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POLAND

Information Supplied in Respect of  
DAIRY PRODUCTS

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DAIRY PRODUCTS

A. Production: production measures and policies

A.1. Statistical data on total volume of production and average yields

A.2. Trends in production and estimates for 1970

Table 1

Production of Principal Dairy Products in Poland  
1960, 1965-1967<sup>1</sup>

('000 tons)

	1960	1965	1966	1967 <sup>2</sup>
Milk	12,487	13,331	14,221	14,523
Butter	94.6	104.8	118.0	120.0
Edible sour cream	46.2	57.8	65.7	73.5
Dried milk	7.2	19.9	24.0	29.8
including whole dry milk	6.9	11.3	11.1	12.5
Cheese (fat content over 20%)	16.9	26.4	30.7	34.1
Cheese (fat content under 20%)	0.7	0.4	0.4	0.4
Gurd cheese ( <u>twarog</u> )	26.4	39.1	43.5	51.0
Pasteurized milk	965	1,222	1,252	1,314
Milk drinks	6.4	24.4	39.0	51.3
Ice cream	2.8	4.6	4.6	6.3
Casein	18.6	16.5	19.6	18.3

<sup>1</sup>All data except those for milk, which cover total output, refer to industrial output of co-operative establishments.

<sup>2</sup>Provisional data.

Table 2

Cow Population and Average Annual Yield Per Cow  
in Poland 1965-1967

	Number of cows	Average annual yield per cow	
		Litres	Kilogrammes
1965	5,920,300	2,186	2,251
1966	6,013,600	2,296	2,365
1967	6,142,500	2,287	2,356

Cattle are raised in Poland for two purposes: dairy products and meat. Breeding for meat has increased of late, especially because of the emphasis laid on the raising of young cattle for slaughter.

Cattle raising is still mainly based on individual farms. Over a large number of these, the average number of brood cows is two each. In 1965-1967 they produced over 88 per cent of the country's milk, and the rest came from co-operative farms.

With a total milk output of 14,500,000 tons (1967), Poland is the fifth largest milk-producing country in the world, although it only ranks seventeenth in size of population.

The growth of output of milk and dairy products in the last three years has continued the tendency which has been apparent over the whole decade. It is marked by a slow, steady growth of milk output (averaging 1.8 per cent a year since 1960), and by a much more rapid growth of milk consumption in the manufacture of various dairy products, especially of those other than butter, such as edible sour cream, fatty cheeses, dried milk and milk drinks. The large consumption of liquid milk is due to improvement of methods of delivery to local centres and of sale in these.

All milk production in Poland is organized by dairy co-operatives, which have a long history. In 1967 the Central Federation of Dairy Co-operatives consisted of 527 district co-operatives numbering in all 997,000 members - i.e. 90 per cent of all milk suppliers.

According to forecasts of the Central Federation, by 1970 the overall output of milk will have grown by 11 per cent since 1965, the industrial output of butter by 23 to 29 per cent, and of dried (mainly skim) milk and cheese by about 90 per cent each.

Those trends are reflected correspondingly in the structure of dairy production.

A.3. Statistical data on carry-over stocks

Poland does not maintain long-term stockpiles of dairy products. Stocks result from seasonal surpluses of output over consumption, and are consumed when milk is delivered for local purchase.<sup>1</sup>

A.4. Factors which affect production

The chief factor in the growth of output is the increase in demand for dairy products and consequently in consumption. The development of stock breeding and milk production in Poland is favoured by its ample resources of cheap green fodder.

Another equally well-known and important fact is that milk production gives the farmer a constant and regular source of income. The decisive factor in the development of processing is the possibility of increasing the capacity to manufacture products other than butter. Investment efforts have therefore been directed in recent years mainly to the promotion of dried milk production, but are now being directed towards expansion of cheese manufacturing enterprises.

A.5. Policies and measures of the Government likely to influence production

Government policy is to make conditions as favourable as possible for stock-raising, by:

- amending the structure of green land use (melioration);
- organizing intensive production of feed concentrates;
- measures to improve breeds (insemination, maintenance of semen banks);
- assistance with statutory control of epizootics;
- low-interest medium-term loans for building cowsheds and installations and purchase of stock (the latter for backward farms).

In addition, co-operatives give advice within their own competence to producers.

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<sup>1</sup>These local depots of dairy co-operatives stored 6,315 tons of butter at the beginning of 1967.

B. Protection and support measures and policiesB.I. Internal support measures and policiesB.I.1. Inventory of the instruments of support

Co-operative organizations purchase milk at prices fixed by the State authorities in the last instance.

A producer may also sell milk, and dairy products made by him, in unlimited quantity directly to consumers or on the free market. Poland has no long-term stockpiles of butter. The purpose of existing stocks is to level off unevenness in supply during a single year.

