CONSULTATIONS ON AGRICULTURAL POLICIES

NORWAY

Addendum

Attached for the information of the Committee is the Norwegian Agricultural Agreement for 1 July 1958 to 30 June 1961.
AGRICULTURAL AGREEMENT FOR THE PERIOD 1 JULY 1958 TO 30 JUNE 1961

Article 1

Milk and Milk Products

A. Maximum prices

1. The actual maximum prices by sale to dealers shall continue to be valid with the following changes:

   For liquid milk for domestic use the price is to be raised by 8,0 öre/l                   8,0 öre/l
   For liquid milk for other use the price is to be raised by 8,0 öre/l                     8,0 öre/l
   For skimmed milk the price is to be raised by 4,5 öre/l                                  4,5 öre/l
   For milk for condensing the price is to be raised by 8,0 öre/l                          8,0 öre/l
   For cheese, including farm and mountain farm cheese, the price is to be raised by 50,0 öre/l on an average

   For sales other than those mentioned, the maximum prices for milk and the mentioned milk products are to be raised in accordance with the above-mentioned increases.

2. The Price Authorities shall fix maximum prices to dealers for milk and milk products upon consultations with the Norwegian Milk Producers' Association. This also concerns the fixing of prices for sale from dealer to consumer.

3. The price increases are to be introduced according to more detailed rules by the ministry concerned, at the latest by 1 September 1958.

B. Marketing measures

   During the agreement period the annual amounts mentioned in Article 9 may be used from the Feed Fund, in order to obtain the agreed minimum prices for milk products.

   It is to be understood that attempts will be made to market in other ways those quantities which cannot be sold on the internal markets at the maximum prices laid down in the agreement, losses incurred hereby may be covered by levies imposed on concentrated feeds.
For butter export the subsidies will be limited to the amount needed to maintain a net f.o.b. price of 7.50 kroner per kg. For cheese export the same subsidies as those given for butter export, are to be given per litre of milk used for this production.

Calculations of the necessary subsidies according to this Agreement will be made by the Institute of Dairy Economics at the Norwegian College of Agriculture.

C. Subsidy arrangements

1. The Committee established by the Ministry of Agriculture for Revision of the rules concerning special subsidies for the fjord and mountain areas, will take final decisions on new applications for the ordinary and extraordinary fjord and mountain subsidies.

2. Transport subsidies for milk will be maintained. For this purpose 10 million kroner per year are to be used out of the Feed Fund (cp. Article 9). The rules will be laid down annually by the Ministry of Agriculture in consultation with the Norwegian Milk Producers' Association.

3. If, during the agreement period, changes are made as to the State subsidies given for the reduction of consumer prices of milk and milk products - at the time being 8,2 øre per litre - liquid milk and 1,35 kroner per kg. on an average for cheese - the maximum prices should be altered accordingly.

4. The other subsidy arrangements within the milk sector are to be maintained without alterations.

Article 2

Meat, Pork, Eggs and Poultry Meat

A. The following price limits are to be fixed for representative commodities within the different commodity groups.

1. Cattle meat
   - Beef, class I: 6,25 kr./kg.  
   - Cow, class I: 5,50 kr.  
   - Heifer, class I: 5,80 kr.  
   - Calf, class I: 8,00 kr.  
   - Calf, class IV: 6,50 kr.  

2. Mutton and lamb meat
   - Lamb, class I: 6,70 kr. (except fresh lamb meat during the period 1 July/1 September and suckerlambs)

3. Pork
   - Pig, class I: 5,50 kr.

4. Eggs and poultry meat
   - Eggs, class A over 50 gram: 5,50 kr. Average price plus 15%
B. The agricultural organizations will undertake through market regulations and price quotations to maintain the average prices of the different commodities for the year (1 July/30 June) - equivalent to or below the agreed average prices. For the other qualities and commodities the prices are to be set in relation to the prices of the representative commodities that, according to the prevailing market conditions, is reasonable and traditional.

C. When prices of one or more of the representative commodities within a commodity group are quoted above the upper price limit for two consecutive weeks, free import of all commodities within the group will be allowed. Import regulations are to be reintroduced when the weekly quotations again are equal to or below the upper price limit. Goods ordered in periods of free import are supposed to be cleared within a week after the free import has been suspended. The price basis is to be the wholesale quotation at the Norwegian Meat and Pork Central and at the Norwegian Egg Centrals. The average price for the year is to be weighed according to the weekly supplies to the district centrals.

