
1. Bacon pigs, categories I, II and III	240, 230, 220
2. Pigs for meat production, weight groups I, II and III, prime quality	220, 230, 230
3. Pigs for meat production, weight groups I, II and III	215, 225, 225
4. Semi-fat pigs, weight groups I, II and III	185, 185, 185
5. Fat pigs, weight groups I, II and III	170, 165, 155
 <u>Bovine livestock</u>	
1. Bovine livestock of categories Ia, I and II except "Buša" breed	130, 120, 110
2. Bovine livestock of "Buša" breed, categories I and II	110, 100
3. Young fattened bovine livestock, categories Ia and I, except "Buša" breed	240, 230
4. Young fattened bovine livestock of "baby beef" grade, categories Ia and I	240, 230
5. Fattened calves, categories Ia and II	180, 170
6. Young bovine fattened livestock of domestic "Buša" breed, category I	160
7. Young bovine fattened cross-bred livestock of domestic "Buša" breed, categories I and II	180, 160
 <u>Sheep and lambs</u>	
1. Fattened lambs, categories I and II	100, 85
2. Fattened sheep, categories I and II	100, 85
 <u>Fattened "broiler" chickens</u>	
Categories I, II and III	300, 280 and 260
 10. <u>Statistical information</u>	

Available statistical data on prices will be found in the annexed tabulations.

11. Prices fixed by agreement

Bovine livestock and pigs

The system of agreed prices has been abolished.

MILK AND DAIRY PRODUCTS

1 and 2. Description of product and tariff measures

Milk and dairy products: customs duties are levied at the rate of 10 per cent on milk, cream and "kařmak", and 18 per cent on butter and cheese.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives:

Dairy production is primarily intended to cover the population's requirements. Present consumption of fresh milk per head in Yugoslavia (approximately 200 grammes per day) is among the lowest in Europe. In view of gradual changes, however, in the structure of the population and of its diet, there is every reason to expect a marked increase in milk consumption in future. With regard to cheese, a few special types only are exported. Of greatest importance to the domestic market is the processing of milk into powdered milk and cheese.

Steps to improve technical equipment and methods in milk production are being taken concurrently with general measures for the development of cattle farming. Imports of foreign breeding stock of breeds known for their high milk yield and improved feeding of milk cows have already resulted in increased milk production. One of the most important tasks to be tackled in the near future will be to adjust dairy capacity in line with milk production and to organize an adequate commercial network for the marketing of milk and dairy products.

(b) Description of protection and support methods:

Price formation, in respect of milk and dairy products, is allowed, in principle, to develop freely on the basis of supply and demand. In the urban and industrial centres, however, the price is limited in order to protect the consumer. In the larger cities, municipal authorities endeavour, with a view to protecting the consumers' interests, to equalize prices between the various lactation periods. Any losses which might be incurred by dairies as a result of the application of such measures are covered by appropriations to a varying extent.

(c) Extent of government participation in (b):

Nil.

4. Quantitative restrictions

Certain dairy products (preparations for feeding infants and children) are included in the liberalization list and may be imported without restriction. All other dairy products are subject to the import quota system.

There are no export restrictions, except in respect of powdered milk, butter and melted butter which, due to their being in short supply, cannot be exported unless a permit is granted by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

There is no specific provision in the exchange regulations designed to stimulate exports of milk and dairy products.

6. State trading

None.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit:

There is no particular subsidy on milk and dairy products.

(b) Net government expenditure (in respect of such subsidies) for the last three years:

Nil.

8. Export subsidies

(a) No subsidies.

(b) Nil.

9. Level of protection

Nil.

10. Statistical information

Available data will be found in annexed tables.

SUGAR

1 and 2. Description of product and tariff measures

Sugar and sugar products:

Beet and cane sugar in solid form and molasses may be imported duty free. The following products are subject to the customs duties indicated:

Sugar candy	15 per cent
Other qualities of sugar and sugar syrups	35 per cent
Sugar confectionery not containing cocoa	55 per cent
Flavoured or coloured sugars and syrups	20 per cent

with the exception of fruit juice containing added sugar.

### 3. Non-tariff measures

#### (a) Brief description of agricultural policy and objectives.

The policy aims at an increase in sugar-beet production and in the capacity of sugar mills, with the object of meeting the population's ever-growing sugar consumption, of increasing the output of dried sugar beet pulp ("cossettes") used as dry fodder and of molasses, and of promoting a rapid development of the foodstuff industries using sugar in their manufacturing processes. A downward trend in sugar imports is expected as a result.

In this connexion, plans are on foot for a considerable expansion of production capacity in the sugar industry and for the introduction of modern techniques and organization methods in this sector of agriculture.

#### (b) Description of protection and support methods

The undertakings producing sugar (factories) are to purchase sugar beet from the 1961 harvest from the agricultural co-operatives, agricultural properties and farm workers' co-operatives at a price not lower than 6.5 dinars per kg. A maximum selling price for sugar has been established, applying both to sugar manufacturing enterprises and to sugar importing concerns, amounting to 158 dinars per kg. of granulated sugar, free seller's rail station including turnover tax. The retail price amounts to 170 dinars for granulated sugar. For lump sugar, the maximum price is 15 dinars higher in both cases.

