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(24-2670)

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Committee on Agriculture

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NOTIFICATION

The following submission, dated 21 March 2024, is being circulated at the request of the delegation of **Iceland**. The notification concerns domestic support commitments (**Table DS:1** and the relevant supporting tables) for the **Calendar Year 2021**.

Table DS:1 and the relevant supporting tables of the notification contain information and AMS calculations **with inflation adjustment**. The corresponding data and calculations **without inflation adjustment** can be found in the notes to the relevant tables.

Table DS:1

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Current Total Aggregate Measurement of Support

Total AMS commitment level	Currency	Current Total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
130.1		107.5*

* Current Total AMS **without inflation adjustment** equals 119.6 million SDR. (See Supporting Table DS:4).

General notes:

1 SDR = ISK 52.1100 (AVG exchange rate for 1988).

1 SDR = ISK 180.9200 (AVG exchange rate for 2021).

Supporting Table DS:1
DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Measures exempt from the reduction commitment - "Green Box"

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value ISK, million	Data Sources	Note
1	2	3	4	
2. General Services				
2 (a). Research	Research of vegetation resources, genetic resources and forestry	41	Central Government Accounts	
	Subtotal:	41		
2 (b). Pest and disease control	Compensation Fund	8	Central Government Accounts	
	Subtotal:	8		
2 (d). Extension and advisory services	Bovine animal breeding and development programs	251	Central Government Accounts	
	Advisory services; organic advisory services; forestry programs	459	Central Government Accounts	
	R & D projects in horticulture, sheep and cattle farming	110	Central Government Accounts	
	Agricultural statistics and econometrics	7	Central Government Accounts	
	Fertilizer advisory project	50	Central Government Accounts	(1)
	Subtotal:	877		
2 (e). Inspection services	Food and Veterinary Authority of Iceland	1,366	Central Government Accounts	
	Subtotal:	1,366		
2 (f). Marketing and promotion services	Production balance program	108	Central Government Accounts	
	Higher-value sheep products marketing program	107	Central Government Accounts	
	Subtotal:	215		
2 (h). Other general services	Various appropriations to agriculture	282	Central Government Accounts	
	Subtotal:	282		
	Subtotal General Services	2,789		
6. Decoupled income support	Decoupled income support for sheep farmers	2,461	Central Government Accounts	
	Subtotal:	2,461		

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value ISK, million	Data Sources	Note
1	2	3	4	
8. Payments for relief from natural disasters	Prevention of animal diseases	123	Central Government Accounts	
	Subtotal:	123		
11. Structural adjustment assistance provided through investment aids	Cattle breeding program; investment	188	Central Government Accounts	
	Investment aid for farmers	322	Central Government Accounts	
	Recruitment program	138	Central Government Accounts	
	Subtotal:	648		
12. Environmental programmes	Carbon neutrality in horticulture	15	Central Government Accounts	
	Subtotal:	15		
13. Regional assistance programmes	Regional support to sheep farmers	157	Central Government Accounts	
	Subtotal:	157		
Grand Total Green Box		6,193		

Note:

- (1) Non-recurring support payments and general support were a part of a support package which was intended to meet difficult market conditions due to effects of COVID-19 and fertilizer price increases.

Supporting Table DS:3

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Measures exempt from the reduction commitment – Direct Payments under Production-Limiting Programmes – "Exempt Direct Payments"

Measure Type	Name and description of measure with reference to criteria in Article 6.5	Monetary value ISK, million	Data Sources	Note
1	2	3	4	
(a) Payments based on fixed area and yields	Family farm and regional support	211	Central Government Accounts	
	Land cultivation and farmland payments	829	Central Government Accounts	
	Green house farming payments	38	Central Government Accounts	
	Non-recurring additional land cultivation and farmland payments	650	Central Government Accounts	(1)
	Subtotal:	1,728		
(c) Livestock payments made on a fixed number of head	Dairy and beef cattle	1,760	Central Government Accounts	
	Goat	16	Central Government Accounts	
	Subtotal:	1,776		
Grand Total Development Programmes		3,504		

Note:

- (1) Non-recurring support payments and general support were a part of a support package which was intended to meet difficult market conditions due to effects of COVID-19 and fertilizer price increases.

Supporting Table DS:4

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product specific AMS)	Product specific AMS (from ST DS:5 to DS:7)	Product-specific EMS (from ST DS:8)	Total (2 + 3)	Value of production	Support as a % of value of production	Current Total AMS	Note
	ISK, million	ISK, million	ISK, million	ISK, million		ISK, million	
1	2	3				4	
Milk	15,403.3		15,403.3	21,384	72.0%	15,403.3	(1)
Beef	431		431	3,616	11.9%	431	
Horticulture	687		687	5,946	11.6%	687	
Sheep	2,925		2,925	9,220	31.7%	2,925	
Non-product-specific AMS(from ST/DS:9)							
TOTAL						19,446.3	

General notes:

Current Total AMS in **SDR (million)** equals 107.5 (1 SDR = ISK 180.9200 (AVG exchange rate for 2021)).

