

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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COMPLIANCE REPORTS PURSUANT TO PARAGRAPH 16 OF
THE MID-TERM REVIEW DECISION ON AGRICULTURE

Report by Sweden

Agricultural support in Sweden is to a large extent provided by administered prices well above those on the world market.

Administered prices are normally revised twice a year in accordance with the 1985 Parliamentary Decision on Food and Agricultural Policy. These prices are not prices guaranteed to farmers but are target prices for processed products. Accordingly prices to farmers may vary depending on decisions taken by the processing industry. Target prices are used to calculate import levies and export subsidies.

To comply with the undertakings in paragraph 14 of the Mid-Term Review decision, the Swedish Parliament has decided not to increase administered prices during fiscal year 1989/90.

During fiscal year 1989/90 farmers are paid a direct support instead. The payment is based on the number of animals or the acreage in 1988. Thus the support does not further stimulate production.

Administered prices

As described above administered prices have not been increased in 1989. In some cases though, prices have increased as a result of decreased consumer subsidies. However, this does not affect price support to farmers. The price increases for different products can be found in Appendix 1.

Import access

Sweden has no import quotas or other quantitative restrictions. The only way to regulate import access is through variable import levies determined by the gap between administered prices and world market prices. Since administered prices have not increased, import access has not been further restricted.

Quantitative restrictions on apples and pears were abolished in 1989, tariffs were introduced and the duty-free period for imports was extended.

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Appendix 1

Increases in administered prices 1989/90 due to decrease consumer subsidies (no other administered prices have been increased).

	<u>Administered price</u>	<u>SEK/kg. or litre in July 1989</u>	<u>Increase SEK/kg.</u>
Fluid milk 0.5 %	3.46-3.48	3.65-3.67	0.19
1.0 %	3.53-3.55	3.72-3.74	0.19
3.0 %	3.58-3.60	3.77-3.79	0.19
Poultry	19.00	19.80	0.80
Beef	29.40	30.27	0.87
Veal	32.43	33.42	0.99
Horsemeat			0.87
Mutton and lamb	27.47	27.87	0.40
Pigmeat	20.69	21.37	0.68
Dairy products ¹	1	1	1

¹Price increases for certain liquid dairy products in small packing (e.g. for catering)