

GENERAL AGREEMENT ON

RESTRICTED

DPC/INV/3/Add.10/Rev.2
28 March 1988

TARIFFS AND TRADE

International Dairy Arrangement

Original: English

INTERNATIONAL DAIRY PRODUCTS COUNCIL

Reply to Questionnaire 5 Regarding Information on Domestic Policies and Trade Measures

SWEDEN

I. General policy framework

The present guidelines for Sweden's agricultural and food policy were laid down by two Parliamentary Decisions taken in 1984 and 1985. A full description of the guidelines have been given in the 1986 notification (DPC/INV/3/Add.10).

During the 1987/88 price regulation period, continued attention is given to measures aiming at adjusting production to domestic requirements. Measures concerning both dairy production and beef production include inter alia a ban on new investments in animal production, non-payment of delivery supplements for elderly dairy farmers and moreover non-production grants are paid to dairy farmers who by time of introduction of the grants in 1986 were 60-65 years of age. In 1986 a bonus was granted to producers of inter alia young heifers and sucking pigs when ceasing production for a certain number of years. These grants were still applied in 1987.

In order to reduce milk production a voluntary two-price system was introduced in 1985. The system is at present being evaluated. A decision as to what will happen after the system has been tested during a three-year period is expected this spring.

Like before price rebates will be given in order to stimulate consumption in schools of beef and pigmeat. To promote consumption of dairy products certain public institutions are granted a discount on cheese and butter and dairies are granted extra payments for additional sales of certain milk products.

Consumer subsidies are applied for liquid milk in order to keep consumer prices down.

II. Dairy productsA. Production1. Support and/or stabilization measures

Regarding (a) "Instruments of Support and/or Stabilization" it should be noted that no decision has yet been made as to what is going to happen after the end of the trial period for the two-price system in June 1988.

Concerning (b) "Levels of Guaranteed Prices of Support Prices" the middle prices and price limits as from 1 January 1988 are as follows (SEK/kg.)¹:

	<u>Lower price limit</u>	<u>Middle price _____</u>	<u>Upper price limit</u>
Butter	19.34	20.57	21.80
Cheese	26.00	27.66	29.32
Skimmed milk powder	15.96	16.98	18.00

¹US\$1 = 5.86 (January 1988)

Regarding (c) "Amount of Producer Subsidies" it should be noted that dairy farmers in northern Sweden, as before, are granted special price additions, but since 15 July 1986 with a new maximum of 93 öre/kg. milk (4.1 per cent fat content).

Concerning (d) "Average Returns to Producers" it should be noted that average prices to producers for the fourth quarter 1987, regional support included, amounted to SEK 3.15/kg. on total country basis.

2. Policies and measures of governments or other bodies likely to influence production, other than those listed under 1. (See the 1986 Notification).

B. Internal prices and consumption1. Representative retail and wholesale prices on major domestic markets

(a) Average wholesale prices January 1988

Milk: SEK 3.36/litre (Upper price limit for 3 per cent milk for liquid consumption in 1-litre packages)

Butter: SEK 21.50/kg. (National quotation for Swedish Rune brand)

Cheese: SEK 28.60/kg. (Herrgård whole fat)
Skimmed milk powder: SEK 17.13/kg. (sales from factories or wholesalers, quantities of 2,500 kg. or more)

(b) Average prices November 1988

Milk: SEK 4.86/litre (3% milk for liquid consumption)
Butter: SEK 35.52/kg. (Swedish Rune brand)
Cheese: SEK 55.87/kg. (Herrgård, whole fat)

C. Measures at the frontier

1. Customs duties - none
2. Import levies - temporary reductions not taken into account.
3. Export measures (See the 1986 Notification A.1.(a))

Export and other market regulatory measures applied are necessary for the attainment of the domestic price levels aimed at. The Market Regulation Association for Dairy Products may grant export refunds. Costs of export refunds, including restitutions of internal fees, are tabled below.

