

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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

Submitted by Finland

The following notification submitted by Finland gives information on the recent measures taken by Finland, within the scope of the existing Finnish farm income legislation, in pursuance of the provisions of the Mid-Term Review Decision on short-term measures concerning agriculture.

1. Target producer prices for livestock products were changed as of 1 March 1990 as follows:

<u>Product</u>	<u>Change</u>	<u>New target price</u>
Milk	FIM +0.08/litre	FIM 2.77/litre
Beef	FIM +1.25/kg.	FIM 28.22/kg.
Pork	FIM +0.65/kg.	FIM 18.06/kg.
Sheepmeat	FIM +1.25/kg.	FIM 27.88/kg.
Eggs	FIM -0.39/kg.	FIM 9.20/kg.

2. Product-specific marketing levies - which directly reduce the price received by producers - have been increased as follows:

Since 1 January 1990 the dairies have been liable to a levy of FIM 0.04 per litre of milk received. This levy has reduced the price received by milk producers by the same amount. Since 1 July 1990 milk producers have had to pay a levy based on the fat content of milk produced. This levy further reduces the price received by milk producers by - on the average - FIM 0.04-0.05 per litre. Taking into account all of these changes, the net producer price received by dairy farmers is lower during the second half of 1990 than during the second half of 1989.

Since 1 July 1990 pigmeat producers have been liable to a levy of FIM 0.40 per kg. when delivering heavy animals to processors. On the average this levy reduces the net producer prices by FIM 0.10 to FIM 0.15 per kg.

Due to demand and supply the actual domestic market prices are lower than the new target prices both for pork and beef but higher than those registered in the second half of 1989.

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3. The target prices of barley and oats were changed on 1 July 1990 as follows:

<u>Product</u>	<u>Change</u>	<u>New target price</u>
Barley	FIM +0.02/kg.	FIM 1.80/kg.
Oats	FIM -0.01/kg.	FIM 1.75/kg.

The Government has decided to introduce a marketing levy of FIM 0.20 per kg. for wheat and rye, and a levy of FIM 0.10 per kg. for oats and barley as of 1 August 1990. This marketing levy will directly reduce the net price received by farmers. Taking into account all changes, the prices received by farmers for all grains for the 1990-91 harvest will be lower than for the 1989-90 harvest.

4. Direct budget-financed subsidies have increased, because a new acreage-based subsidy was introduced as a result of farm income negotiations in February 1990. This payment is based on the area under cultivation, and its size is FIM 300 per hectare, and it is not product-specific. The total amount paid out will be FIM 510 million.

The price subsidy for eggs (which is subject to a production quota) was increased by FIM 0.39/kg. on 1 March 1990 - at the same time the target price was reduced by a corresponding amount - and will be increased again by FIM 0.20 on 1 October 1990. Subsidies for self-reproducing beef herds were also increased. The total amount of these subsidies paid out to farmers will be FIM 56 million.