B.I.2. Levels of guaranteed or support prices

Purchase prices of milk are calculated by the Central Federation of Dairy Co-operatives and submitted for decision to the Government, which bears in mind that milk plays an important rôle in the nutrition of broad social strata and is an important source of income to its producers.

The price tariff for milk purchase depends on three classes of milk, on two regions, i.e. of higher and lower demand for milk, and on two seasons, winter and summer. Prices are calculated and fixed according to units of protein and percentage of fat.

The prices now paid for milk of the basic class B, in zloty per protein unit and 1 per cent of fat are as follows:

Table 3

	Winter		Summer	
	1. November-30 April		1 May-31 October	
	Protein	Fat	Protein	Fat
Region I	0.85	0.65	0.70	0.55
Region II	0.70	0.65	0.55	0.55

(At these prices the producer gets  $\text{zł}$  2.65 for one litre of class B milk containing 3 per cent of fat and one unit of protein, in region II in winter.)

The purchase price of milk has not changed in Poland since 1963.

Prices on the free market are formed without direct intervention by the State authorities.

B.I.3. Amount of producer subsidies

Milk producers in Poland do not receive any direct subsidy.

B.I.4. Average returns to producers

Table 4

Average Returns to Producers for Milk  
Obtained in Poland in 1965-1967

(in zloty per litre)

	From deliveries to co-operatives	Total <sup>1</sup>
1965	2.60	2.74
1966	2.60	2.74
1967 <sup>2</sup>	2.61	2.75

<sup>1</sup>I.e. from deliveries of milk to co-operatives, and from sales of milk and dairy products on the free market.

<sup>2</sup>Provisional data.

B.I.5. Method of determining returns for producers

In addition to the receipts mentioned above, a producer who is a member of a co-operative is paid a share of its profits proportional to the quantity of milk he has delivered to it but not exceeding Zl 0.10 per litre. He does not receive any other part of its income.

B.II. Measures at the frontier

In Poland there are none of the obstacles mentioned in this paragraph of the questionnaire.

C. Consumption and internal prices

C.1. Statistical data on consumption

C.2. Trends in consumption and estimates for 1970

Poland is a large consumer of milk and dairy products as can be seen from Table 5 below.

Table 5

Consumption of Milk and Dairy Products in Poland

	(litres per head)			
	1965	1966	1967	1970 <sup>1</sup>
Milk, and products in milk equivalent	355	373	382	392
including -				
milk and products, except milk for butter	233	246	248	253
butter (kg.)	5.0	5.3	5.7	5.9

<sup>1</sup>Forecast.

The growing tendency to consume different dairy products is illustrated by the production data given in Table 1 in section A.2.

C.3. Retail and wholesale prices

The retail prices of the chief dairy products and the commercial margins applied in co-operative trade (i.e. in government and co-operative shops) and mandatory in Poland since 1963 are given in Table 6 below. These prices are not seasonally adjusted.

Table 6

Retail Prices of Principal Dairy Products  
and Commercial Margin in Co-operative Trade in Poland  
(in force since 15 September 1963)

	Unit	Fat content (per cent)	Price (zloty)	Margin (zloty)
Milk (in bulk)	1 litre	2.0	2.70	0.15
Milk (bottles)	1 litre	2.0	2.90	0.08
Milk (bottled, delivered to dwelling)	1 litre	2.0	3.30	0.08 + Zl 0.40 to carrier for delivery
Milk (in bulk)	1 litre	3.2	3.30	0.25
Butter, selected, wrapped <sup>1</sup>	1 kg.	83.0	64	7%
Butter, extra, wrapped	1 kg.	83.0	70	7%
Butter, luxury, wrapped	1 kg.	83.0	75	7%
Butter, cooking, in bulk	1 kg.	83.0	50	7%
Sour cream, homogenized in bulk	1 kg.	18.0	21	10%
Curd cheese ( <u>twarog</u> ) fat, in bulk	1 kg.	42.0	28	10%
Curd cheese, medium, in bulk	1 kg.	30.0	23	10%
Curd cheese, lean, in bulk	1 kg.		12	10%
Tilsit cheese, in bulk	1 kg.	40.0	42	10%
Whole dried milk, wrapped	1 kg.	25.0	38	8%
Condensed milk, unsweetened in tins	1 kg.	7.5	22.50	8%

<sup>1</sup>The quality of butter of different prices is laid down by the tasters' guilds.

Wholesale prices are calculated by subtraction from the retail prices of the margins indicated, which, as the other columns of the table above show, differ for various kinds of products.

C.4. Factors which condition the evolution of internal consumption

Consumption of liquid milk in Poland, already at a high level, varies relatively little. Further rise in the output of milk therefore depends upon a rise in the output of other products, the demand for which is more elastic, e.g. cheeses, condensed and dried milk, milk drinks and ice cream; also upon the development of the commercial system and on transport in refrigerating equipment.