1986/87

	<u>SEK million</u>	<u>SEK/kg.</u>
Butter	129.9	13.39
Cheese	30.4	9.04

The price and market regulation for milk powder is handled by Scandmilk AB. Internal production fees are levied and the proceeds herefrom are used inter alia to cover export costs.

D. Text or description of bilateral, plurilateral and multilateral agreements

Within the framework of GATT Sweden has concluded a bilateral cheese arrangement with the United States. Sweden has been granted an annual GATT-bound cheese quota of 1,350 metric tons.

Harmonized System

Statistical number

Heading number	Code number	Description of goods	Import levy, SEK/100 kg. (max) as from 1 Jan. 1988
04.01		Milk and cream, not concentrated nor containing added sugar or other sweetening matter:	
	100	- Of a fat content, by weight, not exceeding 1%	280
	200	- Of a fat content, by weight: exceeding 1% but not exceeding 6%	280
	300	- Of a fat content, by weight:	
		-- exceeding 6% but less than 20%	985
		-- " 20% " " " 30%	1,085
		-- " 30% " " " 45%	1,560
		-- 45% and more	1,660
04.02		Milk and cream, concentrated or containing added sugar or other sweetening matter:	
	100	- In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%	1,140
		- In powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%:	
	210	-- Not containing added sugar or other sweetening matter:	
		Weight of fat:	
		--- more than 1.5% but less than 35%	1,190
		--- " " 35% " " " 55%	1,290
		--- 55% and more	1,440

290 -- Other:

Weight of fat:

---	more than 1.5% but less than 35%	1,190
---	" " 35% " " " 55%	1,290
---	55% and more	1,440

-- Other:

910 -- Not containing added sugar or other sweetening matter:

Weight of fat:

---	less than 1% ... 100 l	280
---	more than 1% but less than 6%	280
---	" " 6% " " " 20%	985
---	" " 20% " " " 30%	1,085
---	" " 30% " " " 45%	1,560
---	45% and more	1,660

990 -- Other:

ex 990 --- Concentrated (condensed) milk 280
(as from 8 Feb. 1988)

ex 990 --- Other:

Weight of fat:

----	less than 1% ... 100 l	280
----	more than 1% but less than 6%	280
----	" " 6% " " " 20%	985
----	" " 20% " " " 30%	1,085
----	" " 30% " " " 45%	1,560
----	45% and more	1,660

04.03

Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit or cocoa:

100 - Yogurt:

ex 100 -- flavoured (not only sweetened) or containing added fruit or cocoa according to levy information

ex 100	-- Other:		
	Weight of fat:		
	---	less than 1% ... 100 l	280
	---	more than 1% but less than 6%	280
	---	" " 6% " " " 20%	985
	---	" " 20% " " " 30%	1,085
	---	" " 30% " " " 45%	1,560
	---	45% and more	1,660
900	- Other:		
ex 900	-- flavoured (not only sweetened) or containing added fruit or cocoa		according to levy information
ex 900	-- Other:		
	Weight of fat:		
	---	less than 1% ... 100 l	280
	---	more than 1% but less than 6%	280
	---	" " 6% " " " 20%	985
	---	" " 20% " " " 30%	1,085
	---	" " 30% " " " 45%	1,560
	---	45% and more	1,660
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included:		
	100 - Whey, whether or not concentrated or containing added sugar or other sweetening matter		870
	900 - Other		870
04.05	100 Butter and other fats and oils derived from milk		1,215
04.06	Cheese and curd:		
	- Fresh cheese (including whey cheese), not fermented, and curd:		

	101	-- Whey cheese	60
	109	--Other	875
	200	-- Grated or powdered cheese, of all kinds	1,360
	300	-- Processed cheese, not grated or powdered	950
	400	-- Blue veined cheese	1,125
		-- Other cheese:	
	901	-- Other mould cheese than blue- veined cheese	1,125
	909	-- Other:	
	ex 909	--- Cheese fondue	730
	ex 909	--- Other	1,460
35.01	100	Casein	free