A maximum selling price of 13 dinars per kg. has been set for dried sugar-beet "cossettes".

#### (c) Extent of government participation in (b)

The Government intervenes in the measures described under (b) by enacting the necessary provisions for the promotion of agricultural development, by controlling prices and by regulating sugar imports and exports.

### 4. Quantitative restrictions

Imports of sugar are subject to the quota system. Sugar and dried sugar beet pulp ("cossettes") may be exported only with a special permit granted by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

Exchange regulations contain no specific provision designed to stimulate sugar exports.

6. State trading

None.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit:

There is no specific subsidy in support of sugar production. The system of rebates applied to agriculture as a whole is described under Chapters Ib and II.

8. Export subsidies

(a) Amount of direct subsidy per unit

There is no direct export subsidy. (See chapter II)

(b) Net government expenditure (in respect of these subsidies) for the last three years

Nil.

9. Level of protection

(a) There are no guaranteed prices on sugar.

10. Statistical information

Available statistical data will be found in the annexed tables.

VEGETABLE OILS

1 and 2. Description of product and tariff measures

Oil seeds and vegetable oils: In general, vegetable oils may be imported duty free with the exception of the following products:

<u>Products</u>	<u>Customs duty (%)</u>
Meal of oilseeds, and oil-bearing fruit from which the oil has not been extracted, not including mustard flour	5 per cent
Juniper seeds	20 per cent
Other crude vegetable oils, except olive oil, soya bean oil and palm oil	18 per cent

<u>Products</u>	<u>Customs duty (%)</u>
Refined oils, except olive oil, coconut oil and palm oil	18 per cent
Boiled or rectified vegetable and animal oils	18 per cent
Animal and vegetable fats and oils, hydrogenated but not further prepared, except fish oil, whale oil, palm oil, palm-kernel oil, coconut oil and olive oil	18 per cent
Residues resulting from the treatment of animal and vegetable fats, oils or waxes	5 per cent

### 3. Non-tariff measures

(a) The measures aimed at fostering production of oil seeds are designed to provide sufficient availability for cattle feeding, to ensure adequate production of edible vegetable oils for the population's needs and to utilize in full the producing capacity of oil-works.

(b) Apart from the general measures for the development of agriculture as a whole, special agricultural techniques are being introduced to increase output of oil seeds, including chiefly sunflower seeds and soya beans.

Prices payable to individual growers and to agricultural undertakings for oil seeds are established by mutual agreement. Agreed prices are listed under 9.

To stimulate development of cattle farming, maximum prices have been fixed for industrial fodder products such as meals and oil-cakes of sunflower seeds, soya beans, groundnuts, pumpkin seeds, colza seeds, bran, dried sugar-beet cassettes and for oil seeds. Maximum prices for meal and oil-cakes and for residues from vegetable oil extraction are listed under 9.

While prices for vegetable oils are not fixed, every enterprise engaged in the manufacture of such oils is required to give to the Federal Price Administration thirty days' advance notice of any price increase on linseed oil and castor oil. The Price Administration may then, if it deems it advisable, recommend suitable measures to the organizations concerned.

In a number of cities the municipal authorities are authorized to fix the maximum margin allowable for overhead expenses in the edible oil trade.

Measures taken by the Government under (b) in respect of oil seeds and vegetable oils include: general measures for the promotion of agricultural production, price control, and regulations on imports and exports.

### 4. Quantitative restrictions

Palm-kernel oil, coconut oil and linseed oil are included in the list of imports subject to licences which are automatically granted upon request by the undertaking concerned. On the basis of the licences, the necessary foreign exchange may be purchased automatically from the authorized bank.

Linseed, copra and palm kernels are included in the liberalization list, enabling the undertakings concerned to purchase unlimited foreign exchange.

If other articles in this sector are imported for production purposes, they are imported at the expense of the general licence fund.

Exports of concentrated fodder products, soya beans, colza seeds, sunflower seeds and linseed, oil-seed residues and oilcakes, except residues and oilcakes from the processing of imported linseed and poppy-seed, are subject to a special permit granted by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

A premium of 10 per cent is paid on exports of crude edible oils; there is no specific provision in the exchange regulations designed to stimulate exports of other types of vegetable oils and oilseeds.

6. State trading

Imports of edible vegetable oils are subject to the general import regulations described under Chapter V.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit

No special subsidy is being paid in support of oil seed and vegetable oil production. The general policy governing the granting of rebates was set out under Chapters Ib and II.

(b) Net government expenditure (in respect of such subsidies) for the last three years:

Nil.

8. Export subsidies

(a) Amount of direct subsidy per unit

There is no direct export subsidy (see Chapter II).

(b) Net government expenditure (in respect of such subsidies) during the last three years

Nil.

9. Level of protection

(a) There are no guaranteed prices in respect of vegetable oils, nor any guaranteed returns to producers.

