

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SWEDEN

Agriculture

1. Introduction

Guidelines for the agricultural policy

As part of the notifications to the "Committee on Trade in Agriculture" Sweden has presented a detailed description of present guidelines for the agricultural policy.

II. Price regulation means available

The Swedish agricultural price and market regulation system is financed by means derived from import levies, internal fees and from the state budget. The amounts available for price and market regulation purposes during the period 1979/80-1981/82 (SEK/million) are shown in the table below. The figures are presented irrespective of whether or not they should be regarded as subsidies notifiable under Article XVI.

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
Import levies*	685.7	796.6	888.9
Internal fees	404.9	502.2	560.0
Budgetary means	4,063.4	4,907.2	3,888.0
Total	5,154.0	6,206.0	5,336.9

* Net (minus restitutions)

Import levies and internal fees (milling fees, acreage and production fees, sales fees etc) are transferred to the agricultural sector to finance price regulating activities.

Budgetary means are used primarily in order to finance price supplements to farmers, mainly for meat and dairy products. Budgetary means are also used for regional and low income support purposes.

III. Utilization of price regulation means

In order to obtain the objectives laid down for the agricultural policy the following amounts have been allocated for different support purposes (SEK million).

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
1. Price supplement	3,279	4,010	3,072
Dairy products	2,176	2,538	2,376
Meat	974	1,374	658
Cereals	129	97	38
2. Regional aids to production	154	212	246
3. Low income support	378	469	441
4. Export refunds	779	914	1,368
Total	4,590	5,605	5,127

In addition to these major outlets means available were used for various other market regulatory measures and similar purposes. Among these are internal price compensation for processed agricultural products, information and development, animal health control, storage costs, crop insurance, administration etc.

1. Price supplements

Price supplements derive from budgetary means and are paid in order to compensate farmers as a consequence of the application of the mixed producer price/world market price line.

2. Regional aids to production

The regional price support is financed by budgetary means. During 1979/80-1981/82 the following amounts, in SEK million, have been granted.

	<u>1979/80</u>		<u>1980/81</u>		<u>1981/82</u>	
	SEK mill.	SEK/kg	SEK mill.	SEK/kg	SEK mill.	SEK/kg
Milk	113.8	0.15	156.8	0.21	184.9	0.24
Meat	22.9	1.04	31.9	1.34	37.6	1.55
Pork	2.6	0.34	3.0	0.42	3.5	0.48
Other	15.2	..	20.8	..	20.3	..
Total	154.5	..	212.5	..	246.3	..

3. Low income support

This support is financed by budgetary means and is given as a price supplement for milk and a support to piglet production.

4. Export refunds

In order to enable exports at prevailing world market prices, a positive difference between domestic and international prices must be levelled out when products covered by the system are exported. The refunds are financed by internal fees and import levies.

Export refunds during the period 1979/80-1981/82 were as follows.

CCCN	Products	1979/80		1980/81		1981/82	
		SEK mill.	SEK/kg	SEK mill.	SEK/kg	SEK mill.	SEK/kg
10.01	Wheat	97.4	0.25	124.4	0.30	237.1	0.54
10.02	Rye	5.9	0.17	9.5	0.25	3.1	0.23
10.03	Barley	81.7	0.30	51.9	0.29	79.0	0.34
10.04	Oats	91.8	0.32	54.3	0.22	142.8	0.38
02.01 ex	Beef	62.8	5.06	85.6	5.57	128.1	6.47
02.01 ex	Veal	1.0	..	0.5	..	9.8	..
02.01,02.06 ex	Pork	113.4	3.60	195.4	5.17	402.7	7.53
04.03	Butter	51.1	4.76	28.9	3.08	8.3	0.59
04.04	Cheese	2.8	1.84	2.3	1.57	6.2	2.11
04.05 ex	Eggs*	9.2	3.31	8.4	3.78	5.0	4.27
04.05 ex	Egg prod.	15.4	..	15.3	..	16.3	..
02.02 ex	Poultry- meat	2.1	..	4.3	..	2.2	..
12.01 ex	Oil- seeds	138	..	206	..	184	..
04.02 ex	Skimmed milk powder	42.3	3.09	50.2	2.97	32.9	3.37
	Others	64	..	77	..	110**	..
	Total	779	..	914	..	1,368	..

* Eggs in shell

** External price compensation measures included as from 1981/82

IV. Effect of subsidies

- (a) No estimates can be given of the trade effects of subsidies.
- (b) Data on production, consumption, imports and exports for 1976/77-1978/79 is given in Annex I.