The Ministry of Agriculture may, in consultation with the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union, give permission to quantitatively regulated import when conditions for free import are not existent and the Ministry finds that imports are necessary in order to get a reasonable supply of the commodities concerned.

D. The upper price limit may be fixed as a maximum price. For commodities and qualities other than the representative ones, maximum prices may be fixed at a level which corresponds to the prices fixed for the latter.

E. The import regulations will be introduced pursuant to the law of 22 June 1934, on the provisional prohibition of import, etc.

F. During the agreement period the amounts originating from the Feed Fund as mentioned in Article 9, may be used to stabilize the markets for meat, pork, eggs and poultry meat.

G. The transport subsidy scheme for slaughterhouse products is to be maintained. To this end 10 million kroner may yearly be used out of feed levy means (of Article 9).

Article 3

The Wool Fund

The wool insurance scheme will be maintained in conformity with "rules governing the utilization of means to support the wool price and the marketing of Norwegian wool".

The Fund will be supplied with 9 million kroner per year from the Feed Fund. Unused means will be deposited at interest in the treasury.
Potatoes, Fruits, Berries, Vegetables, Live Plants and Plant Parts

A. Pursuant to the law of 22 June 1934, regarding provisional prohibition of imports, etc., the Ministry for Agriculture is authorized to take decisions on prohibition of imports of potatoes and those fruits, berries, vegetables, live plants and plant parts which the Working Committee for the Elucidation of a Future Import System for Fruits, Berries, etc. has proposed to be subject to import regulation in its report of 3 June 1957. The Import Council will make proposals as to the extent of the import prohibition.

B. An Import Council is to be appointed with the following composition:

- The Ministry of Agriculture
- The Ministry of Wage and Price Affairs
- The Ministry of Family and Consumer Affairs
- The Ministry of Commerce
- The Norwegian Farmers' Union
- The Norwegian Farmers' and Smallholders' Union
- The Council for Gardening and Horticulture
- The Association of Agricultural Cooperatives
- The Cooperative Marketing Organization for Fruits and Vegetables
- The Consumers' Council
- The Consumers' Cooperative Union
- The Norwegian Fruits Wholesalers' Association
- The Norwegian Vegetable Wholesalers' Association

The members of the Council and their deputies will be appointed by the Ministry of Agriculture upon proposals from the institutions and organizations which are to be represented in the Council. The Ministry of Agriculture will lay down more detailed rules to govern the work of the Council.

The Chairman is to be appointed by the Ministry of Agriculture.

* These shall alternate when fruits or vegetables are dealt with respectively, and give the seat to a representative of the Flower Importers' Association in questions regarding imports of live plants and plant parts.
C. Imports of the various commodity groups shall be regulated during the following periods:

1. Greenhouse vegetables
   Tomatoes - 15 May to 30 November

2. Open land vegetables
   Carrots - 1 June to 31 May

3. Fruits
   Apples - 1 August to 31 March

4. Potatoes - 15 June to 15 June

For other products subject to import regulations within each of these commodity groups, and for live plants and plant parts, the length of the regulation period is to be fixed upon proposals from the Import Council.

D. As a basis for the evaluation of the price development, weekly normal prices and upper price limits for the established regulation periods are to be fixed for the most important commodities, upon proposals from the Import Council.

For each period the Import Council will use as a basis the average prices quoted by the Agricultural Price Reporting Office during the years 1955-57 for the quality grade Standard I of the representative commodities tomatoes, carrots, apples and potatoes with an addition of 8 per cent. This price is to be regarded as the normal price. The upper price limit is to be fixed at 12 per cent above the normal price. The evaluation of the price development for other commodities will be based on the same principles.

E. When the crop of the year deviates from a normal year, the Import Council will put forward proposals for the adjustment of the import regulation periods and the normal prices. The basis to be used is the budgeted crop of a normal year as worked out by the Budget Committee for the Agricultural Sector and the report on the crop situation from the Director for Agriculture.

F. When, during the regulation period, the price of a Norwegian commodity has been quoted above the upper price limit for two consecutive weeks, the importation of the commodity concerned will be free. When the price of the Norwegian commodity is equal to or below the upper price limit, the free import will be suspended again. Goods ordered in periods of free importation

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1 The grades to be taken as the basis for potatoes are those satisfying the rules laid down for table potatoes.
are supposed to be cleared within a week after the free importation has been suspended. The upper price limit may also be fixed as a maximum price.