(b) Prices to be paid in 1960 for oil seeds to individual farmers and to agricultural undertakings have been fixed by agreement between the Federal Chambers concerned.

10. Statistical information

Available statistical information on prices will be found in the annexed tables.

11. Prices fixed by agreement

Following are the maximum selling prices fixed for oil-cakes and residue from oil seeds:

	<u>Oil-cakes</u>	<u>Residue after pressing</u>
of sunflower seeds	28	25
of soya beans	60	55
of groundnuts	60	55
of pumpkin seeds	28	25
of colza seeds	22	18

The above prices are in dinars per kg. of seeds and per kg. of oil-cakes and residue respectively.

FISH AND FISH PRODUCTS1 and 2. Description of product and tariff measures

Fresh salt-water and fresh-water fish, fish flour, fish preserves:

Fresh chilled or frozen fish may be imported duty free. A customs duty of 10 per cent is levied on imports of cod.

3. Non-tariff measures(a) Brief description of policy and objectives

Sea fishery. With regard to sea fishery, which provides the main livelihood, or at least an appreciable additional income, for the population of the Adriatic coast, the aim of the Government policy is to promote means of increasing the volume of fish production. The achievement of this objective would contribute to an improvement in the diet of the population - both on the coast and in other parts of the country - whose fish consumption averages 1/2 kg. per head per year. A further objective is to provide the means of expanding production of preserved fish and other products such as, primarily, fish flour used for cattle feeding; also to make better use of the production capacity of fish processing plants which hitherto have not worked to full capacity and have had to depend on foreign supplies for a portion of their output. A better yield from sea fishery will open possibilities for expanding exports of salt-water fish, both fresh and preserved. Furthermore, improved conditions in the fishing trade will create a demand for fishing vessels which will enable the smaller shipbuilding yards on the Adriatic coast to turn their facilities to better account.

The attainment of these objectives will make it necessary to modernize the existing fishing fleet and to encourage the building of new, up-to-date vessels for both inshore and deep-sea fishing. The funds needed for the financing of these projects will be made available in the shape of credits by the Central Investment Fund.

The domestic market for salt-water fish is still insufficiently developed, which may be ascribed partly to high prices, and partly to the lack of continuity in the availability of supplies and to the shortage of cold storage facilities. In view of the fact that export possibilities for fresh salt-water fish are rather limited the development of sea fishery is dependent on a strong domestic market for fresh fish and on an adequate expansion of the fish processing establishments.

Fresh-water fishery. In this sector, the objective of Government policies must necessarily be to provide means of increasing the production of fish obtainable from streams, lakes and ponds. This can only be achieved by modernizing equipment and introducing mechanization where necessary and by improving the quality of fish in inland basins.

Steps have also been taken with a view to developing the home market for fresh-water fish, which suffers from the same ills as the home market for fresh sea-fish.

(b) Description of protection and support methods

Sea fishery and fresh-water fishery enjoy the same privileges as agriculture in the way of rebates on equipment, fuel and lubricants. In addition, fishery undertakings (fishermen's co-operatives) are entitled to special rebates on the purchase of equipment (fishing lamps, steelwire cables, nets, cork etc.) and on repairs to fishing boats (with a maximum limit of 50 per cent of the amount paid for work performed).

In the fish canning industry a rebate is granted on imported tin-plate for the manufacture of tins.

The sea and fresh-water fishery trade is also entitled to the same fiscal privileges and credit facilities as the other sectors of agriculture.

The market for salt-water and fresh-water fish is entirely free. The municipal authorities of a number of cities are authorized, under the general powers vested in them, to proscribe maximum selling prices for fish in the consumers' interest.

(c) Government participation in the measures under (b) consists of financing the rebates from Federal funds and of determining any tax exemptions to be granted.

4. Quantitative restrictions

Imports: fresh salt-water fish intended for the canning industry is included in the liberalization list and may be imported without restriction. Fresh fish and fish products for immediate consumption are subject to the import quota system.

Exports: there are no quantitative export restrictions except in respect of fish flour; due to the fact that fodder is in short supply in Yugoslavia, exports of fish flour are subject to a special permit granted by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

A temporary export premium of 32 per cent on fish preserves and fish pastes is paid to exporters. Under existing exchange regulations there are no other provisions designed to stimulate exports of fresh fish and fish products.

6. State trading

Nil.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit

There is no direct subsidy on domestic production in this sector. The general policy governing rebates on agricultural products and the policy in respect of rebates granted to the fishery trade were dealt with under I/B, II and 3.

(b) Net government expenditure (in respect of subsidies) during the last three years

Special rebates granted to the fishery trade (in million dinars):

<u>1957</u>	<u>1958</u>	<u>1959</u>
434	392	324

8. Export subsidies

(a) Amount of subsidy per unit

No direct subsidy (see Chapter II).

(b) Net government expenditure (in respect of subsidies) during the last three years

Nil.

9. Level of protection

Guaranteed price or return to producers:

Nil.

10. Statistical information

Available statistical information on price will be found in the annexed tables.