

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/173

10 July 1990

Special Distribution

Group of Negotiations on Goods (GATT)

Original: English

Negotiating Group on Agriculture

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

Report by Austria

In accordance with paragraph 16 of the Mid-Term Review Decision which foresees a report on compliance with the undertakings in paragraph 14 and 15 (freeze and/or reduction of current domestic and export support and protection levels) the following information concerning specific policy measures on the main sectors in agriculture can be given:

1. Appropriations within the federal budget concerning market support measures in the dairy sector as well as for cereals have been reduced.

2. Dairy sector

- Continuation of a dairy quota programme which includes inter alia a co-responsibility fee for the marketing costs. The quota system constitutes furthermore a production control for milk.
- Scheme to allow the trading of milk quotas between farmers. Quantities to be traded in a single case are limited. Traded quantities are reduced by 15 per cent. These reductions are then discarded from the overall quota system. The anticipated outcome of this programme would lead to a reduction of the national quota by 3 per cent.
- Continuation of adjustment measures within the dairy industry with a view to achieving a more market-orientated approach and to reduce the regulating functions of the Milk Marketing Board.

3. Meat sector

For several years the size of the herd of animals (cattle, pigs and poultry) per farming unit has been limited. This policy measure is being continued. Farms having larger herds before the introduction of those limitations were allowed to keep them, but had no opportunity to change their herd structure. Now they can shift from one category to another, if they are reducing their existing over-capacities by 15 per cent.

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4. Grain sector

- Reduction of wholesale prices for cereals (except oats) between 0.15-10 per cent together with a reduction of the governmental support for storage and transportation by 18 per cent.
- Continuation of measures to control production by the contract system, co-responsibility fees, a special taxation of fertilizers and maize seeds.

5. Sugar sector

The sugar industry reduced the domestic prices by 8.5 per cent. Thus also the basis for the assessment of variable levies and equalization amounts for products containing sugar has been lowered substantially.