The price quotations used as a basis will be the c.i.f. delivery Oslo of the commodity in question delivered in reasonable lots. The prices are to be quoted every Tuesday.

The Import Council will make proposals as to the size and time for the supplementary imports, which is at any time to be regarded necessary to meet the market demand to a reasonable extent, and with a view to the normal prices mentioned in Article 4, D.

The Import Council will also produce more detailed proposals concerning the distribution and marketing of the supplementary import.

Outside the regulation periods, imports will be free.

**Article 5**

**Import Arrangements**

1. At international conferences on the establishment of a European Free Trade Area, the Government will, as hitherto, advocate that agriculture should be placed in a special position which will provide for the maintenance of a reasonable protection for Norwegian agricultural products against competitive imports. This should preferably be done by obtaining recognition for import systems based on minimum price limits.

2. To the extent that nothing else has been provided for in this Agreement, the prevailing import arrangements will be maintained unchanged until the question of establishing a Free Trade Area is more clarified.

3. Before Norway adheres to an international convention establishing a Free Trade Area, the contracting parties of this Agreement should attempt to lay down the necessary alterations in accordance with Article 9 of the General Agreement.

(The General Agreement was signed in 1950 and provides the basis for all subsequent agricultural agreements.)

**Article 6**

**Grain Prices and Grain Support Scheme**

It is to be proposed to the Parliament that the State's basic purchasing prices for Norwegian grains will remain unchanged during the agreement period and that the grain support will be paid according to the rules and rates proposed by the Ministry of Agriculture's Committee on Concentrated Feed on 23 January 1958.
Article 7

The Concentrated Feed Scheme

The Concentrated Feed Scheme is to be maintained subject to the changes proposed by the Ministry of Agriculture's Committee on Concentrated Feed on 4 March 1958. The Concentrated Feed Scheme will be adjusted during the agreement period according to fluctuations or prices and production. This adjustment will be made jointly by the Ministry of Agriculture, the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union subsequent to advice given by the Committee on Concentrated Feed.

The transport subsidy scheme for concentrated feed is to be maintained.

Article 8

Fur Animals

Out of the means accruing from the levies on concentrated feed a certain amount is yearly to be transferred to the Norwegian Fur Breeders' Association. This amount will correspond to the levies on concentrated feed for fur animals with deduction of feed subsidies.

The amount is to be calculated by the Budget Committee for the Agricultural Sector, on the basis of the number of animals, feeding standards and average feed levies.

The means shall be used for advertising and educational activities to promote and secure the marketing of furs in the interest of the fur-breeding industry.

Article 9

Concentrated Feed Levy Means

A. It is to be proposed to the Parliament that out of the means accruing from the levies on concentrated feed the early amounts may be used as follows:

1. Marketing measures for milk and milk products (cf. Article 1,B) 40 million kroner.
   Measures to regulate the market for meat and pork (cf. Article 2,F) 9 million kroner.
   Measures to regulate the market for eggs and poultry (cf. Article 2,F) 4 million kroner.
To be shared among milk, meat, pork, eggs and poultry - 5 million kroner. The distribution will be made according to decisions by the Ministry of Agriculture, the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union.

The means are to be administered by the Board of the Feed Fund (cf. Article 10) in accordance with the rules laid down in this Agreement (Article 1, B and 2) and may inter alia be used for the same purposes as the marketing levy. (Cf. the report Agricultural Policies in Europe and North America. First Report of the Ministerial Committee for Agriculture and Food, May 1956, Chapter on Norway, paragraph 24, page 172: Marketing levies).

The means are to be placed at the disposal of the same marketing organizations which receive the means from the marketing levy. The Board of the Feed Fund shall apply the same procedure for the feed levy means as the one which has been or will be laid down for the marketing levy.

Means which are unused at the end of the year, may be used in addition to the above-mentioned means for the purposes agreed upon during the subsequent years.

2. For the financing of the transport subsidy scheme for milk (cf. Article 1, C and 2) 10 million kroner.

For the financing of the transport subsidy scheme for slaughter-house products (cf. Article 2, G) 10 million kroner.

Means which are unused at the end of the year, may be used in addition to the above-mentioned means for the purposes agreed upon during the subsequent years.

The means are to be administered by the Board of the Feed Fund (cf. Article 10) in accordance with the rules laid down in this Agreement (cf. Article 1, C, 2 and 2, G).

