

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

The following notification has been received from the Permanent Mission of Finland.

Subsidies granted for 1975 and 1976

	<u>1975</u>	<u>1976</u>
	(Fmk million)	
I. Equalization of agricultural production costs	348.8	346.6
1. Subsidy to small farms	180.4	142.9
2. Regional support for agricultural production	168.4	203.7
II. Subsidies for lowering prices of agricultural products	1,423.2	1,984.3
III. Support of wool production and sugar beet production	28.8	32.2
I. Equalization of agricultural production costs		
1. Subsidy to small farms		
(a) Annual cabinet decision		
(b) The acreage subsidy is based on the act on agricultural income and price level given in February 1973. The subsidy is fixed in calendar years so that the changes in the amount of the subsidy are corresponding to the changes of the target price level compared to the 1973 level.		

- (c) The total amount paid to farmers for 1975 was Fmk 180.4 million and for 1976 Fmk 142.9 million.

2. Regional support for agricultural production

- (a) Annual cabinet decision
- (b) A regional production subsidy of milk is paid through dairies in Northern Finland, in eastern districts and in the outer archipelago. The total amount of production subsidies was in 1975 Fmk 83.5 million and in 1976 Fmk 123.3 million.

A special regional dairy cow subsidy of Fmk 84 in 1975 and Fmk 117 in 1976 on average per dairy cow was paid directly to dairy farmers in Northern Finland, in the eastern districts and in the outer archipelago. The total amount of dairy cow subsidies was in 1975 Fmk 10.5 million and in 1976 Fmk 15.1 million.

A production subsidy for beef, pork and mutton is paid through slaughterhouses in Northern Finland, in the eastern districts and in the outer archipelago. The total amount of production subsidies was in 1975 Fmk 29 million and in 1976 Fmk 39.9 million.

A special regional subsidy for the transportation of milk is paid to the dairies in Northern Finland, in the eastern districts and in the outer archipelago. The total amount of transportation subsidies was for 1975 Fmk 18.7 million and for 1976 Fmk 23.6 million.

The producer price of milk in the developing regions has been increased through a Government subsidy in 1975. The total amount of the subsidy was Fmk 25.8 million.

The subsidy of Fmk 8/100 kgs. for rye was paid to the farmers in northern and middle Finland by the State Granary. The amount paid was Fmk 0.9 million in 1975 and Fmk 1.8 million in 1976.

- (c) The total amount paid for the above-mentioned subsidies was Fmk 168.4 million in 1975 and Fmk 203.7 million in 1976.

II. Subsidies for lowering prices of agricultural products

- (a) Annual cabinet decision
- (b) In order to increase domestic consumption the consumer price of butter has been reduced.

The export dairies received from the State budget a refund which enables them to pay farmers a price almost corresponding to the target price of milk determined annually by the Government.

A similar system exists for eggs, veal and beef, pork and mutton.

- (c) The amount paid of all above-mentioned subsidies was Fmk 1,423.2 million in 1975 and Fmk 1,984.3 million in 1976.

III. Support of wool and sugar beet production

- (a) The annual cabinet decision (wool production), the Act of the domestic sugar production given in May 1975.
- (b₁) Support was paid through three delivery factories for farmers, who sold wool in 1975 and 1976.
- (c₁) The payment in 1975 and 1976 was from Fmk 3.20 to 9.60 per kg. depending on the quality of the wool. The amount of subsidy paid in 1975 was Fmk 1.2 million and in 1976 Fmk 1.1 million.
- (b₂) In 1975 and 1976 the Government guaranteed the basic price for domestic production of sugar beets. If the sugar content exceeded 14.5 per cent, the guaranteed price was raised and vice versa. In areas where production costs were higher owing to poorer growing conditions, extra payment was paid to farmers.
- (c₂) The amount paid by the Government for sugar beet production was in 1975 Fmk 27.6 million and in 1976 Fmk 31.1 million.

