

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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Group on Meat

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SWEDEN

The following information has been submitted by the delegation of Sweden in accordance with the programme of work laid down in document TN.64/Me/5.

I. Existing beef policies

(ii) Support prices: guaranteed prices, guide prices, intervention prices

The Swedish price support system for agricultural products now in force does not include any guide or intervention prices in the meat sector. The system provides for the free fluctuation of domestic prices in accordance with the market situation but within predetermined limits. If domestic prices go below the lower limits countermeasures found appropriate are taken in order to seek to bring the domestic prices within the limits determined. In such cases, import levies usually are increased at first hand but quantitative import restrictions may also be introduced.

The lower price limits can be regarded as the nearest equivalent to "guaranteed" prices in view of the fact that certain countermeasures as just mentioned are to be taken when the internal price falls below the level represented by the lower limit. On the other hand there is no guarantee that producers' return always is kept at a certain minimum level. The lower price limits are (January 1966) for beef US\$1,064 and for veal US\$1,182 per metric ton. For cattle (live weight) no price limits are applied.

(ii), (iii), (iv)

Since there does not exist any livestock market for animals when sold for slaughter, there are no market quotations for live cattle in Sweden. The producers' return from the slaughterhouses is calculated on the weight of the animal when slaughtered.

The prices per metric ton carcass weight to the producer were (weighted average 1965) for cows US\$1,172, for steers and heifers US\$1,342 and for veal (fatted calves) US\$1,598 per metric ton.

In implementing its price and income objectives in agriculture, the Swedish Government has made use of marketing associations composed of representatives of farmers, traders and consumers. The associations are independent bodies but general guidance for their functioning is issued by the State. The marketing of meat is supervised by the Swedish Meat Trade Association.¹ Market regulation activities are financed by domestic slaughter fees, paid by producers, the fixed import levies and compensatory import fees on meat and meat preparations (equivalent to the slaughter fees) and import levies on feeding stuffs. The means are used for covering certain stocking and export costs (see below). There are no other aids or subsidies which influence production and returns to producers.

(v) Total quantity and value of production

Total quantities and values of production were 1964/65 as follows:

	Value to the producer (million US\$)	Weight ('000 metric tons)
Beef	166.1	130.7
Veal	33.2	19.7

(vi) Analysis of measures at the frontier

The import levies are in principle kept unchanged as long as the domestic prices remain within the predetermined price limits. They may, however, be modified subject to a special safeguard rule. Thus, the import levies shall be adjusted if the difference between the world market price index and the agricultural production cost index equals or exceeds three points for three months in succession. A rise in the world price index means that the import levies can be reduced while a fall in the world market price index means that higher levies are necessary to prevent a fall in the internal price level. A rise in the production cost index indicates that the internal price level needs to be raised by means of higher import levies if producers are to be compensated. On the other hand a fall in the production cost index can work to the benefit of the consumers through a lowering of the import levies.

According to the provisions of the present system a minor increase will take place as regards the import levies and the price limits on 1 March 1966 in order to make possible a certain increase in the farmers' income.

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Svensk Kötthandel

In addition to the import levies described above, compensatory import fees are levied on imported commodities in those cases where the corresponding home-produced commodities are subject to marketing and processing fees. The compensatory import fees are fixed. Even if the internal fees are raised - which for example has been the case with the slaughter fees - the compensatory import fees remain unchanged. The size of the slaughter fees which play a certain rôle as an instrument for influencing livestock production are different in different parts of Sweden. The size of the slaughter fees are as follows:

Productions district	Cattle of a weight of			
	200 kg. or more	200-150 kg.	150-125 kg.	125-100 kg.
	Slaughter fee per cattle (US\$)			
Southern and middle Sweden	11.61	8.70	5.80	1.55
Northern Sweden (average)	9.67	6.77	4.84	1.55

The import levies and compensatory fees are at present (January 1966) as follows:

(United States dollars per metric ton)

	Import levy	Compensatory levy
Carcasses (whole, half or quarter of carcasses) of cattle	516.44	15.47
Other beef	696.32	-
Carcasses (whole, half or quarters or carcasses) of calves	504.84	27.08
Veal	696.32	-

No tariff quotas or quantitative import restrictions are applied for cattle, meat or veal imported from all sources with the exception of some Eastern countries.

II. Incidence on meat production of policies on cereals and dairy products

(i), (v), (vi)

The beef and veal production in Sweden originates up to 100 per cent from dairy herds. Any figures showing volumes and prices of cereals used for intensive fattening of cattle are not available.

(ii) The evolution of ratio between cereal prices and fat cattle prices

	Price of steers and heifers at slaughterhouse (slaughtered weight price to producer) US\$ per metric ton	Price of barley (price to producers, US\$ per metric ton)	Ratio cattle/ barley
1961	1,015	70	14.5
1962	1,002	75	13.4
1963	1,097	79	13.9
1964	1,253	81	15.5
1965	1,342	88	15.3

(iii) Total producer's return for milk

Weighted average price to producer for milk containing 3.5 per cent fat, free dairy, at a skim-milk value of US\$9 per metric ton was in September 1965 (latest available figure) US\$105, assistance and subsidies included.