3. For the transfer to the Wool Fund (cf. Article 3), 9 million kroner.

4. For the refund scheme for fur animals, the amount calculated by the Budget Committee (cf. Article 8). The means are to be transferred to the Norwegian Fur Breeders' Association.

B. A committee is to be established, which shall report on the possibilities of using means from the Feed Fund for short-term operating credit for agriculture.
Article 10

The Feed Fund

A. The following proposals concerning the administration of the Feed Fund will be submitted to the Parliament.

1. The Feed Fund is to be administered by a board of seven members appointed by the King for the duration of this Agreement. Three members will be appointed upon proposals by the Ministry of Agriculture, two members upon proposal by the Norwegian Farmers' Union and two members by the Norwegian Farmers' and Smallholders' Union. The Chairman is to be appointed by the King.

2. The capital will consist of:

   (a) the balance of the Fund as per 1 July 1958, with the deduction of 30 million kroner to be withheld in the State Grain Corporation as a guarantee for the liability which might arise by an eventual repeal or alteration of the levy scheme;

   (b) the net income of the concentrated feed levy during the agreement period. By net income is to be understood the levies received after deduction for control and administration expenses.

3. The means, for which the Board has got the trusteeship according to Article 9 above, may be lent free of interest by the Board to the agricultural marketing organizations to cover their operating credit for measures of regulation of the market.

4. The remainder of the Fund is to be placed in the treasury at interest. The interest shall be added to the Fund.

5. The expenses incurred by the administration of the Fund will be covered by the Fund.

B. The Board will take its decisions by a majority vote. If one of the members of the Board dissents to a decision, he may appeal to the Ministry of Agriculture, which may cancel the decision if it is not in accordance with the Agreement, when for instance there is reason to believe that the decision will contribute to keep the home market wholesale quotations for the commodity above the yearly average agreed upon. Upon complaint the Ministry may also cancel the decision if, during the past year, the average wholesale quotation for the commodity has been more than 2 per cent above the agreed average for a given commodity group, or more than 1 per cent for the groups cattle meat, sheep, lamb and pork taken as a whole.
Upon complaint, the King may cancel a decision granting contributions or loans if He finds that the decision is incompatible with public interests.

C. The Marketing Board is requested to permit its office to serve as a secretariat for the Board of the Feed Fund, in order to obtain the necessary coordination of the market regulation financed respectively by the means from the Marketing Fund and the Feed Fund.

**Article 11**

The Farm Building Fund

During the agreement period, the Farm Building Fund (buildings for agricultural operations only) will be provided with 20 million kroner yearly, granted out of the treasury.

**Article 12**

Fertilizers

Price reductions for fertilizers will be given according to the prevailing directives and rules. The transport subsidy scheme for fertilizers, lime and silage preservatives will be maintained.

For these purposes 37 million kroner will be used out of the grants mentioned in Article 18,b, with the addition of the yearly levies on fertilizers. The means of the Fertilizer Fund may only be used to regulate the prices and costs of fertilizers.

**Article 13**

Potato Support Scheme

It is proposed that 20 million kroner shall be granted annually during the budget years 1959/60, 1960/61, and 1961/62 (crop years 1958, 1959 and 1960) for the potato support scheme.

The subsidy will be paid according to rules adopted on the basis of proposals given by the Ministry of Agriculture subsequent to consultations with the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union.

**Article 14**

Seeds

The support scheme for seeds to the Mountain Areas and Northern Norway will be maintained according to the prevailing rules. It is proposed that a yearly amount of 1.5 million kroner shall be granted from the treasury during the agreement period.
Article 15

Subsidies for Boilers of Silage Potatoes

It is proposed that a yearly amount of 0.5 million kroner shall be granted from the treasury to subsidize the co-operative boilers of silage potatoes.

Article 16

Subsidies for Silage Constructions

It is proposed that a yearly amount of 3 million kroner shall be granted for silage constructions during the agreement period.

The grants for construction should be given at the rate of 60 per cent of estimated costs, not exceeding, however, 1,500 kroner per holding.

Property and income limits are to be abolished.

Article 17

The Fund for Grain Drying and Storage

It is proposed that during the agreement period the Fund for grain drying and storage shall be provided with 0.5 million kroner per year from the treasury.

Article 18

State Grants

The grants from the Treasury proposed in this Agreement are:

A. For the regulation of prices of milk and milk products, the amounts necessary to give subsidies according to the rules of Article 1,C.

