

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

The Permanent Mission of Finland has submitted an updated notification of agricultural subsidies. This notification is intended to cover the requirements of Article XVI:1 as well as to be taken into account in the context of the Committee on Trade in Agriculture.

Agricultural Subsidies

(million Fmk)

	1980	1981	1982
I. Equalization of agricultural production costs between farms of different size and location	652.8	775.0	926.1
1. Subsidy to small farms	283.2	351.3	426.8
2. Regional support for agricultural transports and production in Eastern and Northern Finland as well as in the archipelagos	369.6	423.7	499.3
II. Subsidies for lowering prices of agricultural products	1923.5	2345.3	2221.3
III. Support of wool production and sugar beet production	73.7	68.6	105.7

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 1980 was Fmk 652.8 million, for 1981 Fmk 775.0 million and for 1982 Fmk 926.1 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 1980 Fmk 194.1 million, in 1981 Fmk 206.1 million and in 1982 Fmk 222.0 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 1980 Fmk 69.4 million, in 1981 Fmk 95.3 million and in 1982 Fmk 101.9 million.

A special regional subsidy of 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 1980 Fmk 30.5 million, for 1981 Fmk 37.2 million and for 1982 Fmk 36.4 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 4.4 million in 1980, Fmk 3.0 million in 1981 and Fmk 1.6 million in 1982 (Fmk 20/100 kgs).

As production subsidy for starch potatoes, the following amounts have been paid: 1980 Fmk 3.3 million; 1981 Fmk 4.7 million; and 1982 Fmk 8.0 million.

(c) The total amount paid for the above-mentioned subsidies was Fmk 369.6 million in 1980, Fmk 423.7 million in 1981 and Fmk 499.3 million in 1982.

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 1980 Fmk 1923.5 million, in 1981 Fmk 2345.3 million and in 1982 Fmk 2221.3 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 1979-82 from Fmk 3.30 to Fmk 14.0 per kg, depending on the quality of wool. The amount of subsidy paid in 1980 was Fmk 1.3 million, in 1981 Fmk 1.7 million and in 1982 Fmk 1.7 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 1980 Fmk 73.7 million, in 1981 Fmk 68.6 million and in 1982 105.7 million.