COMMITTEE II - Expansion of Trade

DRAFT DOCUMENTATION FOR FUTURE WORK OF COMMITTEE II

Dairy Products

Contracting parties concerned are requested to make their comments or amendments available to the secretariat as soon as possible and not later than 1 February 1961.
Czechoslovakia
India

**Income and Price Support**

<table>
<thead>
<tr>
<th>Income and Price Support</th>
<th>Other forms of Income and Price Support</th>
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</thead>
<tbody>
<tr>
<td>(1) Production Subsidy</td>
<td>(2) Consumer Subsidy</td>
<td>(3) Financin of Loans</td>
<td>(4) Indirect Allo</td>
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<td>(5) Surplus Disposal</td>
<td>(6) Quantitative Restrictions</td>
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<td>(9) State Subsidy</td>
<td>(10) Other Non-tariff Devices and Remarks</td>
<td>(11) GATT Tariff Bindings</td>
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</table>

**Notes:**

1. Imports of dairy products are now restricted to infant milk and acid milk powders. The latter especially for the preparation of toned milk under the Government milk Scheme.
2. licences for imports are granted in accordance with the Import Policy declared by the Government from time to time.
3. From the second half of 1957, there has been no import of butter, the entire demand being met by domestic production by newly-established creameries and distilleries, both in public and private sectors.
4. Measures for increasing the production of eggs will also be intensified through dairy development programmes under the Third Plan.

**India**

- 1. Under the Second 5-Year Plan about 50 projects have been taken up relating to city milk plants, rural creameries and milk product factories. Colonies of cattle are also being set up at Calcutta and Madras. The capital outlay on all the projects is estimated at Rs.20 crores.
- 2. The development work will be further extended during the Third Plan period. Supplies of milk to all the projects are being organized in the villages through co-operatives and collection/authorizing centers. Extension services will be established for assisting the village producers in improving cattle and milk production. A Milk Board will also be set up for the working of the projects and overall control of the dairy trade.
- 3. Measures for increasing the production of eggs will also be intensified through dairy development programmes under the Third Plan.

**Yugoslavia**

- Producer and selling prices are determined and guaranteed by the Government.
- The volume and types of imports and exports of dairy products are governed by the State Plan of Foreign Trade which is part of the overall State Economic Plan. Imports and exports of dairy products are carried out exclusively through UNICOP, a foreign trade corporation, and UNICORP, a co-operative enterprise set up for trading with co-operative organizations abroad.

**Notes:**

1. In order to contribute to increased production, a subsidy is granted for agricultural requisites.
2. Active assistance is given by the Government by means of grants of money for the purpose of financing certain approved community projects.
3. Government also provides assistance in the field of investment.
4. To stimulate milk consumption, the production is to be increased, consumer cost lowered, and marketing properly organized.
5. It is proposed to raise egg production to 5,000 millions by the end of the Third Plan period.
6. Assistance is being taken under sectoral aid programmes from TCM, Colombo Plan, UNICEF and FAO.
### DAIRY PRODUCTS (cont.)

<table>
<thead>
<tr>
<th>Cambodia</th>
<th>Greece</th>
<th>Yugoslavia</th>
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<td>COM.11/40(n)</td>
<td>COM.11/87</td>
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<td><strong>Greece</strong></td>
<td>Minimum prices for dairy products are supported by the Government.</td>
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<td><strong>Yugoslavia</strong></td>
<td>See Column (11) Note: Price formation in respect of milk and dairy products is in the general framework of foreign exchange allocations. Any losses which might be incurred by dairy enterprises as a result of the application of such measures are covered, to a varying extent, through budget appropriations.</td>
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**Notes:**
- All imports are subject to licensing. **Cambodia**: milk imports are permitted under 1960 import plan.
- Co-operatives have been established to process milk and cheese.

**Imports of dairy products are restricted within the general framework of foreign exchange allocations.**
- **Imports of condensed milk, butter and melted butter are restricted since these products are in short supply.**

### Yugoslavia

- **Imports of dairy products are restricted within the general framework of foreign exchange allocations.**
- **Imports of condensed milk, butter and melted butter are restricted since these products are in short supply.**

**Note:**
- In order to encourage efficient farming methods and to stabilize the price of farming equipment and supplies, the Government to organized agricultural undertakings.
- In certain instances the Central Investment Fund makes available to agricultural undertakings credits at favourable terms.

**Notes:**
- In order to equalize differences between foreign and internal prices Yugoslavia has so far maintained a system of multiple exchange rates. The exchange system is scheduled to be revised in 1961 and multiple exchange rates are scheduled to be discontinued.
### Dairy Products (cont.)

<table>
<thead>
<tr>
<th>Income and Price Support</th>
<th>Aids to Export</th>
<th>Quantitative Restrictions</th>
<th>State Trading</th>
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<td><strong>Other Forms of Income</strong></td>
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#### Israel

- **Milk:**
  - Production is subsidized in order to ensure the supply of cheap fresh fluid milk to the population and to cover the differences between production costs and the proceeds from the sale of cream, butter and cheese.
  - The amounts of subsidies are as follows:
    1. 1.5 agoroth per litre for bottled fluid milk.
    2. 2.5 agoroth per litre for unbottled fluid milk.
    3. 6 agoroth per litre for milk destined for processing.
    4. An additional 1 agoroth per litre is paid to newly-established farmers.

  **Note:** Guarantined Price Schemes are operated in close co-operation with the Production and Marketing Boards. Insofar as the cost of these schemes are not covered by sales proceeds, they are financed from budgetary allocation by the Government, receipts of Equalization Funds and contributions by the producers themselves.

#### Ghana

- **Milk:**
  - A guaranteed price of 28 agoroth per litre for established farms and 29 agoroth per litre for new farms.

- **Eggs:**
  - The guaranteed price is calculated on the basis of an added value of 60%. The Egg and Poultry Production and Marketing Production Board supports the wholesale prices for domestic consumption at the same level as for export.

#### Tunisia

- **Milk:**
  - Subject to non-discriminatory quantitative restrictions.
Dairy Products (Cont.)

Turkey

Note: Co-operatives pay a minimum price to the farmers, based on the amount delivered; the price is established before the marketing season and is below free market quotations. After the marketing season the farmer receives an additional payment of the difference between the minimum price and the average price realized on the market. Credits from the Agricultural bank are at the disposal of the co-operatives for the advance payment to the farmers before the marketing season.

Note: Maximum retail selling prices are fixed by the Government.

Brazil

Milk: The Federal Commission on Food Supply and Prices has a permanent scheme for the regions that supply the large urban centres. The agency does not purchase the product but has discretion over power for establishing a minimum price to producers and a maximum price to consumers. The producer price is fixed to protect the producers but the objective has been only to assure that they receive what is considered to be a fair share of what the consumers pay.

Processed milk products: The prices of these products are not subject to permanent control. Only in adverse situations does the Federal Commission interfere in the prices.

Note: Maximum prices to consumers may be established by the Government.

1. Import licences are required for dairy products, but the system is not used to limit or impede imports.
2. Milk products are placed in a special category with a higher exchange rate because domestic production is sufficient to cover domestic consumption.

A part of exchange rate has been incorporated into the tariff in line with the Government policy to move in the direction of a single rate of exchange.

Credit facilities: The Bank of Brazil offers regular short and medium term credits for the expenses of farm operation at more favourable rates of interest than usual in commercial business. A few other financial institutions also operate mainly in short term credits.