B. For the regulation of prices of concentrated feed, fertilizers, lime and silage preservatives (cf. Articles 7 and 12) 93 million kroner per year from 1 July 1958.

C. For the support by price regulation and support schemes of Norwegian grain by the amounts resulting from the prices and support rates mentioned in Article 6.
D. For the potato support scheme (cf. Article 13) 20 million kroner for each of the budget years 1959/60, 1960/61, and 1961/62.

E. For seed support (cf. Article 14) 1.5 million kroner per year from 1 July 1958.

F. For potato boilers (cf. Article 15) 0.5 million kroner per year from 1 July 1958.

G. For silage constructions (cf. Article 16) 3 million kroner per year from 1 July 1958.

H. To the Fund for grain drying and storage (cf. Article 17) 0.5 million kroner per year from 1 July 1958.

I. To the Fund for farm buildings (cf. Article 11) 20 million kroner per year from 1 July 1958.

**Article 19**

**Adjustment Provisions**

1. (a) The Norwegian Employers' Association and the Labour Union signed a wage agreement on 3 March 1958. Point F, 1(a) of that agreement gives provisions for a re-opening of wage negotiations and a possible readjustment of wages.

   If, upon six months or more after such a readjustment of wages, the index numbers of cost of living as calculated by the Central Bureau of Statistics, have risen or fallen by at least six points in relation to the index numbers which formed the basis for the readjustment, the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union may jointly, in case of an augmentation, and the Ministry of Wage and Price Affairs, in case of a decrease, demand new deliberations on adjustment of the provisions in this Agreement concerning fixed prices, price limits, the use of feed levy means, and other factors influencing prices.

   (b) The provisions of point (a) above will also be effective if upon six months or more after a readjustment in accordance with the rules in point (a) has taken place, the published index numbers are again to rise or fall by at least six points.
2. If the production costs, calculated as below, are to rise or decrease by 50 million kroner or more from 1958/59 to 1959/60 or 1960/61, a reopening may be demanded in March or in April 1959, or March–April 1960, respectively, of the negotiations on adjustments of the fixed prices and other provisions in this Agreement. In the case of a cost rise, the Norwegian Farmers' Union and the Norwegian Farmers' Smallholders' Union jointly have the right to demand this reopening, and in the case of a cost decrease the Ministry of Price and Wage Affairs may demand it. If adjustments have taken place according to a change in costs from 1958/59 to 1959/60, negotiations about adjustments may only be demanded when the change in costs from 1959/60 to 1960/61 is 50 million kroner or more.

The changes of production costs will be calculated on the basis of the Chapters B, 16 - 20 and C, VIII as set up in the last Total Budget for the Agricultural Sector, regard taken of the alterations of the amount of the levy on concentrated feed. The calculations will be made by the Budget Committee for the Agricultural Sector. The cost changes are to be calculated on the basis of quantity-fixed costs in the budgets of 1958/59, 1959/60 and 1960/61, based on the quantities of the first years budget. The price basis of the budget for 1958/59 will be adjusted by the alterations that are directly influenced by this Agreement.

3. If the negotiations provided for in this Article, do not bring about an agreement on adjustments of this Agreement, the Ministry of Price and Wage Affairs on the one side, and the Norwegian Farmers' Union and the Norwegian Farmers' and Smallholders' Union, jointly or separately, on the other side, has the right to terminate this Agreement with one month's notice fourteen days after the end of the negotiations.

**Article 20**

**Entry into Force and Duration**

This Agreement will come into force on 1 July 1958, cf., however, Article 1, A,3. It will be valid until 1 July 1961, cf., however, Article 19. Negotiations on a new agreement shall be taken up before 1 March 1961.

**Article 21**

**The General Agreement**

The General Agreement of 1950 is prolonged for the time of duration of this Agreement.

Oslo, 5 June 1958.

Gunnar Brøthen (signed)
The Ministry of Wage and Price Affairs.

Hellvard Eika (signed)
Norwegian Farmers' Union.

Peder Jacobsen (signed)
Norwegian Farmers' and Smallholders' Union.
Entry in the Minutes

The price negotiators representing the agricultural interests claim that the question of a grass silage support scheme shall be reported on by a special committee appointed by the Ministry of Agriculture. The committee will put forward proposals for its implementation and calculations of the size of expenses, as well as proposals for ways of financing the scheme. The proposal shall be ready early enough to be taken up at the negotiations on a new agreement.