

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

Supplement

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

AGRICULTURAL SUBSIDIES

million Fmk

Subsidy	Year 1984	Year 1985	Year 1986
1. Regional support for agricultural production	581.3	661.4	649.9
2. Export subsidies for agricultural products	2 354.7	2 368.6	2 393.3
3. Export refund for food industry products	576.3	676.5	753.6

1. 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 milk production subsidies was in 1984 246.2 million, in 1985 246.0 million and in 1986 249.9 million Finnmarks.

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 meat production subsidies was in 1984 140.3 million, in 1985 157.3 million and in 1986 162.2 million Finnmarks.

A special regional subsidy of the transportation of milk and meat is paid in northern Finland, in the eastern districts and in the outer archipelago. The total amount of transportation subsidies was for 1984 36.4 million, for 1985 39.2 million and for 1986 38.0 million Finnmarks.

The subsidy for rye was paid to the farmers in northern Finland and middle Finland by the State Granary. The amount paid was 4,8 million in 1984, 4,0 million in 1985 and 4,7 million Finnmarks in 1986.

As production subsidy for starch potatoes, the following amounts have been paid: 1984 Fmk 6,7 million, 1985 Fmk 9,8 million and 1986 Fmk 8,9 million.

A subsidy for fodder grain production in middle and northern Finland was paid by the State Granary to farmers in 1984 Fmk 31,7 million, in 1985 Fmk 41,9 million and in 1986 Fmk 42,6 million.

- (c) The total amount paid for the above-mentioned subsidies was Fmk 581,3 million in 1984, Fmk 661,4 million in 1985 and Fmk 649,9 million in 1986.

2. Export subsidies for agricultural products:

- (a) Annual cabinet decision.
- (b) The export dairies receive from the State budget an export subsidy which enables them to pay farmers a price corresponding to the target price of milk determined annually by the Government.

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

(The Government pays part of the producer price of milk and eggs directly to the producers through dairies and shops. This "deficiency payment" is paid also to the milk used for exported milk products. Therefore, the export share of the deficiency payment (about 20 per cent) is included in the export subsidies for agricultural products.)

- (c) The amount paid of all above-mentioned subsidies was in 1984 Fmk 2354,7 million, in 1985 Fmk 2368,6 million and in 1986 Fmk 2393,3 million.

3. Export refund for food industry products:

- (a) The laws on excise tax for confectioneries, beer, soft drinks, processed food products.
- (b) Export refund (a fixed amount per unit) is paid to the exporter of food industry products. Export refund covers in principle the difference between the domestic price and the world market price of agricultural raw material used in the processed product.
- (c) The total amount of export refund was in 1984 Fmk 576,3 million, in 1985 Fmk 676,5 million and in 1986 Fmk 753,6 million.