

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

The following notification concerning subsidies in the field of agriculture has been received from the Permanent Mission of Finland.

(Million Fmk)

| | 1976 | 1977 | 1978 |
|--|---------|---------|---------|
| I. Equalization of agricultural production costs | 346.6 | 425.8 | 479.9 |
| 1. Subsidy to small farms | 142.9 | 176.5 | 217.4 |
| 2. Regional support for agricultural production | 203.7 | 249.3 | 262.5 |
| II. Subsidies for lowering prices of agricultural products | 1,428.0 | 1,628.5 | 1,634.3 |
| III. Support of wool production and sugar beet production | 32.2 | 40.7 | 74.2 |

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 December 1977. The subsidy is fixed in such a way that the changes in the amount of subsidy are 1.5 times bigger than the changes of the target price level.
- (c) The total amount paid to farmers for 1976 was Fmk 142.9 million, for 1977 Fmk 176.5 million and 1978 Fmk 479.9 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 1976 Fmk 123.3 million and in 1977 Fmk 146.0 million and in 1978 Fmk 152.0 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 1976 Fmk 35.9 million, in 1977 Fmk 41.3 million and in 1978 Fmk 45.1 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 1976 Fmk 23.8 million, in 1977 Fmk 22.0 million and in 1978 Fmk 23.9 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 1.8 million in 1976, in 1977 Fmk 1.5 million and in 1978 Fmk 1.5 million (Fmk 9/100 kgs.).

As production subsidy for starch potatoes, the following amounts have been paid:

1976 Fmk 1.2 million
1977 Fmk 1.5 million
1978 Fmk 0.8 million

- (c) The total amount paid for the above-mentioned subsidies was Fmk 203.7 million in 1976, Fmk 249.3 million in 1977 and in 1978 Fmk 262.5 million.

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. There is a deficiency payment system for milk and beef.

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, mutton, barley and oats.

- (c) The amount paid of all above-mentioned subsidies was Fmk 1,428.0 million, in 1977 Fmk 1,628.5 and 1978 Fmk 1,634.3 million.

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.
- (b.1) Support paid through three delivery factories for farmers, who sold wool in 1975, 1976 and 1977.
- (c.1) The payment in 1976 was from Fmk 3.20 to Fmk 9.60 and in 1977 from Fmk 4.70 to Fmk 11.90 per kg., depending on the quality of wool. The amount of subsidy paid in 1976 was Fmk 1.1 million and in 1977 Fmk 1.2 million, in 1978 Fmk 1.3 million.
- (b.2) In 1976, 1977 and 1978 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.
- (c.2) The amount paid by the Government for sugar beet production was in 1976 Fmk 31.1 million, in 1977 Fmk 39.3 million, and in 1978 Fmk 72.9 million.

