

GENERAL AGREEMENT ON TARIFFS AND TRADE

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NORWAY

Information Supplied in Respect of Grains

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A.3. Statistical data on carry-over stocks and stockpiles

A.4. Factors which affect production

Due to climatic conditions Norwegian crop yields are relatively low as compared with other European countries. Increased and improved use of fertilizers will probably lead to increased yields in the future.

A.5. Policies and measures of governments or other bodies likely to influence production other than those listed under B

B. PROTECTION AND SUPPORT MEASURES AND POLICIES

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

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

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B.I.3. Amount of producer subsidies

The prices paid to producers for grains are fixed by the Parliament pursuant to the price negotiations between the Government and the producers' organizations. Both farm income and regulations on agricultural production are considered by the settlement of grain prices. Prices paid to producers for grains in recent years have been considerably higher than world market prices.

In the 1966/68 Agricultural Agreement, which covers the period 1 July 1966 to 30 June 1968 the basic grain prices to producers are settled as follows (food quality):

	<u>Wheat</u>	<u>Rye</u>	<u>Barley</u>	<u>Oats</u>		<u>Wheat</u>	<u>Rye</u>	<u>Barley</u>	<u>Oats</u>
	(NKr/100 Kg.)					(US\$/metric ton)			
1967/68	112	105	85	78		156.86	147.06	119.05	109.24

The Cereal Monopoly, administered by the Norwegian Grain Corporation, controls the handling of grains. The Monopoly must purchase all home-produced wheat, rye, barley and oats at fixed prices, offered for sale. The Monopoly's purchasing prices are above world market levels. As the prices paid to farmers for home-produced cereals exceed those of imported cereals, the difference is met by allocations from the Treasury. The grain must be up to a certain minimum standard. Producers prices refer to a specified quality and are, in principle, uniform all over the country. They do not vary during the year.

The Feed Concentrates Monopoly, which is also administered by Norwegian Grain Corporation, buys all domestically-produced coarse grains from the Cereal Monopoly, at world market prices. The losses of the Cereal Monopoly on this operation are met by allocations from the State. A special fund, the Feed Concentrate Fund, was established

in connexion with the 1956 agreement. In accordance with the terms of the present Agricultural Agreement, the prices of the Feed Concentrates Monopoly include a levy on all feeding stuffs (either) from domestic production or from imports), and the revenue obtained from this levy is paid into the Feed Concentrate Fund. The Fund is used for the regulation of production and marketing of animal products, and the financing of the price reduction scheme for feed concentrates.

With a view to diminishing production costs and stimulating yields, the State subsidizes users of fertilizers and indigenous seed cultivation; grants are made for research and for land improvement schemes; favourable credit facilities are provided for the purchase of farm machinery and the general tax on petrol is, within certain quantitative limitations, reimbursed for farm use.

The State covers part of the costs to encourage settlement schemes, enlargement of existing farms by clearing new land and improvement of the actual area by ditching and draining.

B.I.4. Average returns to producers

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

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B.II. Measures at the frontier

All imports of wheat, rye, barley, oats, and milled products thereof, as well as feeding stuffs, including protein feeds, are made by the Norwegian Grain Corporation, and, therefore, are not subject to licensing or quota. There are no mixing regulations for imported or domestic grains or flour. For these products there are no customs duties.

C. CONSUMPTION AND INTERNAL PRICES

C.1. Statistical data on consumption

Human consumption of grains and flour in 1967 was 269,000 tons as against 273,000 tons in 1966. Per capita consumption has been decreasing for several years and has in the last three years been as follows:

1965	74.3	kilograms
1966	73.0	"
1967	71.2	"

Decreasing per capita consumption is partly offset by population increase.

Consumption of grains for feed has been increasing. The figures for the last three years are as follows:

1965:	654,000	tons
1966:	686,000	tons
1967:	764,000	tons

C.2. Trends in consumption and estimates for 1970

C.3. Retail and wholesale prices on major internal markets

The domestic flour price in Norway is based on the level of import prices for bread grains. The domestic production of bread grains covers from 1 to 5 per cent of total demand depending on the harvesting situation, and, as the prices paid to Norwegian farmers are higher than world market prices the difference is made up by the State.

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

C.5. Policies and measures affecting consumption

To stimulate grain consumption in the growing districts, producers also receive bonuses for cereals consumed or fed on their farms. The bonuses cover the difference between the producer price of coarse grains and the farm gate price of purchased feeding stuffs having the same feeding value. Payments are made to producers via the local mills. In 1967 about Nkr 37 million (US\$5.2 million) is paid as bonuses for cereals consumed or fed on farms.

D. INTERNATIONAL TRADE AND PRICES

D.1. Statistical data on the volume of imports and exports

Imports of grains during the last three years have been as follows:

	(metric tons)		
	<u>1965</u>	<u>1966</u>	<u>1967</u>
Wheat	361,000	386,000	374,000
Rye	38,000	50,000	29,000
Barley	39,000	49,000	89,000
Oats	14,000	11,000	10,000

D.2. Levels of export prices prevailing in various markets

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D.3. Export aid measures and policies

Exports of grains are negligible and no subsidy or assistance is paid on exports of grains or grain products.

D.4. Description of bilateral agreements affecting imports or exports

Norway has no bilateral agreements affecting imports and exports of grains.

A. PRODUCTION: PRODUCTION MEASURES AND POLICIESA.1. Statistical data on total volume of production

A.2. Trends in production and estimates for 1970

Total area of grain production in 1967 amounted to 228,500 ha. or 23 per cent of total farm land. The area used for grain production has been decreasing since 1964 and it is likely that this trend will continue. The predominant crop is barley and most of the cereals produced in Norway are used for animal feed. In 1967 about 36 per cent of consumption of carbohydrate was covered by home production. The production of cereals represents about 8 per cent of total gross income in agriculture.

Acreage of grains in hectares

	1965	1966	1967	1970
Wheat	4,243	1,761	3,293	3,000
Rye	638	329	707	600
Barley	188,998	188,935	178,648	190,000
Oats	45,570	41,227	45,044	30,000

Yields (Tons per hectare)

	1965	1966	1967	1970
Wheat	2,780	2,350	2,940	2,820
Rye	2,540	2,210	2,900	2,580
Barley	2,570	2,160	2,760	2,570
Oats	2,490	2,220	2,700	2,520

Grain production (Metric tons)

	1965	1966	1967	1970
Wheat	11,800	4,100	9,700	8,460
Rye	1,600	100	2,000	1,548
Barley	484,900	405,100	493,400	488,300
Oats	113,300	91,400	121,500	75,600