

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

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

Agricultural Subsidies

(million Fmk)

	1978	1979	1980
I. Equalization of agricultural production costs	479.9	576.8	712.9
1. Subsidy to small farms	217.4	246.0	283.2
2. Regional support for agricultural production	262.5	330.8	429.7
II. Subsidies for lowering prices of agricultural products	1,634.1	1,835.1	1,923.5
III. Support of wool production and sugar beet production	74.1	137.0	73.7

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.
- (c) The total amount paid to farmers for 1978 was Fmk 479.5 million, for 1979 Fmk 576.8 million, and for 1980 Fmk 712.9 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 1978 Fmk 152.0 million, in 1979 172.2 million and in 1980 Fmk 194.1 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 1978 Fmk 45.1 million, in 1979 Fmk 57.8 million and in 1980 Fmk 69.4 million.

A special regional subsidy for the transportation of milk is paid to dairies in northern Finland, in the eastern districts and in the outer archipelago. The total amount of transportation subsidies was for 1978 Fmk 23.8 million, for 1979 Fmk 31.5 million and for 1980 Fmk 30.5 million.

The subsidy for rye was paid to the farmers in northern Finland and middle Finland by the State granary. The amount paid was Fmk 1.5 million in 1978, Fmk 3.1 million in 1979, and Fmk 4.4 million in 1980 (Fmk 9/100 kgs.).

As production subsidy for starch potatoes, the following amounts have been paid: 1978 Fmk 0.8 million; 1979 Fmk 2.9 million; and 1980 Fmk 3.3 million.

- (c) The total amount paid for the above-mentioned subsidies was Fmk 262.5 million in 1978, Fmk 330.8 million in 1979, and Fmk 429.7 million in 1980.

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 in 1978 Fmk 1,634.1 million, in 1979 Fmk 1,835.9 million, and in 1980 Fmk 1,923.5 million.

III. Support of wool and sugar beet production:

- (a) The annual cabinet decision (wool production), the Act of the Domestic Sugar Production.
- (b₁) Support paid through three delivery factories.
- (c₁) The payment in 1978 was from Fmk 3.00 to Fmk 11.80, and in 1979-80 from Fmk 3.30 to Fmk 12.80 per kg., depending on the quality of wool. The amount of subsidy paid in 1978 was Fmk 1.2 million, in 1979 Fmk 1.4 million and in 1980 Fmk 1.3 million.
- (b₂) The Government guaranteed the basic price for domestic production of sugar beets. 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 1978 Fmk 72.9 million, in 1979 Fmk 123.0 million and in 1980 Fmk 72.4 million.