Notes:

(1) The support for Milk **without inflation adjustment** equals ISK 17,572.7 million. This amount represents 82% of the Value of Production of milk (2021). Taking into account the support provided to Milk **without inflation adjustment**, the Current Total AMS for the year 2021 would amount to ISK 21,615.7 million. Current Total AMS **without inflation adjustment** in SDR (million) equals 119.5 (1 SDR = ISK 180.9200 (AVG exchange rate for 2021)). (See Supporting Table DS:5 for calculation details on inflation adjustment).

Supporting Table DS:5

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Reporting Year			Measure Types	Applied administered price	External reference price (generally from AGST)	Eligible production	Associated fees / levies	Total market price support ((4-5)*6)-7	Data Sources	Note
	Type	From	To								
					ISK	ISK		ISK, million	ISK, million		
1	2			3	4	5	6	7	8	9	
Milk	CY	01-01-21	31-12-21	Market price support	98/Kilogram	22/Kilogram	140,504 thousand Kilograms	0	10,678.3	Statistics Iceland, Ministry of Food, Agriculture and Fisheries	(1)
Total Milk									10,678.3		

General note:

- (1) No market price support was provided to sheepmeat, beef, horsemeat, pigmeat, poultrymeat and eggs.
 (2) 1 SDR = ISK 52.1100 (AVG exchange rate for 1988); 1 SDR = ISK 180.9200 (AVG exchange rate for 2021).

Note:

- (1) The External Reference Price (ERP) **without inflation adjustment** corresponds to 6.30 ISK/Kilogram. The Market Price Support value resulting from applying the Annex 3 formula of the Agreement on Agriculture taking into account the unadjusted ERP value corresponds to ISK 12,848 million (i.e., (97.74 ISK/Kilogram – 6.30 ISK/Kilogram)*140,503.9 tonnes).

Supporting Table DS:6

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic products	Reporting Year			Measure Types	Applied administered price	External reference price (generally from AGST)	Eligible production	Total price related direct payments ((4-5)*6)	Other non exempt direct payments	Associated fees / levies	Total direct payment (7+8-9)	Data Sources	Note
	Type	From	To										
1	2			3	4	5	6	7	8	9	10	11	
Beef	CY	01-01-21	31-12-21	Direct payments; quality premiums					188	0	188	Central Government Accounts	
Beef	CY	01-01-21	31-12-21	Non-recurring additional direct payments; quality premiums					243	0	243	Central Government Accounts	(1)
Total Beef											431		
Horticulture	CY	01-01-21	31-12-21	Direct payments; cucumbers, bell peppers and tomatoes					302	0	302	Central Government Accounts	
Horticulture	CY	01-01-21	31-12-21	Electricity subsidies					385	0	385	Central Government Accounts	
Total Horticulture											687		
Milk	CY	01-01-21	31-12-21	Direct payments					4725	0	4,725	Central Government Accounts	
Total Milk											4,725		
Wool	CY	01-01-21	31-12-21	Direct payments; wool					475	0	475	Central Government Accounts	
Sheep	CY	01-01-21	31-12-21	Direct payments; quality control scheme					1823	0	1,823	Central Government Accounts	

Description of basic products	Reporting Year			Measure Types	Applied administered price	External reference price (generally from AGST)	Eligible production	Total price related direct payments ((4-5)*6)	Other non exempt direct payments	Associated fees / levies	Total direct payment (7+8-9)	Data Sources	Note
	Type	From	To										
1	2			3	4	5	6	7	8	9	10	11	
Wool	CY	01-01-21	31-12-21	Non-recurring additional direct payments					65	0	65	Central Government Accounts	(1)
Sheep	CY	01-01-21	31-12-21	Non-recurring additional direct payments; quality control scheme					562	0	562	Central Government Accounts	(1)
Total Sheep											2,925		

Notes:

- (1) Non-recurring support payments and general support were a part of a support package which was intended to meet difficult market conditions due to effects of COVID-19 and fertilizer price increases.

Supporting Table DS:7

DOMESTIC SUPPORT: ICELAND

REPORTING PERIOD: CALENDAR YEAR 2021

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic products	Reporting Year			Measure Types	Other product-specific budgetary outlays	Other product-specific support (with calculation details)	Associated fees / levies	Total other product-specific support (4+5-6)	Market price support (from ST DS:5)	Non-exempt direct payments (from ST DS:6)	Total AMS (7+8+9)	Data Sources	Note
	Type	From	To										
					ISK, million	ISK, million		ISK, million	ISK, million	ISK, million	ISK, million		
1	2			3	4	5	6	7	8	9	10	11	
Total Milk									10,678.3	4,725	15,403.3		
Total Beef										431	431		
Total Horticulture										687	687		
Total Sheep										2,925	2,925		

General notes:

- (1) Taking into account the Market Price Support value **without inflation adjustment** for Milk (ISK 12,847.7 million), the Total AMS for Milk under column 10 would read ISK 17,572.7 million.