(iv) Evolution of ratio between the prices of fat cattle and milk prices

The evolution of ratio between the prices of steers and heifers slaughtered weight (prices on live weight basis are not available) and milk prices has been as follows:

	Price of steers and heifers at slaughterhouse (slaughtered weight price to producer) US\$ per metric ton	Price of milk to producer, see II(iii), US\$ per metric ton	Ratio cattle/ milk
1961	1,015	84	12.1
1962	1,002	85	11.8
1963	1,097	88	12.5
1964	1,253	97	12.9
1965 September	1,261	105	12.0

III. Internal prices

(i), (ii), (iii), (iv)

The levels of internal prices (United States dollars) for beef and veal per metric ton of carcasses were the following as per October 1965 (weighted average for the whole country). The price differences between different commercial centres in Sweden are very small.

	Price per metric ton (US\$)
Beef:	
consumer price ¹	1,787
wholesale price	1,228
Veal:	
consumer price ¹	2,636
wholesale price	1,956

¹Turnover tax of 10 per cent is not included

IV. International prices

(i) Information on the levels of international prices

The world market price index, which forms an important part of the Swedish agricultural price support system, includes the main Swedish agricultural products which normally enter international trade and is based on leading foreign quotations. As regards beef and veal, the following foreign price quotations have been included in the world market price index (average prices in December 1965, United States dollars per metric ton):

Beef: weighted average of:

1. The Copenhagen Meat Hall quotation on:
 - heifers and bulls, first quality US\$812, second quality US\$514.
2. Average English prices on:
 - steers (others) light and heifers, (others) US\$963
 - cows, ungraded US\$592.

Veal: weighted average of the Copenhagen Meat Hall quotation on:

- sucking calves, first quality US\$1,019
- fattened calves, first quality US\$897.

(ii) Data on the conditions of price formation in international markets; comments on the feasibility of establishing prices for those products figuring in international trade

It seems to be a general view that the arrangements which emerge from the work of the Group should be designed to stabilize the levels of prices. From the Swedish side the desirability of maintaining stability of international price levels for agricultural products has been emphasized on several occasions, as in the Swedish offers within the agricultural field on 16 September 1965. As regards the possibility of maintaining such prices there are of course some difficulties in view of the wide disparities in patterns of production, consumption and different price levels in different countries. From the work of the Group it will, however, appear whether an arrangement aiming at ensuring more or less stable price levels for some meat products is practicable and negotiable.

(iii) Concrete data on export subsidies and export aids

An inherent feature of the Swedish agricultural price support system is that when products covered by the system are exported, the difference between the higher domestic price and the price on the external market must be levelled out. For beef and veal, as for other products covered by the system, aid to exports is organized by means of a special equalization or compensation fund. The fund is administered by the semi-official marketing association in question "Svensk Kötthandel". The fund is financed as far as export aid is concerned by the proceeds by the legally compulsory slaughter fees paid by the producers and by levies on imports of feeding stuffs. No export subsidies are granted over the State budget.

Exported quantities and export aid were during 1964:

Product	Total quantity exported and subject to export aid	Total value of this export (in '000 US\$)
Adult live cattle	21,092 ¹	4,172
Live calves	-	-
Beef	10,164 ²	7,933
Veal	-	-

¹Number of heads.

²Metric tons.

(iv) Information on stocking capacities

There are no freezing-houses especially built for freezing meat in Sweden. However, under normal conditions, the stocking capacity for meat can be estimated to 10,000-15,000 tons.

V. Bilateral agreements affecting imports and exports

There are no bilateral agreements affecting imports and exports.

VI. Data on production, imports, exports and consumption of beef and estimates for 1970, on a standardized statistical basis

The requested figures are as follows: (The figures for 1970 are given assuming the continuation of existing national policies.).

('000 metric tons)

	1961	1962	1963	1964	1965 prel.	1970 progn.
Production ¹	105	131	141	134	132	125-130
Imports	13	4	3	6	8	..
Exports	-	8	24	16	17	..
Consumption	117	120	125	125	125	130-135

¹Including exports of live slaughter animals in carcass weight.

VII. Trends in total per caput consumption of all types of meat including estimates for 1970, in relation to available income, retail price and percentage of consumer expenditure devoted to meat

See under paragraph VI. Other information is not available.

VIII. Sanitary or veterinary regulations affecting the level of beef imports

A general condition for imports into Sweden of meat and meat products is that sanitary regulations in the exporting country fulfill certain requirements. One condition is for example that the exporting country is free from diseases. Any sanitary or veterinary regulations which directly affect the level of beef imports are under normal circumstances not applied in Sweden.

IX. Import policies for live cattle

Any special import policy for live cattle is not pursued in Sweden.