C.5. Policies and measures affecting consumption

The high consumption of liquid milk, which is acknowledged to be one of the items in most demand, is connected with the consumer subsidy. The subsidy paid for milk of the categories mentioned in the first three lines of Table 6 is Zl 0.35 per litre, i.e. between 14 per cent and 10.6 per cent, according to the packaging and form of delivery of the corresponding retail prices.

Persons working under difficult conditions receive certain quantities of milk during working hours at the expense of their undertaking; and children of needy parents receive them during school hours at the expense of the parents' committees.

In order to encourage consumption of other dairy products, their variety has been enlarged and their presentation improved.

D. International trade and prices

D.1. Statistical data of quantities and values of Polish exports and imports of selected dairy products, by main destinations of sale and purchase, are set out in Tables 7 and 8.

Table 7

Exports of Selected Dairy Products from Poland 1965-1967  
by Main Destinations

	1965		1966		1967	
	Quantity (tons)	Value ('000 f.o.b.)	Quantity (tons)	Value ('000 f.o.b.)	Quantity (tons)	Value ('000 f.o.b.)
<u>Butter</u>						
Total	18,340	14,891	19,262	14,394	23,394	15,186
including:						
United Kingdom	17,893	14,555	17,997	12,123	19,864	13,692
Belgium	-	-	499	199	2,057	808
Italy	36	36	53	35	84	52
Morocco	116	97	593	300	195	84
Iran	158	137	-	-	95	44
Syria	92	81	48	38	45	10
<u>Hard cheeses</u>						
Total	986	516	1,751	845	2,258	1,148
including:						
Austria	197	97	10	4	-	-
Germany, F.R.			-	-	48	92
Italy	246	125	432	196	431	192
United Kingdom	149	71	360	167	500	243
United Arab Republic	200	128	183	116	231	96
United States	8	4	618	313	925	473
<u>Dried whole milk</u>						
Total	1,975	1,019	1,998	919	2,270	1,022
including:						
Greece	530	297	715	318	660	290
Italy	100	42	12	5	-	-
India	452	283	-	-	35	23
Lebanon	260	119	410	186	625	260
Syria	260	472	633	289	419	195
<u>Dried skim milk</u>						
Total	-	-	1,062	462	415	155
including:						
India	-	-	1,062	462	252	114
Lebanon	-	-	-	-	135	33

Table 8

Imports of Selected Dairy Products into Poland in 1965-1967  
by Origin

	1965		1966		1967	
	Quantity (tons)	Value (\$'000 f.o.b.)	Quantity (tons)	Value (\$'000 f.o.b.)	Quantity (tons)	Value (\$'000 f.o.b.)
<u>Butter</u>						
Total	2,408	2,117	-	-	2,964	2,705
including:						
USSR	902	811	-	-	2,964	2,705
United States	1,506	1,306	-	-	-	-
<u>Dried skim milk</u>						
Total	-	-	998	260	200	67
including:						
Austria	-	-	-	-	200	67
Finland	-	-	998	260	-	-
<u>Hard cheeses</u>						
Total	441	279	904	593	447	316
including:						
Switzerland	-	-	10	17	15	17
USSR	441	279	860	555	462	299

Poland is a relatively small exporter of butter considering its milk output. Its butter exports show no tendency to increase, because of the low price level and the chaotic market conditions on international markets.

Because Poland has no long-term storage facilities, in some years it is an importer of butter to meet its domestic needs. It is always, however, a net exporter.

D.2. Levels of export prices prevailing in various markets; levels of import prices

Table 9 below shows prices of Polish butter on Poland's chief market - the United Kingdom. In 1965-1967 about 90 per cent of its total butter export went to that market. Its exports to the United Kingdom are based on a quota agreement.

Table 9

Monthly Price Quotations for Polish Butter on the London Market  
(London Butter Exchange) 1965-1967  
(in pounds sterling per ton, ex dockside)

Month	1965	1966	1967
January	375	301	305
February	353	297	305
March	346	289	303
April	340	289	292
May	326	290	291
June	319	288	280
July	300	284	281
August	305	289	287
September	297	298	292
October	304	-	297
November	349	-	300
December	314	-	305

D.3. Export aid measures and policies

- (a) There are no export subsidies in Poland.
- (b) Since Poland has no long-term storage facilities, it does not need a stock management policy.
- (c) Poland has not concluded any foreign non-commercial transactions in dairy products, nor granted sales credits.

D.4. Bilateral agreements affecting imports or exports

Apart from the present agreement giving Poland access to the British butter market, Poland is not party to any agreement affecting imports or exports of dairy products.